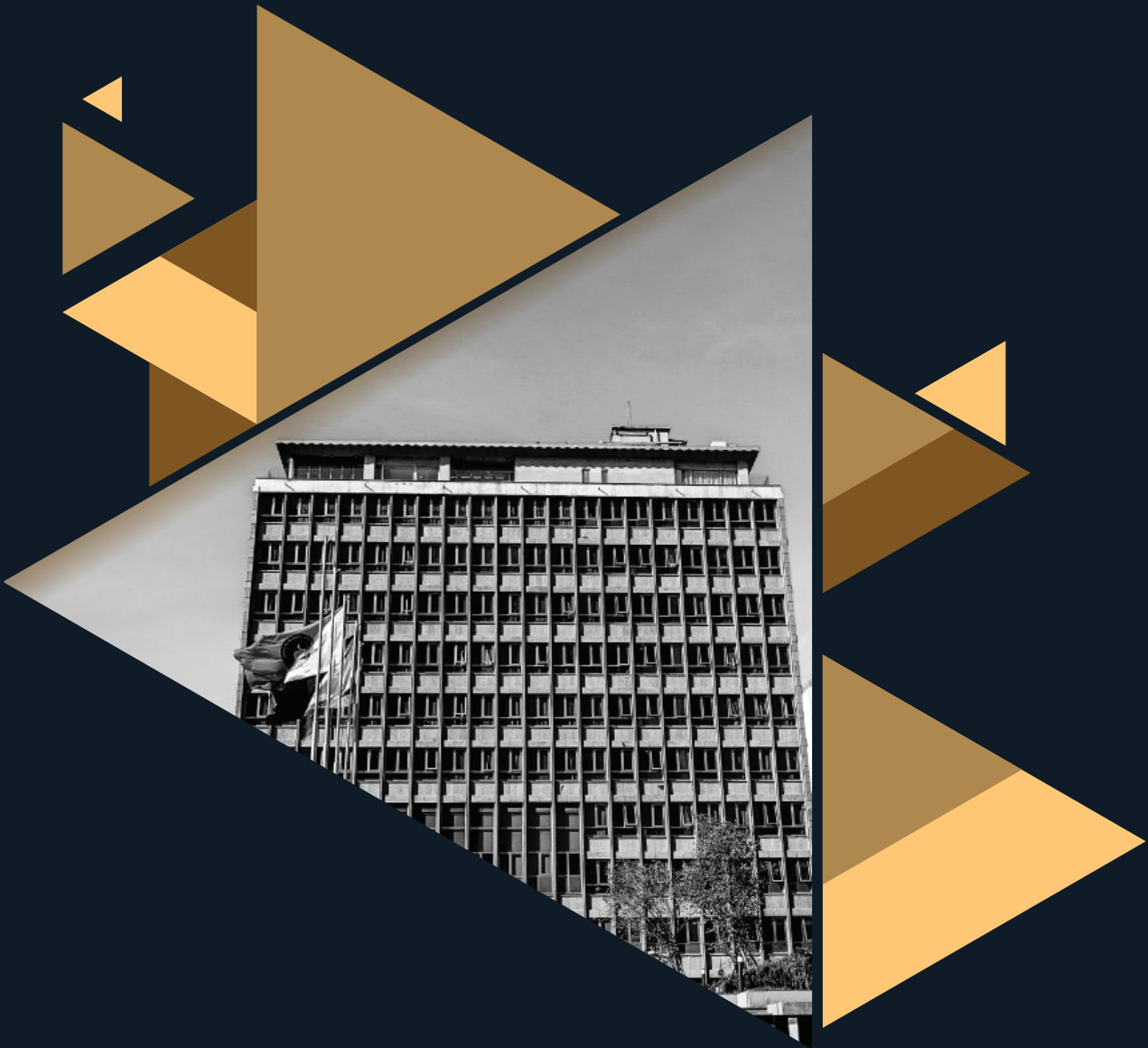




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NATIONAL BANK
OF ETHIOPIA

Prepared by

Domestic Economic Analysis and Publication Directorate
National Bank of Ethiopia

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Ethiopia: Macroeconomic and Social Indicators

Indicators		2015/16 (2008)	2016/17 (2009)	2017/18 (2010)	2018/19 (2011)	2019/20 (2012)	2020/21 (2013)	2021/22 (2014)	2022/23 (2015)	2023/24 (2016)
1. Country Profile										
	Land Area (total, In Sq.Km)	1,14 million	1,14 million	1,14 million	1,14 million	1,14 million	1,14 million	1,14 million	1,14 million	1,14 million
	Arable Land (% of total area)	NA	12.00	13	14.2	14.32	14.41	16.2	16.2	17.3
	Agricultural Irrigated Land (% of totalAgricultural area)	NA	NA	4.0	4.0	4.7	5	6%	6.20%	6.20%
	Population Density (person per sq.km)*	101.00	104.00	106	109	112	115	123	127	132
2. Social Indicators										
	Population total, in millions (Mid-Year population)	91.2	93.4	95.5	97.6	99.75	101.9	104.1	105.7	
	(o/w Urban Poulation, in %)	19.9	20.3	21	22.8	22.8	22.8	22.8	28.2	28.2
	Working Age Population (In Millions)									
	Urban	12.2	12.8	12	13.13	14.03	15.01	16.04	31.1	31.1
	Rural	39.7	40.8	42	43.06	44.28	45.8	46.6	40.4	40.4
	Total	52.0	53.6	56	56.19	58.31	60.81	62.64	61.7	61.7
	Age Dependency Ratio	75.0	75	69	69	69	69	69	62	73
	Life Expectancy at Birth (Male - Female)	60.2-64.2	60.2-64.2	62.4-66.6	62.4-66.6	62.4-66.7	65.5	65.5	65.5	69
	Crude Birth Rate	30.3:1000	30.3:1000	27:1000	27:1000	27:1001	27:1002	27:1003	27:1000	31.8:1000
	Crude Death Rate	7.2:1000	7.2:1000	6	6	6	6:03	6.00	6:30	6.5
	Natural Rate of Population Increase (In %)									
	Total Fertility Rate	2.31	2.31	2	2	2	2	2	2:07	4.6
	People : Hospital Beds	3.94chit:W	3.94chit:W	3.5chit:W	3.5chit:W	3.5chit:W	4.6chit:W	4.6chit:W	4.1	4.6
	People : Physician ¹	2850:1	2980:1	3617:1	1,312	2750	2720	2900	3225: 1 bed	3650:1 Bed
	People : Nurse ¹	14045:1	22766:1	26635:1	10,521:1	9977:1	8448:1	7576	5737	5,843
	Infant Mortality Rate	1999:1	1194:1	1780:1	1620:1	1705	1473	1415	983	999
	Access to Safe Water (In %)	62.4:1000	62.4:1000	53.3:1000	53.3:1000	43.3:1000	47:1001	47:1000	34:1000	47:1000
	Country Level									
	Urban Population	61.0	66.0	71	76	79.3	58.5	58.76	67.1	69.52
	Rural Population	52.5	55.0	60	66	66.5	62.95	71.97	75.7	66.62
	Student-Teacher Ratio	63.1	68.0	74	79	82.7	57.26	59.76	64.5	79.12
	Primary (1-8)	46:1	43.00	43	39	39	34.8	34.6	36.4	35.5
	Secondary (9-12)	26.5:1	43.00	43	22.5	24	27.4	27.7	26.6	22.6
	Technical & Vocational	12.6:1	11.00	26	13.3	13.3	1:11	1:11	1:18	1:17
	Student-School Ratio									
	Primary (1-8)	573:1	580.00	567	628	528	512.7	526.6	517.6	513.3
	Secondary (9-12)	767.2:1	754.00	741	568	940	1017	1063	1009.6	864.9
	Technical & Vocational	523:1	329.00	318	246.8:1	246.6:1	177	158	151.5	172.8

Continued....

Indicators	2015/16 (2008)	2016/17 (2009)	2017/18 (2010)	2018/19 (2011)	2019/20 (2012)	2020/21 (2013)	2021/22 (2014)	2022/23 (2015)	2023/24 (2016)
3. Macroeconomic Indicators									
3.1. Real sector Development²									
GDP at Current Market Price (In Mn. Birr)	1568097.5	1832553.7	2202372.7	2696222.7	3374746.9	4341024.2	6157015.2	8723116.8	11752138.1
Nominal GDP Growth Rate (In %)	17.7	16.9	20.2	22.4	25.2	28.6	41.8	41.7	34.7
Average Marginal Exchange Rate (Birr per USD)	211	22.4	26.1	28.1	31.3	39.0	48.6	53.3	56.0
GDP at Current Market Price (In Mn. USD)	74296.6	81760.4	84355.6	95951.0	107672.6	111261.9	126772.7	163772.9	210000.9
Nominal GDP per Capita (In USD)	814.6	875.8	883.3	983.1	1079.4	1091.7	1217.8	1548.7	1937.0
Real GDP per Capita (In Birr)	17192.4	18393.9	19204.9	20312.7	21144.7	21860.6	22543.2	23664.4	24761.9
Real GDP per Capita Growth Rate (In %)	5.0	7.0	4.4	5.8	4.1	3.4	3.1	5.0	4.6
GDP Deflator (% change)	9.5	6.7	12.5	13.2	18.2	21.8	34.7	32.9	25.5
Real GDP at constant basic price (In Mn. Birr)	1449397.5	1596481.6	1719491.3	1874689.3	1989587.7	2114238.3	2248662.8	2409921.4	2603952.9
Real GDP at constant market price (In Mn. Birr)	1568097.5	1717127.2	1834066.5	1982516.7	2109180.1	2227894.7	2346748.0	2501498.3	2684525.2
Real GDP Growth Rate (In %)	8.0	10.1	7.7	9.0	6.1	6.3	6.4	7.2	8.1
Agriculture & Allied Activities(In Billion Birr)	544.1	580.4	600.9	623.8	650.3	686.4	728.4	774.0	827.9
Industrial Sector (In Billion Birr)	343.9	413.8	464.4	526.2	576.9	618.8	649.2	694.2	758.4
Service Sector(In Billion Birr)	575.9	619.3	673.9	746.7	786.8	836.2	899.8	971.3	1046.1
Agriculture & Allied Activities (% of GDP)	37.2	36.0	34.5	32.9	32.3	32.1	32.0	31.7	31.5
Industrial Sector (% of GDP)	23.5	25.6	26.7	27.8	28.6	28.9	28.5	28.5	28.8
Service Sector (% of GDP)	39.3	38.4	38.7	39.3	39.1	39.0	39.5	39.8	39.7
Private Consumption Expenditure	1042264.6	1219365.9	1441581.1	1848070.0	2360896.0	3134993.8	4764429.0	6882737.9	9422416.4
Government Consumption Expenditure	174598.8	203607.9	225523.2	247362.0	307769.0	383565.3	453263.0	551106.6	650000.0
Investment	585665.0	704596.0	751626.2	948866.0	1037685.0	1216584.9	1560325.0	1933863.0	2409022.1
Exports	122500.8	139830.1	184282.1	213437.0	239229.0	329634.5	507692.0	575061.6	652778.8
Imports	424749.9	430233.2	502112.9	561512.0	571230.0	723391.3	1128171.0	1220461.4	1382079.2
Resource Balance	-302249.0	-290403.0	-317831.0	-348075.0	-329096.0	-394236.0	-620479.0	-645399.8	-729300.4
Gross Private Consumption (% of GDP)	66.5	66.5	65.5	68.5	70.0	72.2	77.4	78.9	80.2
Gross Government Consumption (% of GDP)	11.1	11.1	10.2	9.2	9.1	8.8	7.4	6.3	5.5
Gross Domestic Fixed Investment (% of GDP)	37.3	38.4	34.1	35.2	30.7	28.0	25.3	22.2	20.5
Resource Balance (% of GDP)	(19.3)	(15.8)	(14.4)	(12.9)	(9.8)	-9.08	-10.1	-7.4	-6.2
3.2. Monetary Indicators									
Narrow Money Supply (Ml) (In Mn. Birr)	178,609.66	216,769.62	281,154.66	308,937.13	360,585.50	437,391.97	588,015.82	706,142.20	822,498.60
Broad Money Supply (M2) (In Mn. Birr)	445,266.25	573,384.05	740,572.88	886,752.53	1,037,646.33	1,348,266.15	1,715,310.03	2,170,848.37	2,477,891.90
Net Foreign Assets (In Mn. Birr)	21,524.19	38,034.79	39,376.20	14,506.19	(8,321.31)	(812.32)	(111,427.54)	(160,097.68)	(245,298.39)
Reserve Requirement (CBs)	21,745.43	28,278.91	36,385.76	44,861.74	51,952.51	67,732.40	119,022.60	147,931.40	149,916.90
Interest Rate (In %)									
Minimum Deposit Rate	5.00	5.00	7	7	7	7	7	7	7
Lending Rate	12.75	12.75	13.5	13.5	14.25	14.25	14.25	14.25	14.25
Total Net Domestic Credit (in mn. Birr)	490,230.35	631,092.73	784,621.73	963,699.91	1,176,926.45	1,481,844.43	1,930,621.80	2,444,435.50	2,797,752.10
Government	47,524.36	85,441.85	102,002.83	109,799.21	137,082.91	214,275.16	422,864.02	573,675.72	745,541.10
Other Sectors	442,705.99	545,650.89	682,618.90	853,900.70	1,039,843.53	1,267,569.27	1,507,757.78	1,870,759.78	2,052,211.00

Continued....

Indicators		2015/16 (2008)	2016/17 (2009)	2017/18 (2010)	2018/19 (2011)	2019/20 (2012)	2020/21 (2013)	2021/22 (2014)	2022/23 (2015)	2023/24 (2016)
3.3. Inflation (CPI growth rate) ³	Country Level									
	-General inflation	9.7	7.4	14.60	12.60	19.90	20.20	33.80	32.50	26.60
	-Food inflation	11.2	7.2	13.40	13.10	23.30	23.20	40.30	31.70	28.10
	-Non-Food inflation (core inflation)	8.1	7.5	15.80	11.90	15.80	16.40	25.15	33.90	24.40
	Addis Ababa									
	-General inflation	10.3	2.3	16.5	14.6	18.8	19.5	29.8	37.3	31.20
	-Food inflation	16.6	1.2	8.7	15	25.9	26.2	36.6	35.5	34.10
	-Non-Food inflation (core inflation)	5.8	3.2	22.6	14	13.9	14.4	24.1	39.0	28.60
3.4. External Trade(In Mn.USD)										
	Export of goods & services	6077.3	6257.2	7095.9	7694.9	7715.7	8498.9	10457.7	10855.8	11763.6
	Import of goods & services	20552.1	19714.0	19707.4	20704.8	18828.3	19177.0	23845.0	23430.0	25128.0
	Net trade in goods & services	-14474.7	-13456.9	-12611.4	-13009.9	-11112.6	-10678.0	-13387.3	-12574.2	-13364.4
	Current account balance including official transfers	-6655.1	-6543.2	-5285.0	-4948.0	-4401.9	-3190.7	-5145.1	-4672.9	-5916.9
	Capital account balance	6554.1	6885.3	6184.6	4822.4	4326.5	3785.8	2723.7	3547.3	4128.3
	Overall balance of payments	-830.9	658.6	-201.6	-941.6	-833.4	298.7	-2149.8	-752.0	-1347.9
3.5. Government Finance (In Mn. Birr ⁴)										
	Total Revenue (including grants)	244,819.4	270,214.1	287,562.1	344,936.5	394,965.8	478,888.1	566,753.6	717,586.7	873,126.5
	Total Revenue (excluding grants)	231,805.2	257,737.2	269,648.2	311,317.4	354,312.8	444,582.6	540,060.5	685,459.1	840,094.8
	o/w Tax-Revenue	190,519.7	210,172.5	235,229.5	268,457.4	311,476.5	388,763.5	477,770.3	593,232.1	716,172.2
	Tax-Revenue as % of GDP	12.1	11.5	10.7	10.0	9.2	9.0	7.8	6.8	6.1
	Total Expenditures	280,892.8	329,658.1	354,205.3	413,105.7	488,243.2	599,006.7	779,099.0	938,771.6	1,120,077.3
	Current Expenditures	136,708.7	176,634.6	210,470.2	238,156.6	280,667.0	363,596.9	517,043.4	582,854.6	652,619.7
	Capital Expenditures	144,184.1	153,023.5	143,735.1	174,949.1	207,576.1	235,409.7	262,055.7	355,917.0	467,457.6
	Equity Contribution (Sinking Fund)	-	-	-	-	-	-	-	-	0
	Special Programs	-	-	-	-	-	-	-	-	0
	Total Expenditures as % of GDP	17.9	18.0	16.1	15.4	14.5	13.8	12.7	10.8	9.5
	Current Surplus/Deficit	108,110.7	93,579.4	77,091.9	106,779.9	114,298.8	115,291.2	49,710.3	134,732.1	220,506.9
	Overall Budget Deficit (including grants)	(36,073.4)	(59,444.0)	(66,643.2)	(68,169.2)	(93,277.4)	(120,118.5)	(212,345.4)	(221,184.9)	(246,950.7)
	Deficit as % of GDP	(2.3)	(3.2)	(3.0)	(2.5)	(2.8)	(2.8)	(3.4)	(2.5)	(2.1)
	Overall Budget Deficit (excluding grants)	(49,087.6)	(71,920.9)	(84,557.1)	(101,788.3)	(133,930.4)	(154,424.0)	(239,038.5)	(253,312.4)	(279,982.5)
	Deficit as % of GDP	(3.1)	(3.9)	(3.8)	(3.8)	(4.0)	(3.6)	(3.9)	(2.9)	(2.4)
3.6. Exchange Rate (Birr/ USD)										
	Inter-Bank Forex Market Rate ⁵									
	Average	21,1059	22,4137	26,1082	28,0543	31,3427	39,0163	48,5673	53,2830	55,9623
	* End period	21,8004	23,1081	27,2621	28,9109	34,9822	43,6910	51,9938	54,5943	57,3265

Continued....

Indicators	2015/16 (2008)	2016/17 (2009)	2017/18 (2010)	2018/19 (2011)	2019/20 (2012)	2020/21 (2013)	2021/22 (2014)	2022/23 (2015)	2023/24 (2016)
3.7. Treasury Bill Market (In Mn. Birr)									
T-Bills Demanded (Total)	161,575.24	225,321.24	323,991.24	422,633.54	242,155.09	284,783.55	599,478.63	595,231.34	812,892.09
T-Bills Sold	161,475.24	225,321.24	323,991.24	422,633.54	242,155.09	238,799.55	582,268.63	576,081.34	797,797.09
Average Weighted Yield (in %)	1.438	1.424	1.420	1.741	4.808	7.970	9.459	9.70	9.74
T-Bills Outstanding by holder									
Banks	57,252.56	73,271.56	111,213.56	138,054.36	23,724.00	116,559.95	317,169.59	341,869.53	447,802.85
Non-Banks	-	-	-	650.00	5,604.00	52,040.00	195,432.29	146,568.05	162,259.26
	57,252.56	73,271.56	111,213.56	137,404.36	18,120.00	64,519.95	121,737.30	195,301.48	285,543.59
3.8. Inter Bank Money Market Rate⁵									
3.9. Financial Institutions									
Number of Commercial Banks	17.00	17.00	17.00	17.00	17.00	18.00	30.00	31.00	32.00
(<i>o/w Private banks</i>)	16.00	16.00	16.00	16.00	16.00	17.00	28.00	29.00	30.00
Number of Bank Branches									
Population : Bank Branch	3,301.00	4,257.00	4,757.00	5,564.00	6,511.00	7,344.00	8,944.00	11,281.00	12,278.00
Number of Insurance Companies	27,932.00	22,164.00	20,286.50	17,732.20	15,702.00	13,921.00	11,516.00	9,514.00	8,918.00
(<i>o/w Private Insurance Companies</i>)	17.00	17.00	17.00	17.00	18.00	18.00	18.00	18.00	18.00
Number of Insurance Branches	16.00	16.00	16.00	16.00	17.00	17.00	17.00	17.00	17.00
Population : Insurance Branch	426	492.00	532.00	568.00	605.00	635.00	690.00	741.00	799.00
Number of Development Banks	216,443.00	191,772.00	181,396.00	173,848.00	168,983.00	160,629.92	149,272.50	144,846.00	147,771.93
Population : Development Banks	1.00	1.00	1	1	1	1	1	1	1.00
Number of Development Bank Branches	110	110.00	107	107	93	82	83	83	105.00
Number of Micro-financial Institutions	35.00	35.00	38	38	39	39	43	47	48.00

Source : Ministries of Agriculture, Finance, Health, and Education, National Bank of Ethiopia, Ethiopian Statistical Services, ... etc

Note:-

*population is estimated using component method after 2006/2007

1. Excluding manpower out side the Ministry of Health.
2. The GDP data series is revised on basis of 2015/16 = 100 base year
3. Inflation data is calculated using the new base year (December 2016=100)
4. Figures for government finance are preliminary estimates from 1999/00 onwards.
5. Inter-bank money market was first introduced in Aug.1998 and Inter-bank forex market started as of September 1998, and the daily transactions introduced beginning from october 24, 2001.

*Mid year population was obtained from MoF

GOVERNOR'S NOTE



1. In 2023/24, the Ethiopian economy encountered a range of domestic and global challenges. Domestically, the country faced high inflation, foreign exchange pressures, internal conflict, and adverse climate conditions, including drought in certain regions. On the global front, challenges included the Russia-Ukraine conflict, political tensions in the Middle East, a global economic slowdown, rising international prices for basic commodities, and reduced funding from donors and lenders.
2. Despite these obstacles, the Ethiopian economy has shown impressive resilience, achieving an annual growth rate of 8.1 percent in 2023/24, up from 7.2 percent in 2022/23. This growth not only outpaces the average for Sub-Saharan Africa but also reflects a broad-based improvement across key sectors. The service sector grew by 7.7 percent, the industrial sector by 9.2 percent, and agriculture by 7.0 percent, all of which represent increases compared to the previous year's growth rates of 7.9 percent, 6.9 percent, and 6.3 percent, respectively. This trend indicates a robust economic recovery and diversification, highlighting Ethiopia's potential for sustainable development.
3. The sustained high economic growth over the past 15 years has enabled Ethiopia to improve its per capita income, which reached USD 1,937 in 2023/24. It also resulted in improvement in income inequality, poverty reduction and expansion of critical infrastructure particularly in power and transport sectors. Notably, consumption expenditure was the major driver of domestic demand, accounting for 85.7 percent of GDP in 2023/24. Meanwhile, gross capital formation and domestic savings saw declines, constituting 20.5 percent and 14.3 percent of GDP, respectively.
4. During the fiscal year, NBE implemented various measures aimed at modernizing its policy objectives and tools. A new strategy plan was adopted that gave primacy to NBE's role in maintaining price, external, and financial stability while also targeting improvements in the central bank's internal capabilities and governance.
5. To combat inflation and achieve the target of 20.0 percent by June 2024, NBE has implemented a tight monetary policy stance throughout the fiscal year characterized by several strategic actions. The monetary policy actions includes limiting credit and base money growth to 14 percent; sharply reducing the annual direct advance allocation to Government; and raising interest rates on its emergency lending facility.
6. The monetary policy measures were complemented by fiscal consolidation and sector-specific initiatives designed to boost production and address critical product markets. Specifically, the government budget enacted in July 2023 played a crucial role in curbing inflation by substantially limiting expenditure growth to just 2 percent in nominal terms, resulting in negative growth in real terms, and reducing the deficit relative to GDP. As a result, annual headline inflation fell to 19.9 percent in 2023/24, down from 29.3 percent the previous year. This decline was primarily driven by decreases in both food and non-food components, which dropped by 5.2 percent and 15.6 percent, respectively. Despite a significant slowdown in the annual headline inflation, inflation remained above the single-digit target thereby signifying the need for a continued tight monetary stance.

7. Moreover, on the fiscal side, the government implemented significant measures to limit expenditure growth and reduce the deficit relative to GDP. Furthermore, it extended revenue mobilization and fiscal consolidation efforts that have led to an increase in tax revenue. Consequently, domestic revenue experienced a 21.7 percent annual growth in 2023/24, while general government expenditure rose by 19.3 percent. This led to a budget deficit of 2.1 percent of GDP, an improvement from the 2.5 percent deficit recorded in the previous year.
8. In the external sector, the merchandise trade deficit widened in 2023/24 as the increase in import bills outpaced growth in export receipts. Merchandise exports rose by 4.8 percent, a notable recovery compared to the 11.8 percent decline experienced in the last fiscal year. The increase in export receipts was primarily driven by improvements in the sales of coffee, gold, oilseeds, pulses, electricity, and live animals. Conversely, merchandise imports grew by 7.5 percent due to higher expenditures on capital goods, semi-finished goods, raw materials, and miscellaneous items. The current account deficit, including official transfers, widened as a result of the increasing trade deficit and a decline in net private transfers. However, net services and net official transfers showed positive improvement. The capital account also recorded a surplus increase compared to the previous year, mainly due to the rise in foreign direct investment (13.9 percent).
9. Regarding the foreign exchange market, the NBE continued to use a managed float exchange rate regime. Consequently, the Birr was allowed to depreciate by 5.0 percent in nominal terms against the US Dollar, while the real effective exchange rate appreciated by 23.1 percent due to elevated domestic inflation and the appreciation of the Birr against the currencies of Ethiopia's major trading partners.
10. The NBE issued several regulatory and supervisory directives during the fiscal year to maintain the safety and soundness of the financial sector. Accordingly, the sector has remained stable and resilient in terms of key financial soundness indicators. In 2023/24, bank branch expansion at a strong pace, raising the number of bank branches to 12,278 from 11,281 a year ago. Their deposit mobilization also went by 15.3 percent to reach Birr 2.5 trillion. Similarly, their loan collection grew by 13.2 percent while loan disbursement declined by 15.7 percent. The sector's non-performing loan ratio remained within the required limit of 5 percent. Additionally, insurance companies, microfinance institutions, and capital goods finance companies expanded their outreach by increasing their networks and products. Consequently, financial intermediation and access to finance, as well as financial inclusion have significantly improved during the review fiscal year.
11. Looking forward, the Ethiopian economy is expected to maintain a robust growth trajectory in 2024/25 and beyond, supported by ongoing reform efforts and an improving macroeconomic environment. Downside risks include domestic inflationary pressure, and instability in some parts of the country that may limit the growth potential. Risks related to global economic conditions, such as geopolitical tensions, economic fragmentation, rising public debt, and commodity price fluctuations, could also pose challenges to the domestic economy. To mitigate these headwinds, the NBE is committed to further modernizing its monetary policy framework, supporting digitization, enhancing competition, enforcing sound financial system, and expanding financial inclusion.
12. In closing, I would like to commend the NBE management and staffs for their commitment and hard work in realizing the strategic objectives of the Bank during the review fiscal year, and I call upon them for their continued support to achieve our common objective of ensuring the wellbeing and prosperity of Ethiopia in the next year and beyond.



Mammo Esmelealem Mihretu
Governor



OVERALL ECONOMIC PERFORMANCE

I. THE OVERALL ECONOMIC PERFORMANCE

1.1 Economic Growth

The Ethiopian economy continued to grow with annual average growth rate of 7.9 percent from 2014/15 to 2023/24. During the fiscal year 2023/24, the economy registered 8.1 percent growth compared to 3.6 percent growth forecast for Sub-Saharan African countries (WEO, October 2024). This growth was attributed to service (38.1 percent), industry (33.1 percent) and agriculture (27.8 percent) sectors. The nominal GDP per capita went up to USD 1,937 in 2023/24 from USD 1,549 in the preceding year, signifying a 25.1 percent annual increase while real per capita GDP marginally rose by 0.3 percent to reach USD 429.2.

The Ethiopian economy is projected to grow by 8.4 percent in 2024/25 performance improvement in (MoPD, 2024) compared with 4.2 percent forecast for Sub-Saharan African countries (WEO, October 2024).

Table 1.1: Sectorial Contributions to GDP and GDP Growth

(In Billions of Birr)

Items		Year							
		2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Sector	Agriculture	580.4	600.8	623.8	650.3	686.4	728.4	774.0	827.9
	Industry	414.7	467.5	526.2	576.9	618.8	649.2	694.2	758.4
	Services	619.3	671.8	747.3	786.9	836.2	899.8	971.3	1046.1
Total		1,614.3	1,740.1	1897.4	2,014.1	2,141.5	2,277.5	2,439.5	2,632.4
Less FISIM		17.0	19.8	21.0	24.5	27.2	28.8	29.6	28.4
Real GDP		1,596.5	1,719.5	1,874.7	1,989.6	2,114.2	2,248.7	2,409.9	2,604.0
Growth in Real GDP		10.1	7.7	9.0	6.1	6.3	6.4	7.2	8.1
Per capita GDP (USD) (Nominal)		876	883	985	1,080	1,092	1,218	1,549	1,937
Growth in per capita GDP		7.5	0.9	11.6	9.6	1.1	11.6	27.1	25.1
Mid-year population (in millions)		93.4	95.5	97.6	99.7	101.9	104.1	105.7	108.4
Share in GDP (in %)	Agriculture	36.3	34.9	33.3	32.7	32.5	32.4	32.1	31.8
	Industry	25.9	27.0	28.1	29.0	29.3	28.9	28.8	29.1
	Services	38.8	39.2	39.8	39.5	39.6	40.0	40.3	40.2
Agriculture	Real Growth rate	6.7	3.5	3.8	4.3	5.6	6.1	6.3	7.0
	Contribution to real GDP growth	2.5	1.3	1.3	1.4	1.8	2.0	2.0	2.2
	Growth contribution in percent	24.6	16.4	14.7	22.8	29.0	31.2	28.2	27.8
Industry	Real Growth rate	20.6	12.7	12.6	9.6	7.3	4.9	6.9	9.2
	Contribution to real GDP growth	4.8	3.3	3.4	2.6	2.1	1.4	2.0	2.7
	Growth contribution in percent	47.3	42.5	37.5	42.4	33.6	22.6	27.9	33.1
Services	Real Growth rate	7.5	8.5	11.0	5.3	6.3	7.6	7.9	7.7
	Contribution to real GDP growth	3.0	3.3	4.3	2.1	2.4	3.0	3.1	3.1
	Growth contribution in percent	29.3	42.3	48.2	34.0	39.1	46.7	43.8	38.1

Source: Ministry of Planning and Development (MoPD)

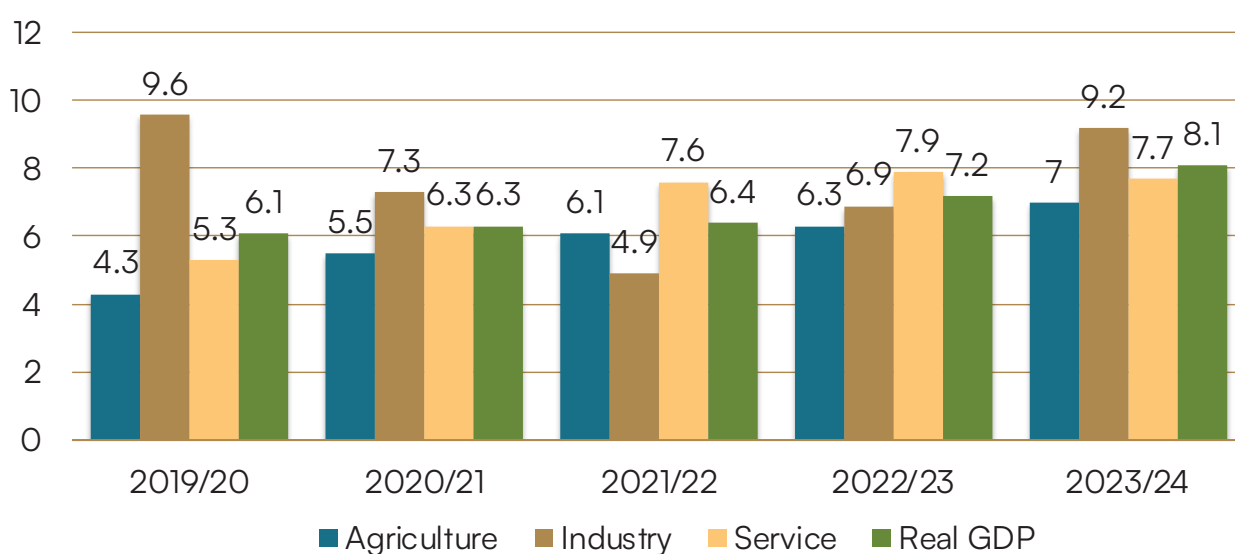
1.2 GDP by Sector

The agricultural sector showed moderate growth of 7.0 percent in 2023/24 mainly due to 7.8 percent expansion in crop production which accounted for 66.7 percent of total agricultural production (Table 1.3). The share of agriculture in GDP slightly dropped to 31.8 in 2023/24 from 32.1 percent a year ago (Table 1.1).

Likewise, the industrial sector registered 9.2 percent annual growth and contributed 33.1 percent to the overall economic growth. Manufacturing, with an 8.4 percent expansion, contributed about 21.2 percent share to industrial output and 7 percent to real GDP growth during the review period.

The construction sector contributed around 23 percent to GDP and 70.1 percent to industrial sector. On the other hand, the service sector had a 40.2 percent share in the overall economy and it registered a 7.7 percent annual growth. Its contribution to the GDP growth was 38.1 percent. Whole sale and retail trade had the larger share; constituting about 14.6 percent of the economy followed by transport & communications (5.9 percent), real estates, renting & business activities (4.7 percent), public administration & defense (3.9 percent), financial intermediation (3.5 percent), hotels & restaurants (2.5 percent), education (1.9 percent) and health & social work (1.4 percent).

Fig.I.1: GDP Growth by Major Sectors



Source: Ministry of planning and development (MoPD)

Table 1.2: Growth and Percentage Distribution of Major Agricultural, Industrial and Service Sub-sectors

	Sectors	2019/20	2020/21	2021/22	2022/23	2023/24
Growth rate	Crop	4.7	5.7	6.9	7.1	7.8
	Animal Farming and Hunting	3.3	5.8	4.6	4.4	5.3
	Forestry	3.9	4.0	4.3	4.0	4.2
	Fishing	2.8	1.7	21.9	38.6	29.6
Share in Agriculture	Crop	65.0	65.1	65.6	66.1	66.7
	Animal Farming and Hunting	25.9	26.0	25.6	25.2	24.8
	Forestry	8.8	8.6	8.5	8.3	8.1
	Fishing	0.3	0.2	0.3	0.4	0.4
Growth rate	Mining and Quarrying	91.4	115.4	6.1	-7.1	18.4
	Manufacturing	7.5	5.1	4.8	7.0	8.4
	Electricity and Water	7.2	9.2	6.0	13.2	18.0
	Construction	9.9	6.6	4.9	7.1	9.0
Share in Industry	Mining and Quarrying	0.9	1.8	1.8	1.6	1.7
	Manufacturing	23.9	23.4	23.4	23.4	23.2
	Electricity and Water	2.6	2.7	2.7	2.9	3.1
	Construction	72.6	72.2	72.2	72.2	72.1
Growth rate	Wholesale and Retail Trade	6.4	6.3	7.9	7.6	7.8
	Hotels and Restaurants	2.2	2.6	8.0	10.3	9.1
	Transport and Communications	1.2	7.0	9.8	12.0	11.4
	Real Estate, Renting and Business Activities	9.5	8.9	9.0	9.1	8.8
	Public Administration and Defense	2.3	4.9	4.5	4.0	4.9
	Others*	6.4	6.2	6.5	6.5	5.3
Share in Service	Wholesale and Retail Trade	36.3	36.3	36.4	36.3	36.3
	Hotels and Restaurants	6.3	6.0	6.1	6.2	6.3
	Transport and Communications	13.4	13.5	13.8	14.3	14.8
	Real Estate, Renting and Business Activities	11.1	11.4	11.5	11.7	11.8
	Public Administration and Defense	10.9	10.7	10.4	10.0	9.8

Source: Ministry of Planning and Development (MoPD)

* Includes: financial intermediation, education, health and social work, private households with employed persons and other community, social and personal services.

1.3 GDP by Expenditure Components

The total consumption expenditure (public and private) as a percent of GDP marginally increased to 85.7 percent in 2023/24 from 85.2 percent in the preceding year. The growth was mainly attributed to 1.3 percentage point rise in private consumption expenditure, despite the 0.8 percentage point decline in government consumption expenditure. On the other hand, gross domestic saving saw a 0.5 percentage point decline and reached 14.3 percent of GDP.

Likewise, the ratios of gross capital formation to GDP and government consumption to GDP during the review period dropped by 1.7 and 0.8 percentage points respectively. Similarly, the domestic absorption to GDP ratio declined by 1.2 percentage point vis-à-vis last fiscal year and reached 106.7 percent of GDP.

Table 1.3: Expenditure on GDP and Gross Domestic Savings

(As Percentage of GDP)

Year	Domestic Absorption	Consumption Expenditure			Gross Capital Formation	Resource Balance	Exports of Goods & Services	Imports of Goods & Services	Gross Domestic Savings
		Total	Govt.	Pvt.					
2011/12	116.4	80.4	9.5	71.0	36.0	(17.4)	13.4	30.8	19.6
2012/13	115.2	82.2	10.2	71.9	33.0	(16.1)	12.2	28.2	17.8
2013/14	116.2	79.3	10.6	68.8	36.8	(17.0)	11.3	28.4	20.7
2014/15	116.1	77.9	10.3	67.6	38.2	(20.4)	9.1	29.5	22.1
2015/16	115.0	77.6	11.1	66.5	37.3	(19.3)	7.8	27.1	22.4
2016/17	116.1	77.6	11.1	66.5	38.4	(15.8)	7.6	23.5	22.4
2017/18	109.8	75.7	10.2	65.5	34.1	(14.4)	8.4	22.8	24.3
2018/19	112.9	77.7	9.2	68.5	35.2	(12.9)	7.9	20.8	22.3
2019/20	109.8	79.2	9.1	70.0	30.6	(9.8)	7.1	16.9	20.8
2020/21	109.1	81.1	8.8	72.2	28.0	(9.1)	7.6	16.7	18.9
2021/22	110.1	84.8	7.4	77.4	25.3	(10.1)	8.2	18.4	15.2
2022/23	107.4	85.2	6.3	78.9	22.2	(7.4)	6.6	14.0	14.8
2023/24	106.2	85.7	5.5	80.2	20.5	(6.2)	5.6	11.8	14.3
Average 2019/20-2023/24	108.5	83.2	7.4	75.8	25.3	-8.5	7.0	15.5	16.8
Average 2014/15-2023/24	111.2	80.3	8.9	71.3	31.0	-12.5	7.6	20.1	19.7

Source: Ministry of Planning and Development (MoPD)

1.4 Micro and Small-Scale Enterprises

282,193 new micro and small scale enterprises (MSEs) were established during 2023/24. These enterprises created employment opportunities for about 2.6 million people and acquired about Birr 17 billion in loans for their operations.

Table: 1.4: Numbers, Amount of Credit and Jobs Created through MSEs

(Credit in Millions of Birr)

Particulars	2021/22	2022/23	2023/24
No. of MSE's	160,099	208,667	282,193
Amount of credit	9,444.2	10,557	17,029
No of Total employment	2,009,140	4,467,023	2,568,340

Source: Federal Urban Job Creation and Food Security Agency (FeUJCFSA)

Table: 1.5: Numbers, Amount of Credit and Jobs Created through MSEs by Region

(Credit in Millions of Birr)

	Addis Ababa	Afar	Amhara	Benishangul Gumuz	Dire Dawa Sidama	Gambela	Harari	Oromia	Central Ethiopia	South Ethiopia	Sidama	Somali	Southwest Ethiopia	Tigray	Total
No. of MSEs	5,910	705	28,365	1,543	759	1,638	665	176,921	11,483	11,048	5,119	4,343	4,918	28,776	282,193
Amount of credit	2,829	86	2,421	23	646	10	16	5,543	387	559	252	1,156	140	2,961	17,029
No. of Employment created by MSEs	24,983	12,781	279,888	11,775	2,409	4,663	2,528	1,952,570	78,042	87,099	22,700	28,078	26,534	34,290	2,568,340

Regional Percentage Share															
No. of MSEs	2.1	0.2	10.1	0.5	0.3	0.6	0.2	62.7	4.1	3.9	1.8	1.5	1.7	10.2	100
Amount of credit	16.6	0.5	14.2	0.1	3.8	0.1	0.1	32.5	2.3	3.3	1.5	6.8	0.8	17.4	100
No. of Employment created by MSEs	1.0	0.5	10.9	0.5	0.1	0.2	0.1	76.0	3.0	3.4	0.9	1.1	1.0	1.3	100

Source: Federal Urban Jobs Creation and Food Security Agency

In terms of regional distribution, 62.7 percent of the newly established MSEs were located in Oromia followed by Tigray (10.2 percent), Amhara (10.1 percent), Central Ethiopia region (4.1 percent), South Ethiopia region (3.9 percent), Addis Ababa (2.1 percent), Sidama (1.8 percent), South west Ethiopia (1.7 percent), Somali (1.5 percent) and other regions (1.9 percent). With respect to total loans, SMEs in Oromia received 32.5 percent, Tigray 17.4 percent, Addis Ababa 16.6 percent, Amhara 14.2 percent, Somali 6.8 percent; Dire Dawa 3.8 percent, South Ethiopia region 3.3 percent, Sidama 1.5 percent and other regions 1.6 percent. Of the total jobs created by these enterprises, about 76 percent was in Oromia, 10.9 percent in Amhara, 3.4 percent in southern Ethiopia region, 3 percent in central Ethiopia region, 1.3 percent in Tigray and 1.1 percent in Somali; Addis Ababa and South West Ethiopia region 1 percent each.

Fig.I.2: Annual Distribution of Numbers of MSEs during 2023/24

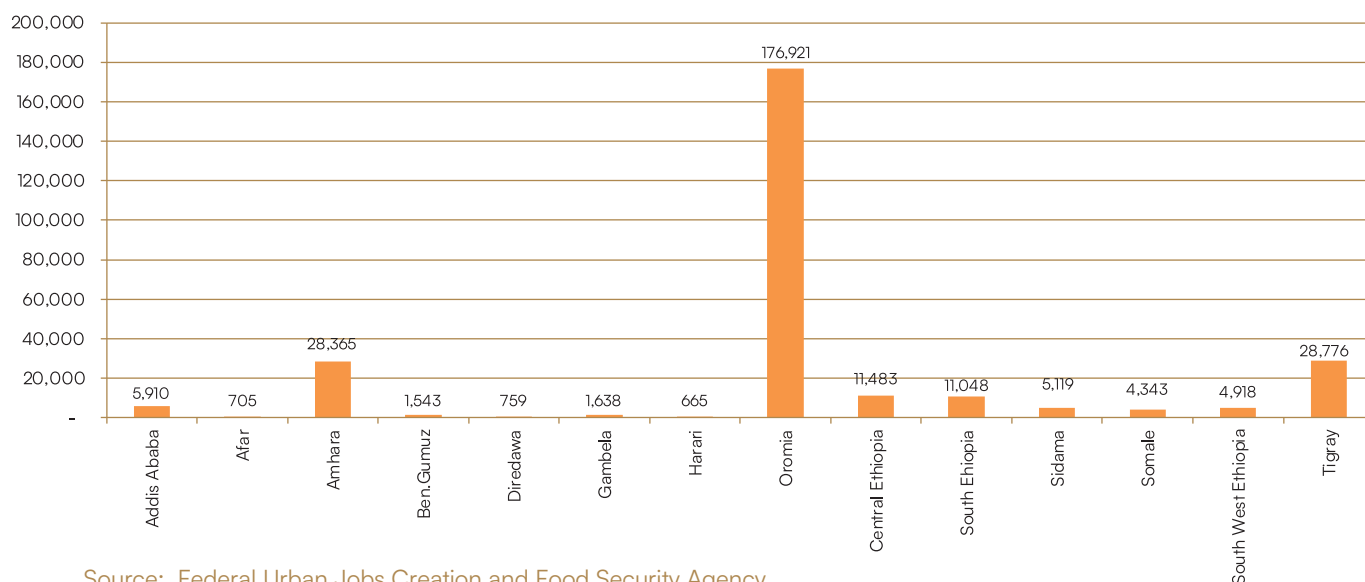


Fig.I.3: Annual Distribution of Amount of Credit to MSEs during 2023/24

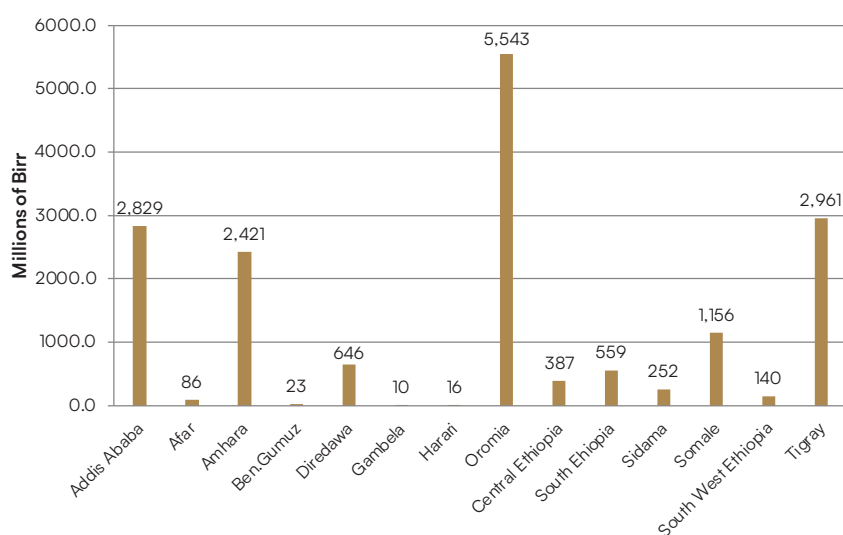
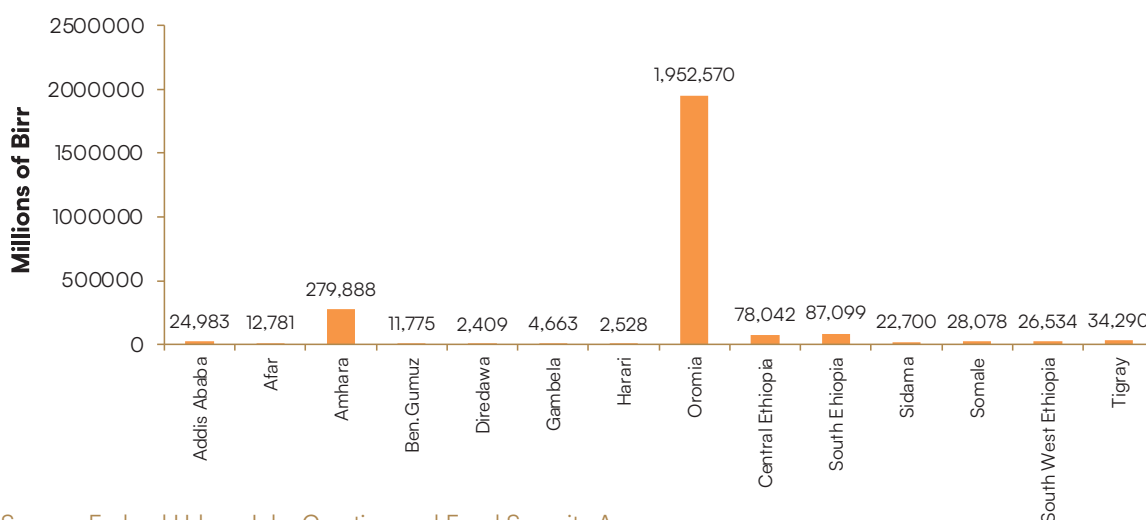


Fig.I.4: Annual Distribution of Employment Created by MSEs during 2023/24

Source: Federal Urban Jobs Creation and Food Security Agency

1.5 Access to Water Supply

The proportion of population with access to potable water supply improved by 2.4 percentage point to reach 69.5 percent (66.6 percent for rural and 79.1 percent for urban population); relative to 67.1 percent (64.5 percent rural and 75.7 percent urban people) a year ago (Table 1.7).

In terms of access to potable water, Oromia registered 87.4 percent followed by Gambella (83.9 percent), Amhara (75.1 percent), Benishangul Gumuz (69.4 percent), Dire Dawa (61 percent), Sidama (60.4 percent), Addis Ababa (57 percent), Afar (54.7 percent), Central Ethiopia (53.4 percent), Southern Ethiopia (52 percent), Somali (47.4 percent), South West Ethiopia (42.8 percent) and Harari (40 percent).

Regarding access to potable water in urban areas, Oromia had 89.4 percent share followed by Gambella (75.6 percent), Amhara (75.1 percent), Benshangul Gumuz (72.1 percent), Sidama (66.7 percent), Central Ethiopia region (63.3 percent), Southern Ethiopia region (62 percent), South West Ethiopia (59 percent), Addis Ababa (57 percent), Afar (55.1 percent), Somali (51.4 percent), Dire Dawa (45 percent) and Harari (26 percent).

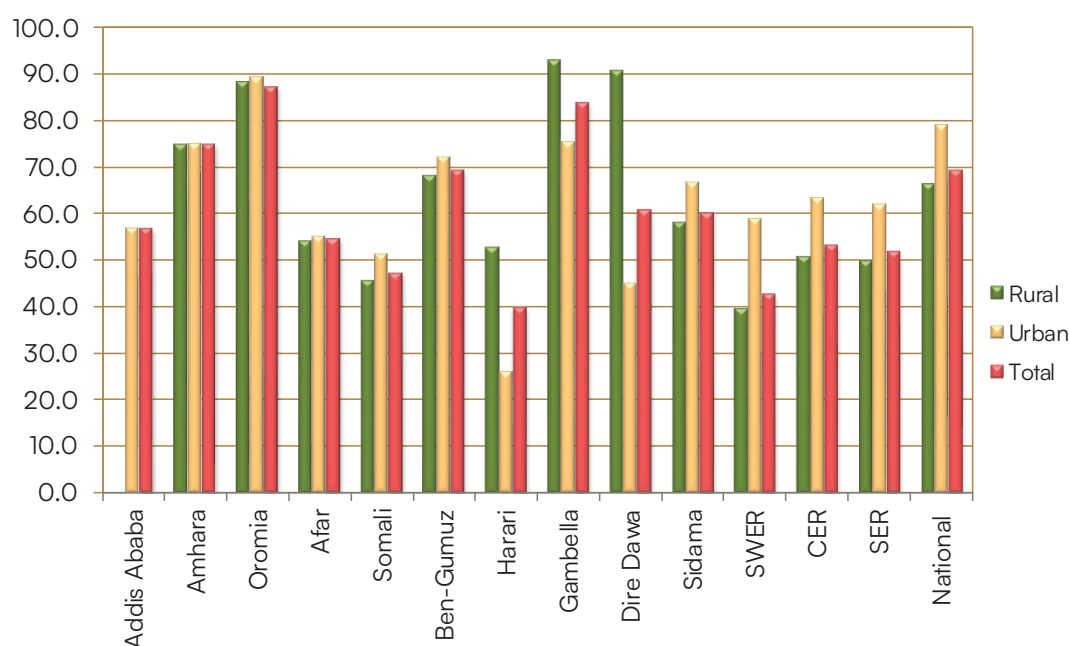
In terms of access to potable water in rural areas, Gambella registered the highest (93.2 percent) followed by Dire Dawa (91 percent), Oromia (88.5 percent), Amhara (75.1 percent), Benishangul Gumuz (68.4 percent), Sidama (58.4 percent), Afar (54.2 percent), Harari (53 percent), Central Ethiopia (51 percent), Southern Ethiopia (50 percent), Somali (45.7 percent) and South West Ethiopia (39.7 percent) (Table 1.7).

Table 1.6: Percentages of People with Access to Potable Water by Region

Regions	2022/23			2023/24			Change in percentage point		
	Rural	Urban	Total	Rural	Urban	Total			
	A	B	C	D	E	F	D-A	E-B	F-C
Tigray	-	-	-	-	-	-	-	-	-
Afar	52.3	62.7	50.8	54.2	55.1	54.7	1.9	-7.6	3.9
Amhara	73.9	72.2	73.6	75.1	75.1	75.1	1.2	2.9	1.4
Oromia	87.9	88.3	86.7	88.5	89.4	87.4	0.7	1.1	0.7
Somali	41.5	47.9	43.4	45.7	51.4	47.4	4.2	3.5	4.0
B.Gumuz	65.1	62.9	64.6	68.4	72.1	69.4	3.3	9.1	4.8
Gambella	86.2	63.2	76.7	93.2	75.6	83.9	7.0	12.4	7.2
Harari	63	24.0	44.0	53.0	26.0	40.0	-10.0	2.0	-4.0
D. Dawa	78	68	77	91.0	45.0	61.0	13.0	-23.0	-16.0
Sidama	54.26	62.4	55.3	58.4	66.7	60.4	4.1	4.3	5.1
Southwest Ethiopia	38.7	46.0	39.8	39.7	59.0	42.8	-	-	-
Central Ethiopia	-	-	-	51.0	63.3	53.4	-	-	-
South Ethiopia	-	-	-	50.0	62.0	52.0	-	-	-
AA	-	55.0	55.0	-	57.0	57.0	-	2.0	2.0
Total	64.5	75.7	67.1	66.6	79.1	69.5	2.1	3.4	2.4

Source: Ministry of Water, Irrigation and Energy and NBE Staff Computation¹

Fig.1.5: Access to water supply by Region 2023/24 (in %)



Source: Ministry of Water, Irrigation and Energy; and NBE Staff Computation

¹This result has been computed based on 2nd water supply inventory

1.6 Road Sector Development

1.6.1 Road Network

Road transport is the dominant and crucial mode of transport in Ethiopia. Hence, road transport network has improved over the last decades which facilitated accessibility and mobility of agricultural and industrial products.

In 2023/24, total road network reached 171,176 Km, which depicted a 3.2 percent annual expansion. The country's total road network consisted of 66,288 Km (38.7 percent) woreda road, 39,891 Km (23.3 percent) urban road, 34,174 Km (20 percent) rural road and 30,823 Km (18 percent) federal road. The Federal roads included 18,754 Km (60.8 percent) asphalt network and 12,069 Km (39.2 percent) gravel road.

Total asphalt road accounted for about 11.0 percent of the total road network.

Table 1.7: Classification of Road Network

(Length in km)

Year	Federal Road				Rural Roads		Woreda Roads *		Urban Roads			Total**	
	Asphalt		Gravel		Length	Growth rate	Length	Growth rate	Paved	Coble	Unpaved	Length	Growth rate
	Length	Growth rate	Length	Growth rate					Length	Length	Length		
2010/11	8,295	11.0	14,136	-1.6	30,712	14.0	854	-99.1	NA	NA	NA	53,997	10.7
2011/12	9,875	19.0	14,675	3.8	31,550	2.7	6,983	717.7	NA	NA	NA	63,083	16.8
2012/13	11,301	14.4	14,455	-1.5	32,582	3.3	27,628	295.6	NA	NA	NA	85,966	36.3
2013/14	12,640	11.8	14,217	-1.6	33,609	3.2	39,056	41.4	NA	NA	NA	99,522	15.8
2014/15	13,551	7.2	14,055	-1.1	30,641	-8.8	46,810	19.9	1,693	850	2,814	110,414	10.9
2015/16	14,632	8.0	13,400	-4.7	31,620	3.2	48,057	2.7	1,693	NA	3,664	113,066	2.4
2016/17	15,886	8.6	12,813	-4.4	33,367	5.5	52,748	9.8	1,693	2,814	3,664	122,985	8.8
2017/18	15,886	-	12,813	-	35,985	7.8	56,732	7.6	1,693	2,814	850	126,773	3.1
2018/19	15,886	-	12,813	-	35,806	-0.5	55,808	-1.6	1,914	5,200	15,583	143,010	12.8
2019/20	15,886	-	12,813	-	35,806	0.0	55,808	-	1,734	5,798	16,182	144,028	0.7
2020/21	16,225	2.1	12,491	-2.5	38,547	7.7	59,604	6.8	1,771	6,568	20,624	155,830	8.2
2021/22	16,760	3.3	12,231	-2.1	39,840	3.4	62,430	4.7	1,824	7,046	21,903	162,034	4.0
2022/23	18,621	11.1	12,144	-0.7	32,859	-17.5	64,567	3.4	1,805	7,206	28,661	165,862	2.4
2023/24	18,754	0.7	12,069	-0.6	34,174	4.0	66,288	2.7	2,448	7,492	29,950	171,176	3.2

Source: Ethiopian Roads Authority

* Includes community road, which was replaced by Woreda Road and registered as new road in 2010/11

** Total road length does not include community road length till 2010/11 as it is non-engineered road; but it includes Woreda road.

1.6.2 Road Density

The proper level of road network is assessed by road density as measured by road length per 1,000 persons or by road length per 1,000 km².

At the end of 2023/24, road density per 1,000 square Km was 149.1 km depicting a 3.2 percent improvement over the previous year.

Meanwhile, road density per 1,000 population reached 1.44 km sharing a 2.1 percent annual improvement (Table 1.9).

Table 1.8: Road Densities

Year	Road Density /1000 person	Road density /1000 sq. km
2010/11	0.65	48.3
2011/12	0.75	57.3
2012/13	1.00	78.2
2013/14	1.10	90.5
2014/15	1.20	100.4
2015/16	1.23	102.8
2016/17	1.30	109.2
2017/18	1.30	115.2
2018/19	1.43	130.9
2019/20	1.41	131.3
2020/21	1.42	135.8
2021/22	1.43	141.0
2022/23	1.41	144.5
2023/24	1.44	149.1
Growth rate	2.13	3.2

Source: Ethiopian Roads Authority

1.6.3 Road Accessibility

Annual average distance from all-weather roads increased by 7.3 percent from 4.1 Km in 2022/23 to 4.4 Km 2023/24. Similarly, the proportion of area more than 5 km from all-weather roads went up to 32 percent from 29.8 percent a year ago (Table 1.10).

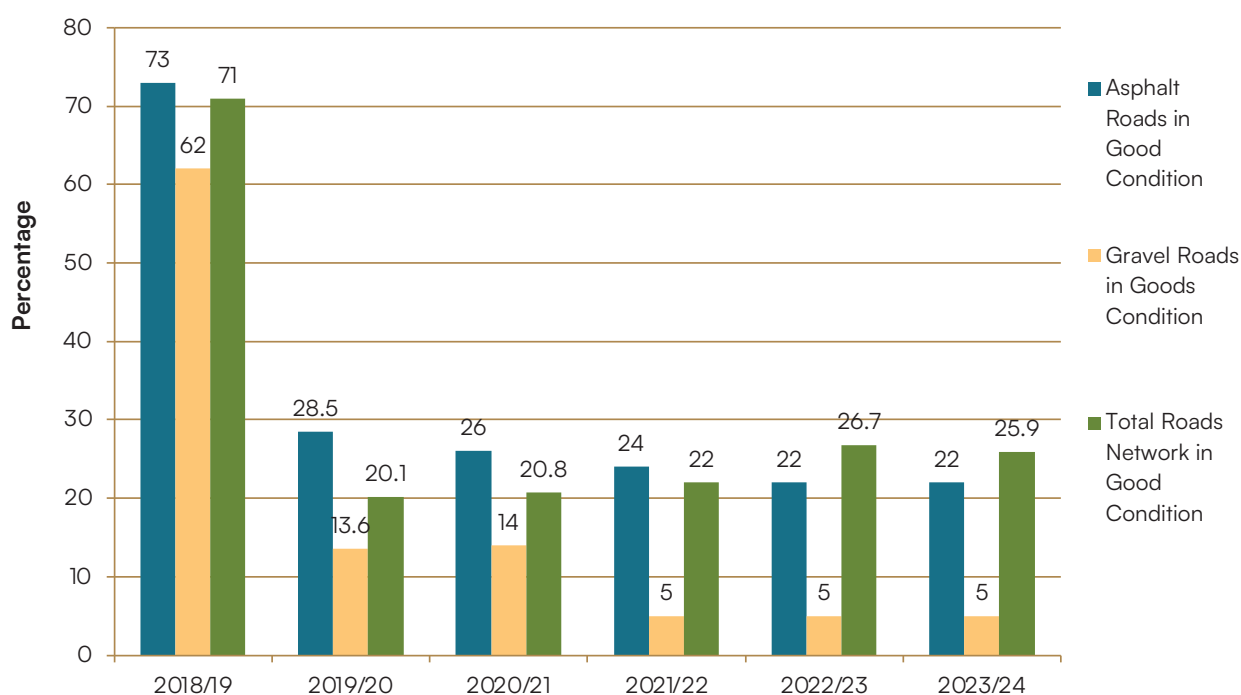
Regarding, the status of road transport network about 22 percent of the asphalt road and 5 percent of the gravel road were in good condition (Figure 1.6).

Table 1.9: Road Accessibility

Indicator	2022/23	2023/24	Percentage change
Proportion of area more than 5Km from all-weather road	29.8	32.0	7.4
Average distance from all-weather roads	4.1	4.4	7.3

Source: Ethiopian Roads Authority

Fig.I.6: Status of Roads



Source: Ethiopian Roads Authority

1.6.4 Road Sector Financing

During the review period, total investment in road construction and expansion increased by 18.4 percent to Birr 82.5 billion from Birr 69.7 billion a year ago (Table 1.11 and fig.I.7).

Investment in Federal road construction and expansion constituted 79.3 percent of the total road investment capital (Birr 65.4 billion), while regional roads accounted for 10.9 percent followed by woreda road (5.3 percent) and urban road (4.4 percent) (Table 1.11) and (Fig.1.7).

Table 1.10: Investments in the Road Sector

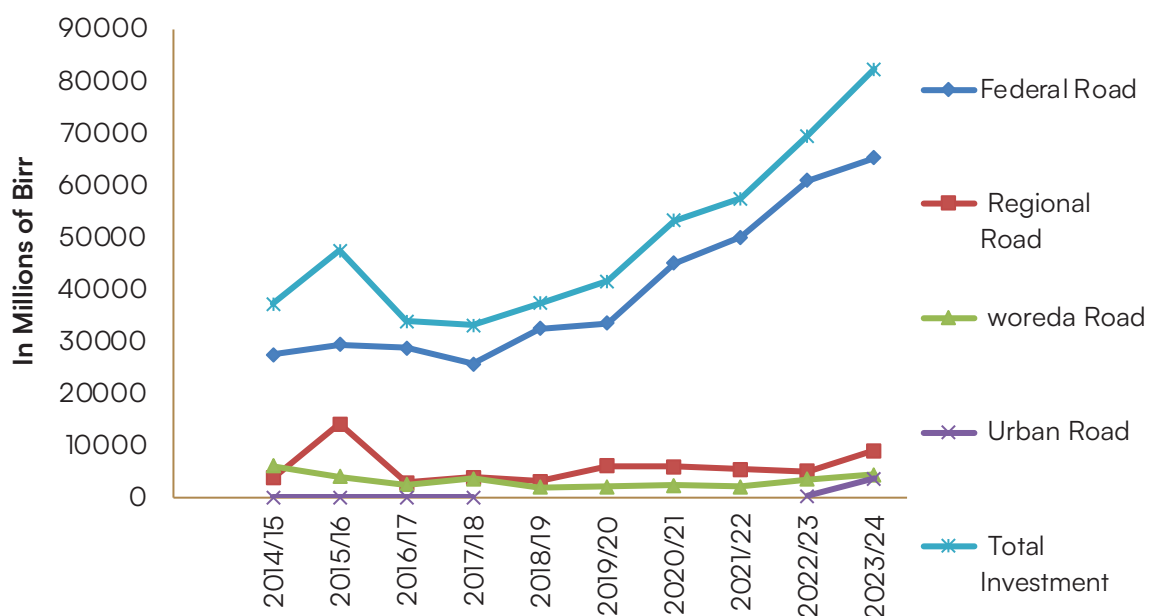
(In Billions of Birr)

Road type	2022/23		2023/24		Percentage change
	A	Share (In %)	B	Share (In %)	
Federal roads	60,966	87.5	65,407	79.3	7.3
Regional road	4,963	7.1	9,025	10.9	81.9
Woreda road	3,512	5.0	4,400	5.3	25.3
Urban road*	217	0.3	3,633	4.4	1,571.1
Total	69,657	100	82,465	100	18.4

Source: Ethiopian Roads Authority

* All municipalities' maintenance.

Fig.1.7 Investment in Road Construction and Expansion



Source: Ethiopian Roads Authority

1.7 Developments in Education Sector

The education sector has showed improvement in terms of coverage during the last few years. The sector has the objective of ensuring effective, quality and equitable education and training system to produce efficient, effective and innovative citizens.

Primary and middle school (grades 1-8) enrolments during 2023/24 marginally increased to 19.2 million from 19.1 million in the previous fiscal year; due to the marginal increase in gross enrolment ratio of grade (G1-6) and middle level (G7-8) by 0.7 and 2 percentage point respectively. During the review period, the number of primary schools reached 37,310 from 37,051 of the preceding year with additional establishment of 259 new schools. Of the total number of primary schools, 29,189 (78.2 percent) were located in rural areas and 8,121 (21.8 percent) in urban centers.

On the other hand, secondary education enrolment went down by 13.7 percent relative to the preceding year and reached to 3.3 million. By the end of 2023/24 the number of secondary schools reached 3,762 exhibiting a slight increment over the previous year.

The enrolment in technical & vocational education and training (TVET) during the fiscal year was 240,975 depicting 12.9 percent increase relative to the previous year. During the fiscal year the number of TVET institutions run by both government and non-government ownership was 1,394.

The share of education expenditure from the annual government expenditure in 2023/24 was 19.7 percent which was 0.9 percentage point lower than the preceding year.

Table 1.11: Education Sector Data

Indicators	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	2010	2011	2012	2013	2014	2015	2016
Number of primary schools (urban, rural) & including others	36,437	37,039	37,742	35,980	36,492	37,051	37,310
i Urban	5,504	5,799	5,305	3,612	5,692	8,646	8,121
ii. Rural	30,933	31,188	31,586	30,038	30,800	28,405	29,189
Number of secondary schools (urban, rural) & including others	3,589	3,739	3,687	3,481	3,636	3,733	3,762
i. Urban	2,171	2,247	1,938	1,379	2,027	2,436	1,308
ii. Rural	1,418	1,490	1,525	1,770	1,609	1,297	2,454
No of TVET centers (public, private, mission)	919	1,567	1,568	1,602	1,870	1,408	1,394
Number of tertiary level institutions (public, private)	177	227	329	332	332	332	429
Universities	49	50	55	56	53	53	53
Participation of women in higher education institutions (%)	34.1	35.5	39.7	45.5	45.5	42	
Primary enrolment (in millions)	20.7	20.04	20.4	18.4	19.2	19.1	19.2
Secondary enrolment (in thousands)	2,666	2,820	3,466	3,540	3,867	3,769	3,254
TVET enrolment	292,378	317,727	386,811	283,968	283,968	213,385	240,975
Middle school (Grade 7-8) enrolment ratio (%)				NA	68.6	65.9	67.9
a. Girls' gross enrolment ratio (%)				43	70	66.6	67
b. Boys' gross enrolment ratio (%)				40	67.1	65.1	68.8
Gross primary (Grade 1-6) enrolment ratio (%)				102.6	105.9	105.4	106.1
a. Girls' gross enrolment ratio (%)				107.8	111	110.0	109.9
b. Boys' gross enrolment ratio (%)				97.3	100.7	100.6	102.2

Indicators	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	2010	2011	2012	2013	2014	2015	2016
Primary net enrolment rate (%)	100.05	94.7	95.3	86.4	92.6	94.1	NA
No. of students registered in the primary schools (1-6) (in millions)	13.5	12.7	12.8	15.3	16.6	NA	NA
No. of students registered in the middle schools (7-8) (in millions)	7.2	7.3	7.6	3.1	3.2	NA	NA
Number of students registered in the secondary schools (9-12) (in millions)	2.1	2.2	2.3	3.5	3.8	3.7	3.7
Completion rate of primary School (%)	57.7	62.1	71	69.8	63.8	71.4	60.2
Girls/boys ratio in primary schools (%)	88.1	88.1	88.6	89.1	89.8	72.6	91.6
Girls/boys ratio in secondary schools (%)	86.4	84.7	85	92.2	94.4	70.2	100.9
Girls/boys ratio in TVET (%)	103.4	81.8	50.5	49.5	49.5	51.6	51.8
Girls/boys ratio in higher education (%)	51.8	52.1	53	54	54	42.5	39
Grade 1-8(primary) repetition rates (%)	5.3	4.1	5	4	3	2.9	4.4
Primary school dropout rate (%)	11.1	17.5	13.9	14.5	13.4	15.8	17.4
1 st grade dropout rate (%)	19.5	25	22	25.8	14.8	21	20.9

Pupil to teacher ratio

i. Grade (1-8)	43	39	39	34.8	34.6	36.4	35.5
ii. Grade (9-12)	26	22.5	24	27.4	27.7	26.6	22.6
iii. TEVT	15	13.3	13.3	1:11	1:11	1:18	1:17
iv. In higher education	17	20.3	30:1	30:1	28:1	1:18	1:9

Pupil to Section Ratio

i. Grade (1-8)	56	53	52.5	43.7	53.5	50.1	50.1
ii. Grade (9-12)	56	49.7	64.3	47.5	77.9	60.2	60.9

Indicators	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	2010	2011	2012	2013	2014	2015	2016
Number of classrooms in primary schools	380,979	502,738	379,601	422,139	359,250	382,842	364,778
Pupil to Textbook Ratio							
i. Grade (1-8)	4.1	4	4	NB	5.1	NB	NB
ii. Grade (9-12)	12	10.9	9	7.9	6.3	NB	6
Pupil to School Ratio							
i. Grade (1-8)	628	628	528	512.7	526.6	517.6	513.3
ii. Grade (9-12)	568		940	1017	1063.6	1009.6	864.9
iii. TEVT	318	246.8	246.6	177.2	158	151.5	172.8
Proportion of pupils starting grade 1 who reach grade 5(%)	53	53	54	NA	NA	NA	NA
Percentage of female enrolled in undergraduate degree (%)	36	37	37.8	37.5	38.3	30	39.9
Percentage of female graduated in under-graduate degree (%)	33.2	35.8	NA	38	38.3	30	36.8
Percentage of female enrolled in post-graduate degree	16.6	18.1	10	20.2	22.7	25.7	29.5
Percentage of female graduated in post- graduate degree	17.6	20	NA	24.7	22.7	22.7	27.5
Annual education share of the national expenditure (%)	25	24.9	24.9	23.6	21.7	20.6	19.7

Note:

- The previous classification of Primary Education in Ethiopia which consists grades (1 to 8), and was implemented in two cycles, Primary 1st cycle (Grades 1-4), and Primary 2nd cycle (Grades 5-8). Based on the new Education Road Map, since 2020/21, the classification system has been changed to Primary education (Grades 1-6) and Middle school (Grades 7-8).
- The report does not include data of Tigray region.

1.8 Telecommunication

Telecommunication is the prime engine to support the 2020 (E.C.) Ethiopian Digital Transformation Strategy and harness technology to drive economic growth. Expansion of infrastructure development such as telecommunication would have a significant impact on attracting investment, creating market opportunities, enhancing competitiveness and boosting regional economic integration.

Cognizant of this fact, the Ethiopian government has made major investment for improving service quality, expansion of service coverage and enhancing institutional capacity in the telecom sector. As a result, Ethio-telecom has set ambitious targets to enhance customer acquisition, customer satisfaction and provision of quality services to customers.

In 2023/24, total number of subscribers reached 78.3 million with a 8.9 percent annual expansion. This was attributed to 8.8 percent increase in mobile voice and 22.8 percent increase in internet & data subscribers. On the other hand, 3.7 percent decline is observed in fixed voice service subscriber.

Of the total subscriber, mobile voice accounted for a lion's share of 75.6 million (96.5 percent) followed by internet & data 1.9 million or 2.5 percent) and fixed voice service (822 thousand or 1 percent) (Table 1.13).

Table 1.12: Number of Subscribers (In 000')

Service Type	2022/23	2023/24	Percentage Change
Total subscriber	71,922	78,342	8.9
Mobile voice subscriber	69,500	75,594	8.8
Internet and data subscriber	1,569	1,927	22.8
Fixed voice service subscriber	854	822	-3.7
Internet and data user	33,897	41,193	21.5
Mobile voice	69,500	75,594	8.8
Residential	68,478	74,599	8.9
Enterprises	1,020	994	-2.5
Broad band & internet subscriber	1,222	1,535	25.6
Residential	926	1,186	28.1
Enterprises	296	349	17.9
Narrow band data & internet subscriber	347	392	13.0
Residential	0.2	-	-
Enterprises	347	392	13.0
Fixed voice	854	822	-3.7
Residential	491	464	-5.5
Enterprises	363	357	-1.7
Broad band data & internet user	33,435	40,801	22.0
Broad band data Residential	32,197	40,001	24.2
Broad band data enterprise	1,239	800	-35.4
Narrow data & internet user	461	393	-14.8
Narrow band residential	0.4	-	-
Narrow band enterprise	461	392	-15.0

Source: Ethio-Telecom

Note: Total subscriber base doesn't include internet and data user.

The country's telecommunication penetration rate (telecom density) increased from 66.2 percent in 2022/23 to 71 percent in 2023/24 as a result of improvement in mobile density to 69.6 percent compared to 65.4 percent in the previous year. At the same time, internet and data density rose to 37.4 percent from 31.5 percent a year ago. On the contrary, fixed line density went down to 0.7 per 100 subscribers relative to the 0.8 per 100 subscribers a year ago (Table 1.14).

Table 1.13: Telecom Density

Tele density/100 Subscribers*	2020/21	2021/22	2022/23	2023/24
Fixed line	0.9	0.8	0.8	0.7
Mobile	52.9	62	65.4	69.6
Total	54.8	62.8	66.2	71.0
Internet and data	24.3	24.8	31.5	37.4

Source: Ethio-Telecom

*Tele-density is mobile plus fixed telephone subscribers per 100 inhabitants

The income of Ethio-telecom increased 26.2 percent to Birr 95.7 billion in 2023/24 vis-à-vis Birr 75.8 billion registered a year ago. At same time, its total expenses rose to Birr 57.5 billion depicting a 35.8 percent annual increment.

Consequently, Ethio-telecom earned a gross profit of Birr 29.8 billion in 2023/24 that was 3.8 percent higher than the previous year (Table 1.16).

Table 1.14: Financial Performance and Asset of Ethio-Telecom

(In Billions of Birr)

Finance and Asset	2021/22	2022/23	2023/24	Percentage Change	
	A	B	C	C/A	C/B
Income	62.2	75.8	95.7	53.8	26.2
Expense	31.9	42.3	57.5	80.3	35.8
Gross Profit	30.3	28.7	29.8	-1.7	3.8
Assets	40.2	143.3	156.2	288.6	9.0
Depreciation	6.4	6.2	8.4	30.6	34.6

Source: Ethio — telecom



ENERGY PRODUCTION

II. ENERGY PRODUCTION

2.1 Electric Power Generation

Ethiopia has a huge potential for renewable electric power generation from hydro, wind, solar and geothermal sources. Hydro remains the predominant energy source though it is vulnerable to the effects of climatic changes. According to the Ethiopian Electric Power (EEP), the country has an estimated hydro-power potential of 45,000 MW, a geothermal (10,000 MW) and wind farm (1.3 million MW).

Ethiopia has set an ambition to fully meet the domestic energy demand through renewable energy. To achieve this objective, the government has been implementing various renewable energy projects such as the Grand Ethiopian Renaissance Dam (GERD), wind farms, bio-mass sources, and geothermal plants.

In 2023/24, the total amount of electric power generated was about 20.6 billion KWH, about 16.3 percent higher than the previous year. 19.87 billion KWH (96.5 percent) of the electric power was generated from hydropower, 3.3 percent from wind and 0.2 percent from bio-mass sources (Table 2.1). About 684.7 million KWH wind energy was produced from Adama I (51 MW), Adama II (153 MW), Ashegoda (120 MW), and Ayisha II wind farms. In addition, a process was underway to undertake the construction of Ayisha I (300 MW) wind power project.

Ethiopia is also identified to possess a promising potential for solar energy due to its geographical location near the equator. In its bid to become a major power exporter and green economy in East Africa, the country has been building several geothermal power plants which are expected to contribute towards enhancing Ethiopia's economic growth and to its bid to become a carbon-neutral middle income economy.

Table 2.1: Electric Power Generation in Interconnected System

(in kilowatts hour)

Source	2021/22		2022/23		2023/24		Percentage Change	
	[A]	Share (In %)	[B]	Share (In %)	[C]	Share (In %)	[C/A]	[C/B]
Hydro Power	14,914,367.2	96.2	17,126,115.6	96.7	19,868,434.9	96.5	33.2	16.0
Thermal Power	-	-	-	-	-	-	-	-
Geothermal	-	-	-	-	-	-	-	-
Wind	560,562.1	3.6	575,617.1	3.3	684,651.1	3.3	22.1	18.9
Biomass	29,149.8	0.2	6,575.0	0.0	41,123.8	0.2	41.1	525.5
Total	15,504,079.1	100	17,708,307.7	100	20,594,209.8	100	32.8	16.3

Source: Ethiopian Electric Power

2.2 Volume and Value of Petroleum Imports

In 2023/24, the Ethiopian Petroleum Enterprise imported about 3.8 million metric tons of petroleum products worth Birr 197.5 billion which was 3.1 percent lower than that of the previous year due to slowdown the combined effect of the reduction in international oil price in import volume. The volume of imported gas oil (accounting for 60.7 percent of total petroleum import) declined by 7.2 percent. On the other hand, the total volume of jet fuel, fuel oil and regular gasoline imports increased. In terms of value import of these petroleum products (fuel oil, jet fuel and regular gasoline) rose while that of gas oil declined (Table 2.2).

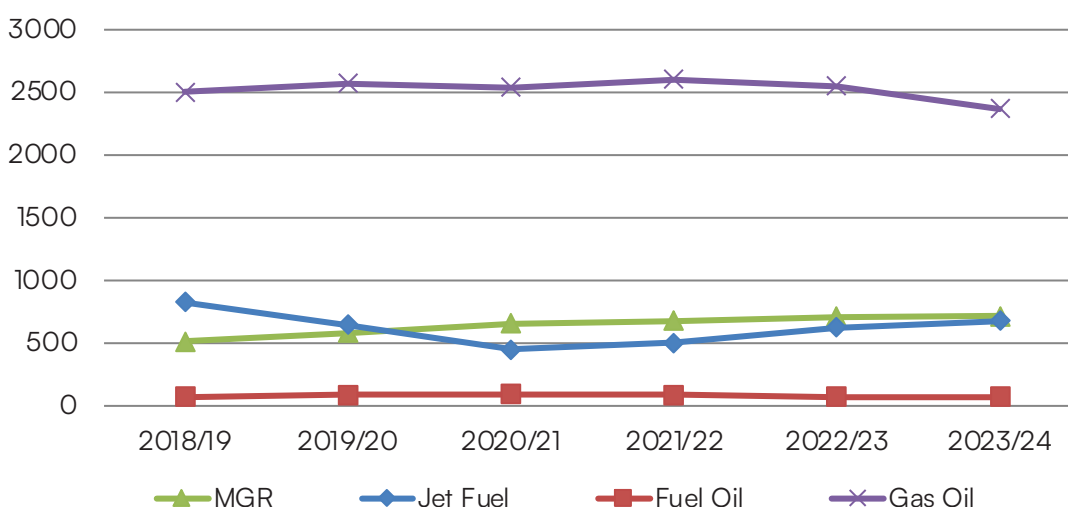
Table 2.2 Volume and Value of Petroleum Imports

(Volume in MT and Value in '000 Birr)

Petroleum Products	2022/23		2023/24		Percentage Change	
	Volume	Value	Volume	Value		
	A	B	C	D	C/A	D/B
Regular Gasoline (MGR)	706,499.4	37,906,113.5	708,569.7	39,841,056.0	0.3	5.1
Jet Fuel	621,715.4	31,711,252.4	672,561.0	35,283,000.2	8.2	11.3
Fuel Oil	65,442.0	1,885,446.0	69,380.6	2,455,560.3	6.0	30.2
Gas Oil (ADO)	2,546,849.9	132,302,935.2	2,362,773.6	119,875,256.5	-7.2	-9.4
Total	3,940,506.7	203,805,747.0	3,813,284.9	197,454,873.1	-3.2	-3.1

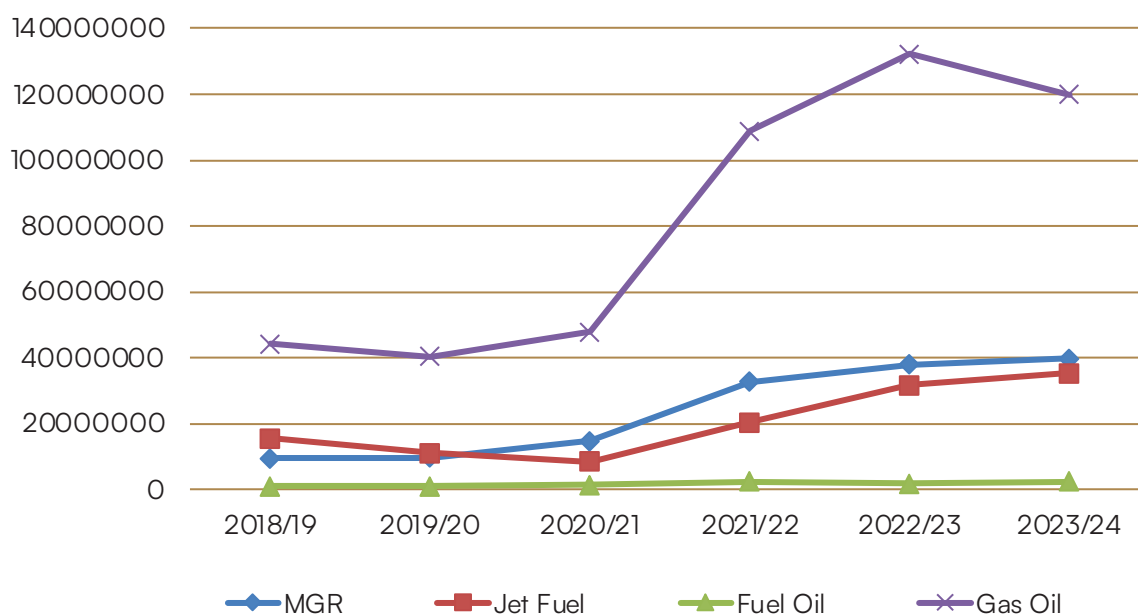
Source: Ethiopian Petroleum Enterprise

Fig.II.1: Trends in Volume of Petroleum Imports (In MT)



Source: Ethiopian Petroleum Enterprise

Fig.II.2: Trends in Value of Petroleum Imports (In '000')



Source: Ethiopian Petroleum Enterprise

Following the lifting up of fuel subsidy, domestic retail prices were adjusted upwards despite the reduction in international oil price. Accordingly, retail prices of regular gasoline rose 27.9 percent followed by gas oil and kerosene (23.6 percent each) and fuel oil (17.6 percent) while jet fuel price declined (7.4 percent) (Table 2.3).

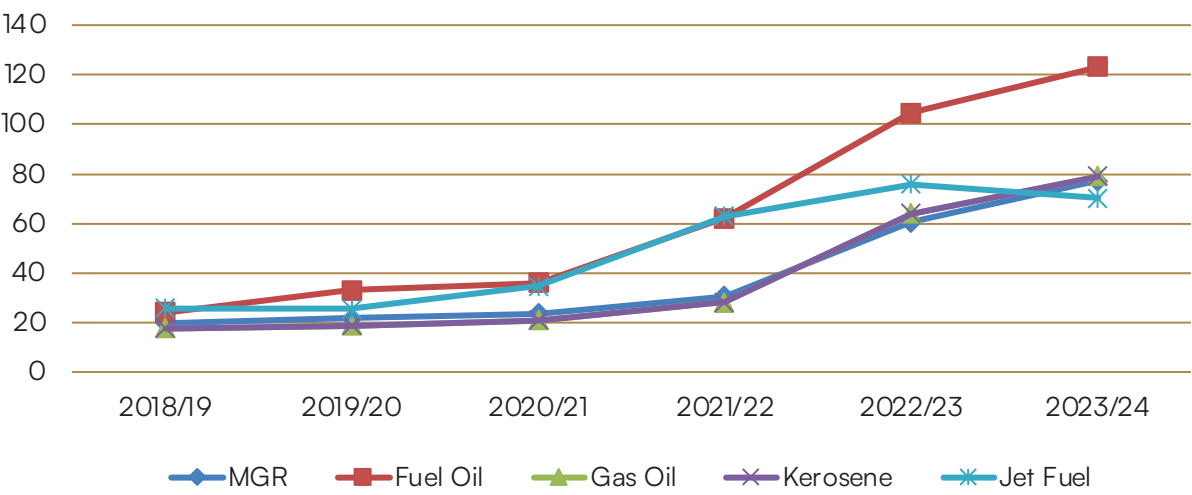
Table 2.3: Annual Retail Prices of Petroleum Products in Addis Ababa

(Birr/liter)

Year	Quarter	Regular Gasoline (MGR)	Fuel Oil	Gas Oil	Kerosene	Jet fuel
	Qtr.1	25.86	40.05	23.18	23.18	47.76
	Qtr.2	29.78	44.70	27.02	27.02	56.43
	Qtr.3	31.74	68.33	28.94	28.94	68.29
	Qtr.4	35.16	95.81	33.27	33.27	79.46
	Average	30.64	62.22	28.10	28.10	62.99
2021/22	Qtr.1	50.90	105.47	52.65	52.65	94.03
	Qtr.2	59.88	100.74	64.83	64.83	73.41
	Qtr.3	61.29	98.37	67.30	67.30	70.60
	Qtr.4	69.52	114.60	71.15	71.15	65.35
	Average	60.40	104.79	63.98	63.98	75.85
2022/23	Qtr.1	74.01	120.47	75.75	75.75	68.33
	Qtr.2	77.65	123.52	79.75	79.75	70.83
	Qtr.3	77.65	123.52	79.75	79.75	70.83
	Qtr.4	79.64	125.58	81.08	81.08	70.83
	Average	77.24	123.27	79.08	79.08	70.21
	Annual percentage change	27.88	17.63	23.60	23.60	-7.44

Source: Ethiopian Petroleum Enterprise

Fig.II.3: Trends in Average Fuel Price in Addis Ababa



Source: Ethiopian Petroleum Enterprise



PRICE DEVELOPMENTS

III. PRICE DEVELOPMENTS

3.1 Developments in Consumer Price at National Level

In 2023/24, the annual average headline inflation rate dropped to 26.6 percent from 32.5 percent a year ago. Food inflation contributed 16.7 percent and non-food inflation 9.9 percent to the annualized average headline inflation. The slowdown was attributed to 3.6 percentage point decline in annual average food inflation and 9.5 percentage point drop in average annual non-food inflation (Table 3.2).

The underlying reasons for the fall in food inflation was the decrease in the inflation rate of meat (12.2 percentage points), 'fish & sea food' (116.4 percentage points), 'milk, cheese and egg' (19.5 percentage points), 'oils & fats' (40.4 percentage points), fruits (27.8 percentage points) and non-alcoholic beverages by (35.3 percentage points) (Table 3.3).

Bread & cereals contributed the highest (14.4 percent) to the 28.1 percent annualized average inflation rate. Meanwhile, the decline in annualized average non-food inflation rate was mainly attributed to the fall in inflation rate of 'clothing and foot wear' (25.1 percentage points), 'furniture & household equipment' (28.8 percentage points), restaurant and hotels (14.6 percentage points) and 'recreation & culture' (49.4 percentage points). 'Housing, water, electricity, gas & fuels' were the major absolute contributors (8.9 percent) to the 24.4 percent average annual non-food inflation in 2023/24 (Table 3.4).

Year-on-year, general inflation declined to 19.9 percent from 29.3 percent a year ago on account of 15.6 percentage points decrease in non-food inflation and 5.2 percentage points in food inflation. Food inflation contributed 13.5 percent and non-food inflation 6.4 percent to its absolute growth (Table 3.1).

Table 3.1: National Annual Year-on Year Inflation Rates

(in %)

Inflations	Weight (in %)	2022/23	2023/24	Change (in %age Points)	Contribution in % to annual inflation	
		A	B	B-A	Absolute	Relative
General	100	29.3	19.9	-9.4	19.9	100
Food and Non-alcoholic Beverages	54	28.0	22.7	-5.2	13.5	67.9
Non-Food	46	31.4	15.8	-15.6	6.4	32.1

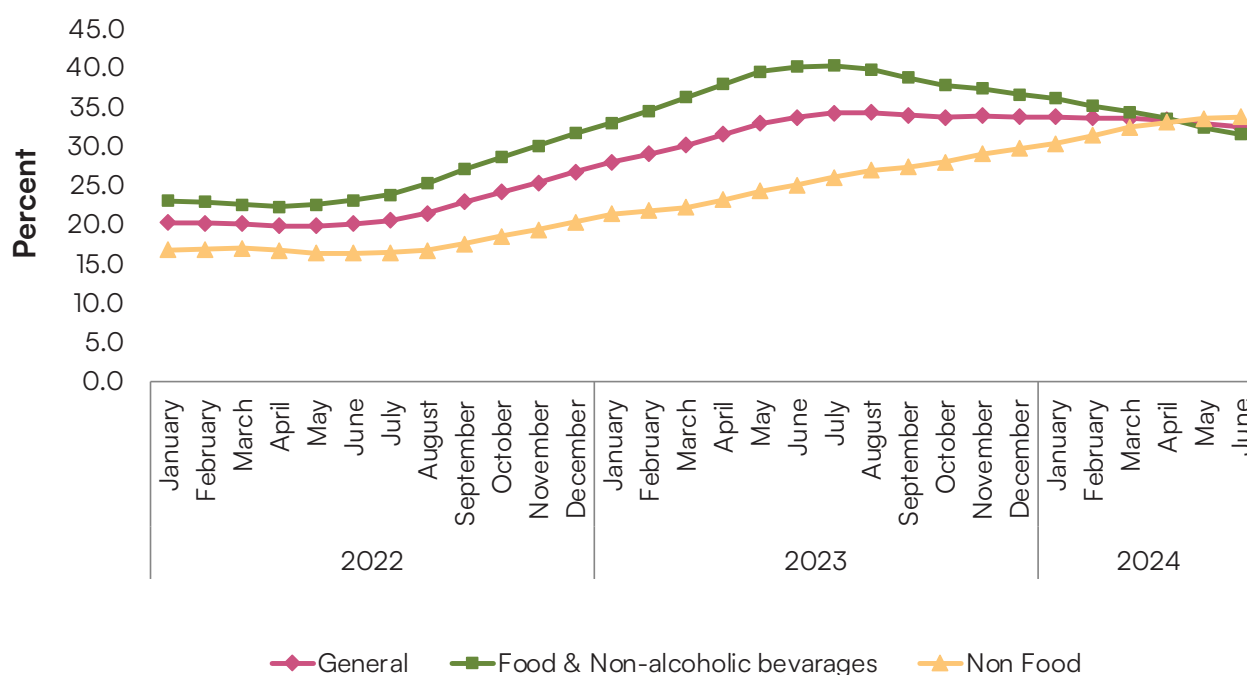
Source: Ethiopian Statistical Service (ESS)

Table 3.2: National Annual Average Inflation Rates

Inflations	Weight (in %)	2022/23	2023/24	Change (in %age Points)	Contribution(in%) to annual average inflation	
		A	B	B-A	Absolute	Relative
General	100.0	32.5	26.6	-6.0	26.6	100
Food and Non-alcoholic Beverages	54.0	31.7	28.1	-3.6	16.7	62.9
Non-Food	46.0	33.9	24.4	-9.5	9.9	37.3

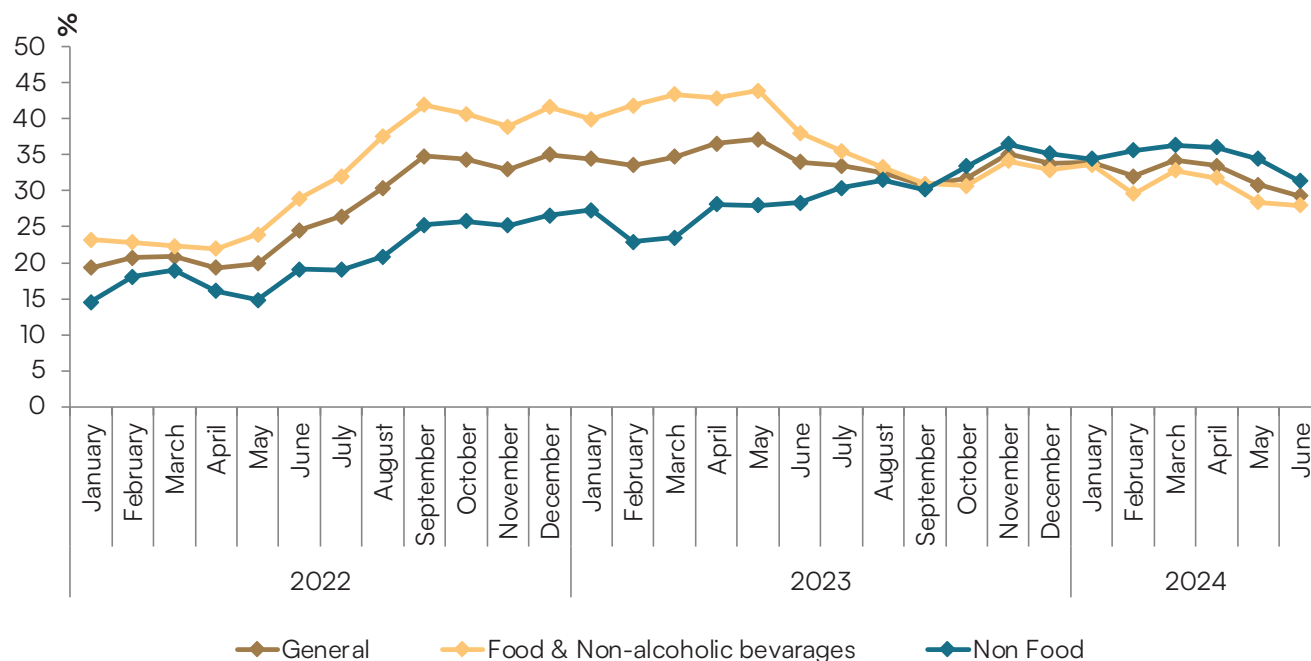
Source: Ethiopian Statistical Service (ESS)

Fig.III.1: Developments in Average National Inflation Rates



Source: Ethiopian Statistical Service (ESS)

Fig.III.2: Development in Annual Year-on-Year National Inflation Rate



Source: Ethiopian Statistical Service (ESS)

Table 3.3: Average Annual Inflation of Food & Non-alcoholic Beverages

December 2016=100

Inflations	Weights (in %)	2022/23	2023/24	Change in %age points B-A	Contribution(in%) to Annual Average Inflation	
		A	B		Absolute	Relative
Food and Non-alcoholic Beverages	0.54	31.7	28.1	-3.6	28.1	100
Bread and Cereals	0.17	30.8	38.5	7.6	14.4	51.2
Meat	0.04	39.7	27.5	-12.2	2.2	7.7
Fish and Sea food	0.00	107.7	-8.7	-116.4	0.0	0.0
Milk, cheese and egg	0.03	41.5	22.0	-19.5	1.2	4.4
Oils & Fats	0.04	43.5	3.0	-40.4	0.3	0.9
Fruit	0.00	45.2	17.4	-27.8	0.1	0.3
Vegetables	0.12	30.1	40.4	10.3	8.3	29.4
Sugar jam, honey, chocolate	0.01	33.6	34.2	0.7	0.5	1.6
Food products n.e.c	0.06	14.1	13.8	-0.3	1.3	4.7
Non-alcoholic beverages	0.05	34.7	-0.6	-35.3	-0.1	-0.2

Table 3.4: Average Annual Inflation of Non-food by Component

December 2016=100

Inflations	Weights (in %)	2022/23	2023/24	Change in %age points	Contribution(in%) to Annual Average Inflation	
		A	B	B-A	Absolute	Relative
Non-Food Inflation	0.46	33.9	24.4	-9.5	24	100
Alcoholic Beverages and tobacco	0.05	33.2	27.7	-5.5	3.0	12.3
Clothing and Footwear	0.06	39.7	14.6	-25.1	2.2	9.1
Housing, Water, Electricity, Gas and other Fuel	0.17	23.9	28.3	4.4	8.9	36.8
Furnishings, Household Equipment and Routine maintenance of houses	0.05	51.0	22.2	-28.8	3.2	13.2
Health	0.01	26.5	37.1	10.6	0.8	3.4
Transport	0.02	29.3	17.1	-12.2	1.0	3.9
Communication	0.02	5.3	28.6	23.3	0.3	1.2
Recreation and culture	0.00	49.7	0.3	-49.4	0.0	0.0
Education	0.00	20.1	23.1	3.0	0.2	0.7
Restaurant & hotel	0.05	41.4	26.8	-14.6	3.4	14.1
Miscellaneous Goods	0.03	54.3	20.7	-33.7	1.3	5.2

Source: Ethiopian Statistical Service (ESS)

3.2 Consumer Price Developments in Regional States

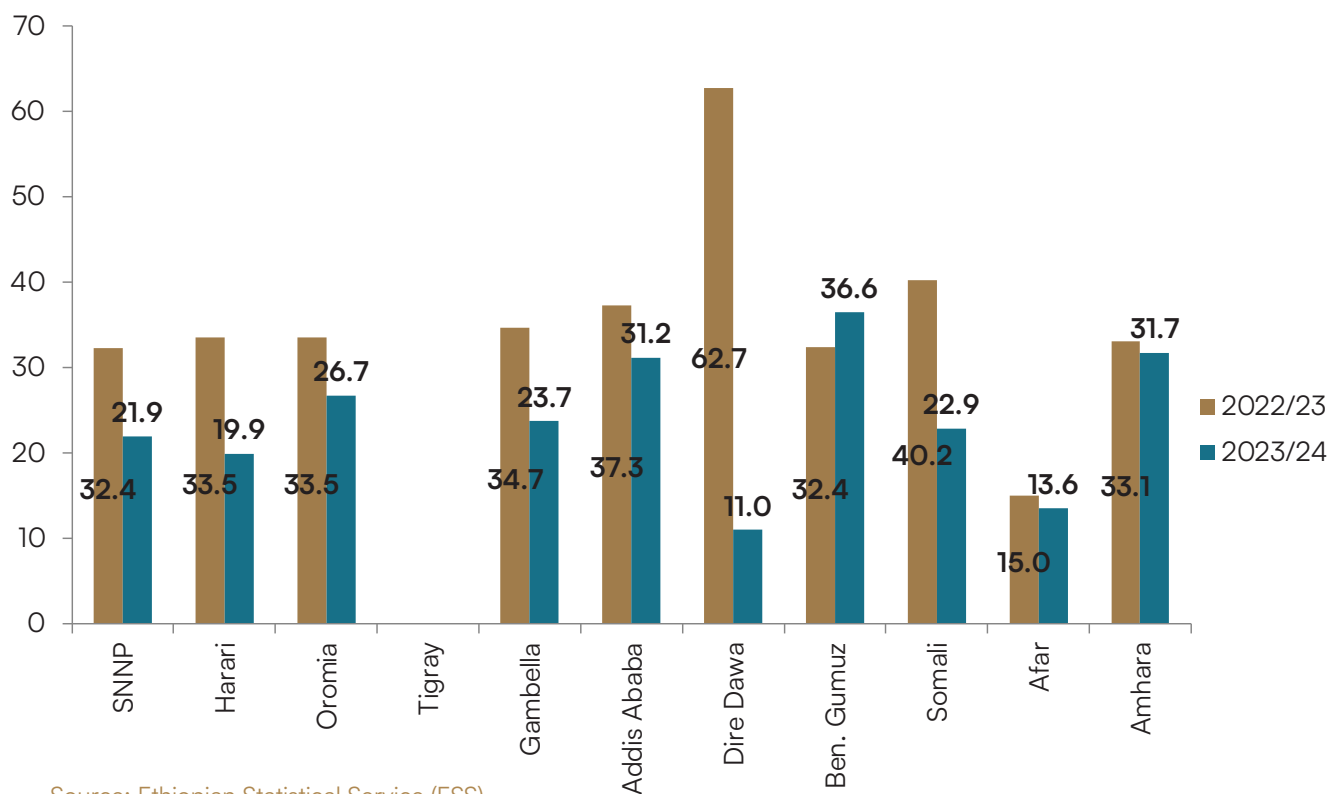
In 2023/234, the regional annual average headline inflation decreased to 23.9 percent from 35.5 percent recorded in the preceding year. Benishangul Gumuz (36.6%), Amhara (31.7%), Oromia (26.7 %) and Addis Ababa (31.2%) registered annual average headline inflation rates greater than the regional average. Benishangul Gumuz experienced the highest headline inflation (36.6 percent) while the lowest (13.6 percent) was in Afar; revealing a 23 percentage points margin in the rates of inflation between the highest and lowest regional headline inflation (Table 3.5).

Table 3.5: Regional Average Annual Inflation (2022/23 FY)

Regions	2022/23			2023/24			Change		
	General	Food & Non-alcoholic beverages	Non-food	General	Food & Non-alcoholic beverages	Non-food	General	Food & Non-alcoholic beverages	Non-food
	A	B	C	D	E	F	D-A	E-B	F-C
SNNP	32.4	31.7	33.5	21.9	18.2	28.2	-10.4	-13.5	-5.3
Harari	33.5	35.9	31.5	19.9	30.7	10.5	-13.6	-5.2	-21.0
Oromia	33.5	32.3	35.6	26.7	28.6	23.6	-6.8	-3.7	-12.0
Tigray							0.0	0.0	0.0
Gambela	34.7	35.4	33.6	23.7	26.7	18.8	-11.0	-8.7	-14.9
Addis Ababa	37.3	35.5	39.0	31.2	34.1	28.6	-6.1	-1.5	-10.3
Dire Dawa	62.7	40.9	49.1	11.0	30.3	18.9	-51.7	-10.6	-30.2
Ben.Gumuz	32.4	32.6	32.1	36.6	38.5	34.2	4.2	5.9	2.1
Somali	40.2	37.3	44.5	22.9	26.4	18.1	-17.3	-10.9	-26.4
Afar	15.0	15.0	15.0	13.6	14.2	12.7	-1.4	-0.8	-2.3
Amhara	33.1	32.2	34.3	31.7	34.4	28.2	-1.3	2.3	-6.0
Regions Average	35.5	32.9	34.8	23.9	28.2	22.2			
Standard deviation	35.5	32.9	34.8	23.9	28.2	22.2			
Coefficient of variation	11.6	6.9	9.0	8.0	7.4	7.6			

Source: Ethiopian Statistical Service (ESS)

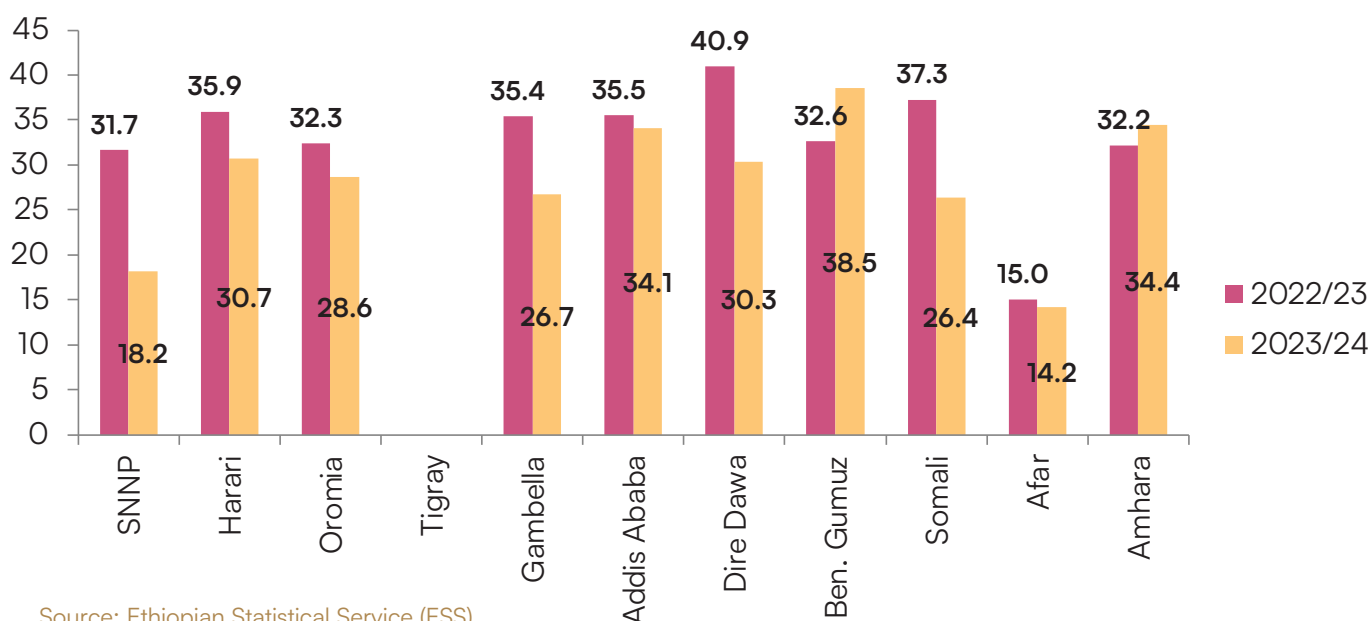
Fig.III.3: Variation in Regional-Average-Annual Headline Inflation



Source: Ethiopian Statistical Service (ESS)

The regional average food & non-alcoholic beverages inflation fall to 28.2 percent from 32.9 percent last year. Amhara (34.4%), Dire Dawa (30.3%), Benishangul Gumuz (38.5%), Harari (30.7 %), Addis Ababa (34.1%) and Oromia (38.6%) saw higher food inflation than the regional average. The highest food & non-alcoholic beverages inflation was registered in Benishangul Gumuz (38.5%) and the lowest in Afar (14.2%), showing a 24.3 percentage point margin among the regions (Fig.3.4).

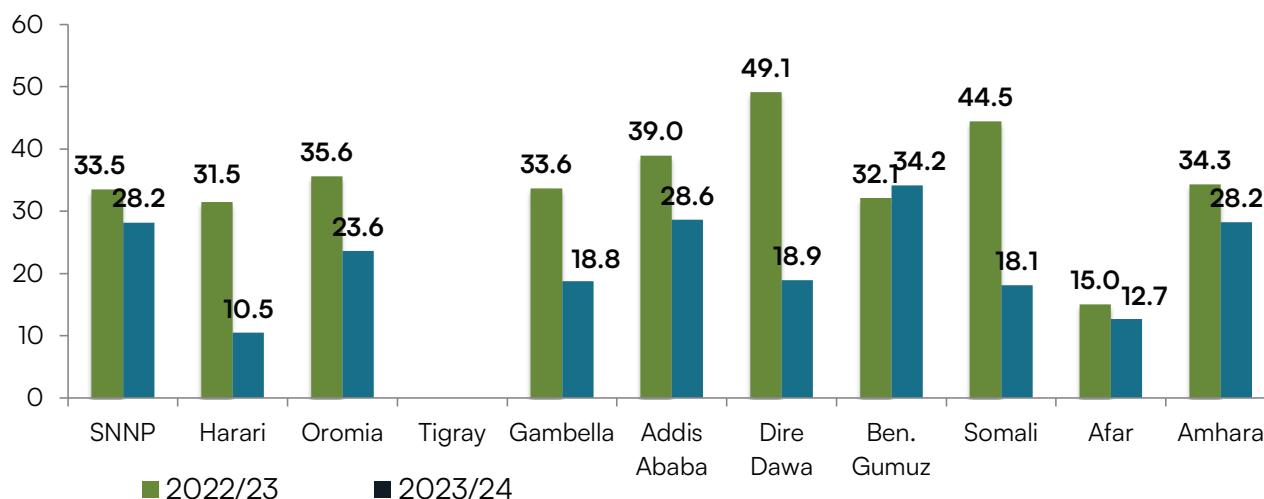
Fig.III.4: Variation in Regional-Average-Annual Food and Non-Alcoholic Beverages Inflation



Source: Ethiopian Statistical Service (ESS)

The average annual regional non-food inflation decreased to 22.2 percent from 34.8 percent in 2022/23. Benishangul Gumuz (34.2%), Amhara (28.2%), SNNP (28.2%), Addis Ababa (28.6%) and Oromia (23.6%) recorded non-food inflation higher than the regional average. The highest non-food inflation as seen in Benishangul Gumuz (34.2%) and the lowest (10.5%) in Harari revealing 23.7 percentage points differentials (Fig.3.5).

Fig.III.5: Variation in Regional-Average-Annual Non-Food Inflation





MONETARY AND FINANCIAL DEVELOPMENTS

IV. MONETARY AND FINANCIAL DEVELOPMENTS

4.1 Monetary Developments and Policy

In its monetary policy, the National Bank of Ethiopia always laid emphasis on maintaining price stability due to its prudent monetary policy stance; inflation has showed a significant improvement in 2023/24; consecutively falling the past twelve months.

4.1.1 Developments in Monetary Aggregate

At the end of 2023/24, domestic liquidity, as measured by broad money supply (M2), stood at Birr 2.5 trillion reflecting a 14.1 percent annual growth. This was mainly due to the 14.5 percent increase in domestic credit offsetting the 53.2 percent annual decline in external asset (net). The growth in domestic credit was attributed to a 30.0 percent and 9.7 percent increase in both credit to the central government and credit to the non-central government, respectively (Table 4.1).

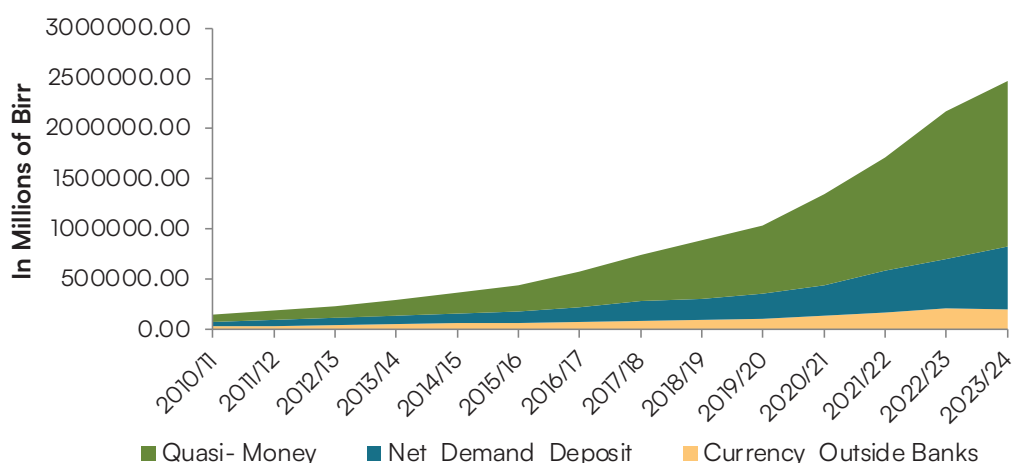
Table 4.1: Factors Influencing Broad Money

(Value in millions of birr)

Particulars	Year Ended June 30				Annual Percentage Change	
	2020/21	2021/22	2022/23	2023/24	2022/23	2023/24
External Assets (net)	(812.3)	(111,427.54)	(160,097.68)	(245,298.39)	-43.7	-53.2
Domestic Credit	1,481,844.4	1,930,621.8	2,444,435.5	2,797,752.1	26.6	14.5
Claims on Central Gov't (net)	214,269.2	422,864.0	573,675.7	745,541.1	38.4	30.0
Claims on Non-Central Gov't	1,267,575.3	1,507,757.8	1,870,759.8	2,052,211.0	23.3	9.7
Other Items (net)	132,766.0	103,884.2	113,489.4	74,561.8	9.2	(34.3)
Broad Money (M2)	1,348,266.1	1,715,310.0	2,170,848.4	2,477,891.9	26.6	14.1

Source: NBE

Fig.V.1: Major Component of Broad Money



Source: NBE

All broad money components showed expansion where narrow money rose by 16.5 percent due to growth demand deposits and currency outside banks, reflecting the upsurge in money demand for transaction purposes. Similarly, quasi-money, which included savings and time deposits, rose 13.0 percent and reached Birr 1.66 trillion. The contribution of quasi-money was large compared to net demand deposit and currency outside the bank owing was due to improved capacity of commercial banks in deposit mobilization (Table 4.2).

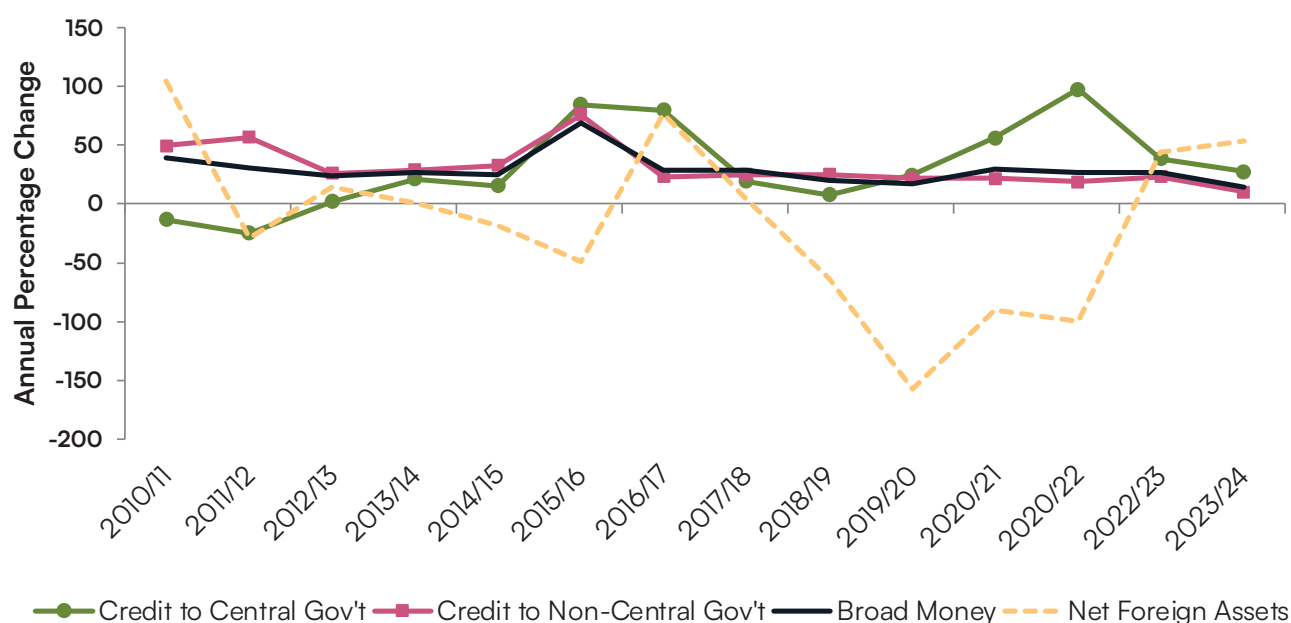
Table 4.1: Components of Broad Money

(Value in millions of birr)

Particulars	Year Ended June 30			Annual Percentage Change		
	2021/22	2022/23	2023/24	2021/22	2022/23	2023/24
Narrow Money Supply	588,015.8	706,142.2	822,498.6	34.4	20.1	16.5
Currency Outside Banks	173,382.8	211,636.8	205,441.3	29.8	22.1	(2.93)
Demand Deposits (net)	414,633.0	494,505.4	617,057.3	36.5	19.3	24.8
Quasi-Money	1,127,294.2	1,464,706.2	1,655,393.3	23.8	29.9	13.0
Savings Deposits	1,016,048.8	1,315,260.4	1,461,904.1	24.5	29.4	11.1
Time Deposits	111,245.4	149,445.8	193,489.2	17.7	34.3	29.5
Broad Money Supply	1,715,310.0	2,170,848.4	2,477,891.9	27.2	26.6	14.1

Source: NBE

Fig.IV.2: Major Determinants of Monetary Growth



Source: NBE

4.1.2. Developments in Reserve Money and Monetary Ratios

Base money witnessed a slight annual tightening (1.1 percent) to reach Birr 473.2 billion at the end of the fiscal year. The contraction was attributed to 3.7 percent decline in deposits of banks at the NBE, despite a 1.2 percent increase in currency in circulation. The 19.0 percent rise in net domestic credit was offset by the 50.9 decline in net foreign assets. Excess reserves of commercial banks stood compared to Birr 73.9 billion a year ago.

The ratio of broad money supply (M2) to GDP², an indicator of financial deepening was 0.21, a slight decline from 0.25 last year the same period reflecting marginal weakening of financial liquidity and depth. The money multipliers defined as broad money to reserve money reached at 5.2 from 4.5 registered last year at the same period, implying that money is relatively created by commercial banks (Table 4.3).

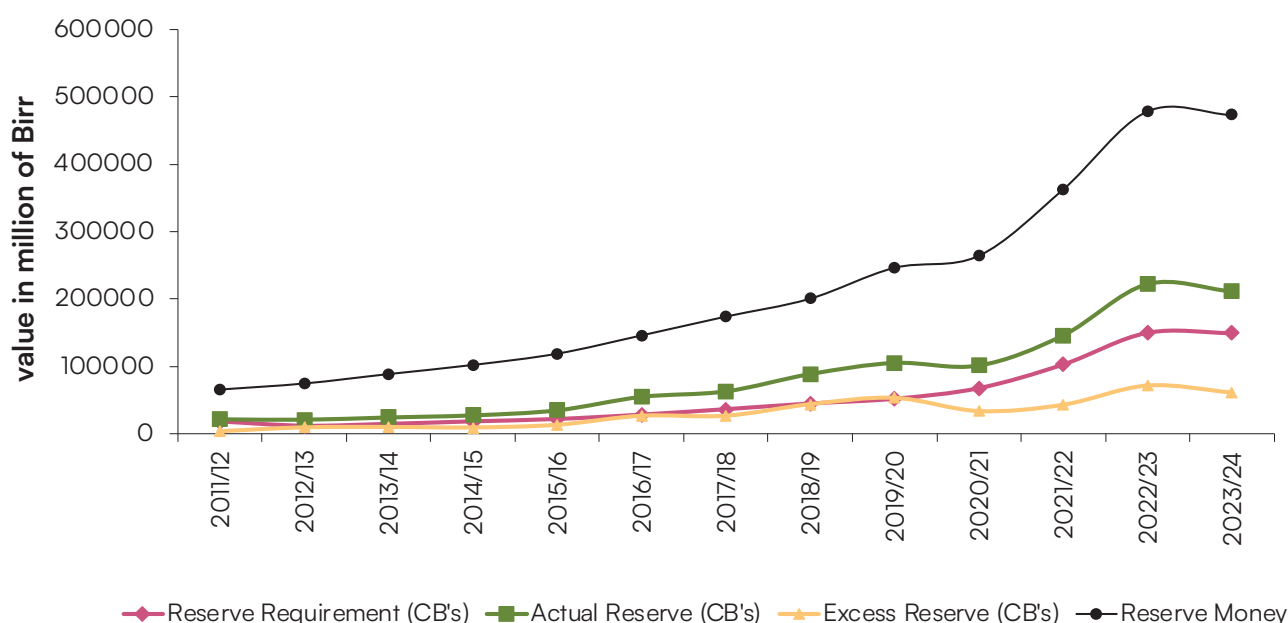
Table 4.3: Reserve Money and Monetary Ratios

Particulars	Year Ended June 30				Annual Percentage Change	
	2020/21	2021/22	2022/23	2023/24	2022/23	2023/24
Reserve Requirement	67,732.4	119,022.6	147,931.4	149,916.9	24.3	1.3
Actual Reserve (CB's)	101,384.0	145,877.3	221,837.7	211,215.4	52.1	(4.8)
Excess Reserve (CB's)	33,651.6	26,854.7	73,906.3	61,298.4	175.2	(17.1)
Reserve Money	264,301.8	362,498.7	478,471.7	473,223.2	32.0	(1.1)
Currency in Circulation	163,709.1	208,211.3	254,316.1	257,296.3	22.1	1.2
Bank Deposits	100,592.8	154,287.4	224,155.7	215,926.9	45.3	(3.7)
Money Multiplier (Ratio):						
Narrow Money to Reserve Money	1.65	1.62	1.48	1.74	-9.02	17.77
Broad Money to Reserve Money	5.10	4.73	4.54	5.24	(4.12)	15.41
Other Monetary Ratios (%):						
Currency to Narrow Money	30.55	29.49	29.97	24.98	1.64	-16.66
Currency to Broad Money	9.91	10.11	9.75	8.29	-3.55	-14.96
Narrow Money to Broad Money	32.44	34.28	32.53	33.19	-5.11	2.04
Quasi Money to Broad Money	67.56	65.72	67.47	66.81	2.67	-0.99
M2/GDP Ratio*	0.33	0.28	0.25	0.21		

Source: NBE

² The 2023/24 GDP is measured at current market price obtained from MNPD

Fig.IV.3: Reserve Money



Source: NBE

4.2 Developments in Interest Rate

In 2023/24, both the minimum and maximum saving deposit interest rates were unchanged at 7.0 and 9.0 percent, respectively. Subsequently, the average saving deposit and weighted average demand deposit rate remained constant at their preceding year level of 8.0 and 0.05 percent, respectively. The weighted average time deposit rate, however, showed a slight decline to 7.68 percent from 7.61 percent a year earlier. The simple average lending interest rate was 14.25 percent.

Accordingly, both the deposit and lending real interest rates were negative given the 19.9 percent headline inflation (Table 4.4).

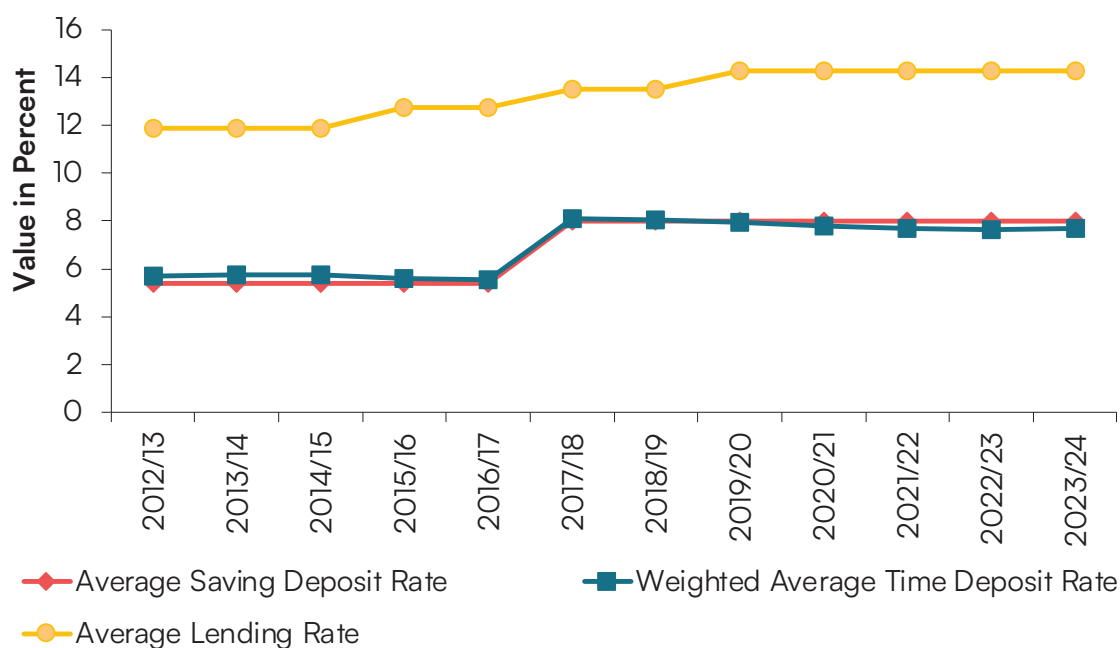
Table 4.4: Interest Rate Structure of Commercial Banks

(In percent per annum)

Rates	2019/20	2020/21	2021/22	2022/23	2023/24
1. Deposit Rate					
1.1 Savings Deposit (Simple Average)	8.00	8.00	8.00	8.00	8.00
Minimum	7.00	7.00	7.00	7.00	7.00
Maximum	9.00	9.00	9.00	9.00	9.00
1.2 Time deposit (Weighted Average)	7.94	7.83	7.70	7.61	7.68
Up to 1 year	7.88	7.78	7.66	7.57	7.63
1 -2 years	7.94	7.83	7.71	7.61	7.68
Over 2 years	7.99	7.87	7.75	7.65	7.74
1.3 Demand Deposit (Weighted Average)	0.04	0.04	0.04	0.05	0.05
2. Lending Rate (Average)	14.25	14.25	14.25	14.25	14.25
Minimum	7.00	7.00	7.00	7.00	7.00
Maximum	21.50	21.50	21.50	21.50	21.50
3. T-bills (Nominal)	4.54	7.97	9.57	9.71	9.74
4. Headline Inflation (Year-on-Year)	21.6	24.5	34.0	29.3	19.9
5. Real Rate of Interest on:					
5.1 Saving Deposit (1.1 - 4)	(13.55)	(16.50)	(26.00)	(21.30)	(11.91)
5.2 Time Deposit (1.2 - 4)	(13.62)	(16.67)	(26.30)	(21.69)	(12.23)
5.3 Lending (2 - 4)	(7.30)	(10.25)	(19.75)	(15.05)	(5.66)

Source: NBE

Fig.IV.4: Interest Rate Structure of Commercial Banks



Source: NBE

4.3 Developments in Financial Sector

Banks, insurance companies and micro-finance institutions constitute the major financial institutions in Ethiopia. As June 2023/24, the number of banks reached 32, insurance companies 18 and micro finance institutions 48.

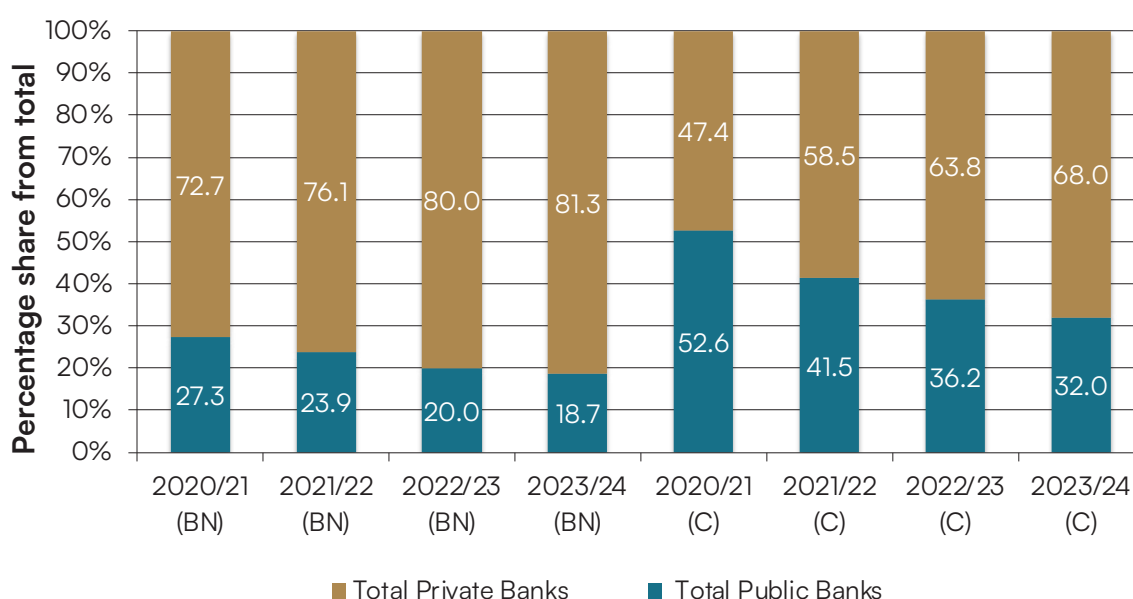
Banks opened 997 new branches in 2023/24 thereby raising the total number of branches to 12,278 from 11,281 a year ago. As a result, one bank branch serves about 8,918 people. About 31 percent of the bank branches were located in Addis Ababa.

Major branch expansion was undertaken by Tsedey Bank (147 branches), followed by Global Bank (86 branches), Awash Bank (69 branches), Siinqee Bank (52 branches), Oromia Bank (52 branches), Enat Bank (50 branches), Dashen Bank (48 branches), Amhara Bank (45 Branches), Bank of Abyssinia (44 branches), Abay Bank (43 ranches) and Lion International Bank (30 branches). Thus, the share of private banks in total branch network slightly rose to 81.3 percent from 80.0 percent last year (Table 4.5).

At the same time, total capital of the banking industry showed a 20 percent annual growth to reach Birr 296.1 billion (Table 4.5).

Unlike banks, the number of insurance companies remained at 18 while their branches rose to 799 following the opening of 58 new branches. About 56.6 percent of the insurance branches were in Addis Ababa and 88.6 percent of the total branches were private. Their total capital increased by 36.4 percent to Birr 22.4 billion, of which, the share of private insurance companies was 80.4 percent and the remaining 19.6 percent public (Table 4.6).

Fig.IV.5: Branch Network and Capital of Banking System (2020/21-2023/24)



Source: Commercial Banks and DBE

Table.4.5: Branch Network and Capital of the Banking System at the Close of June 30, 2024

Banks	Branch Network										Capital			
	2022/23				2023/24				2022/23		2023/24			
	Regions	Addis Ababa	Total	% Share	Regions	Addis Ababa	Total	% Share	Total Capital	% Share	Total Capital	% Share		
1. State owned Banks														
Commercial Bank of Ethiopia	1696	477	2173	19.3	1705	480	2185	17.8	58,296.7	23.6	62,470.5	21.1		
Development Bank of Ethiopia	77	6	83	0.7	99	6	105	0.9	30,968.6	12.6	32,405.0	10.9		
Total State owned Banks	1773	483	2256	20.0	1804.0	486.0	2290.0	18.7	89,265.3	36.2	94875.6	32.0		
2. Private Banks														
Awash Bank	597	296	893	7.9	657	305	962	7.8	19,729.3	8.0	27,141.6	9.2		
Dashen Bank	566	295	861	7.6	630	279	909	7.4	15,707.1	6.4	19,166.5	6.5		
Bank of Abyssinia	602	329	931	8.3	667	308	975	7.9	14,286.3	5.8	17,579.0	5.9		
Wegagen Bank	282	154	436	3.9	307	153	460	3.7	5,996.5	2.4	7,536.9	2.5		
Hibret Bank	254	232	486	4.3	272	236	508	4.1	6,568.1	2.7	9,570.6	3.2		
Nib International Bank	227	234	461	4.1	236	222	458	3.7	8,080.5	3.3	10,107.0	3.4		
Cooperative Bank of Oromia	553	203	756	6.7	590	187	777	6.3	12,217.8	5.0	14,723.1	5.0		
Lion International Bank	205	94	299	2.7	238	91	329	2.7	3,496.8	1.4	3,985.8	1.3		
Oromia Bank	339	178	517	4.6	392	177	569	4.6	6,980.5	2.8	8,621.0	2.9		
Zemen Bank	37	64	101	0.9	47	74	121	1.0	6,570.6	2.7	9,619.1	3.2		
Buna Bank	301	171	472	4.2	312	168	480	3.9	5,142.0	2.1	5,902.5	2.0		
Berhan Bank	227	171	398	3.5	227	182	409	3.3	4,329.7	1.8	4,751.9	1.6		
Abay Bank	338	171	509	4.5	384	168	552	4.5	5,960.3	2.4	7,915.1	2.7		
Addis Interational Bank	62	72	134	1.2	78	80	158	1.3	2,179.6	0.9	2,487.6	0.8		
Debub Global Bank	70	84	154	1.4	101	139	240	2.0	2,406.9	1.0	3,111.7	1.1		
Enat Bank	88	65	153	1.4	130	73	203	1.7	3,019.0	1.2	3,680.5	1.2		
Hijra Bank	53	18	71	0.6	73	25	98	0.8	1,274.8	0.5	1,521.1	0.5		
Zanzam Bank	41	37	78	0.7	57	47	104	0.8	1,753.4	0.7	2,118.4	0.7		
Goh Betoeh Bank	4	4	8	0.1	4	4	8	0.1	1,324.8	0.5	1,629.7	0.6		
Siinqee Bank	292	64	356	3.2	338	70	408	3.3	7,643.2	3.1	8,886.9	3.0		
Tseday Bank	357	37	394	3.5	481	60	541	4.4	11,330.7	4.6	11,331.3	3.8		
Shebele Bank	19	4	23	0.2	30	4	34	0.3	609.6	0.2	789.1	0.3		
Amahara Bank	166	113	279	2.5	198	126	324	2.6	5,891.5	2.4	6,683.3	2.3		
Ahadu Bank	32	44	76	0.7	45	56	101	0.8	672.6	0.3	1,036.1	0.3		
Tsehay Bank	49	37	86	0.8	55	39	94	0.8	1,087.8	0.4	1,340.7	0.5		
Sidama Bank S.C	15	1	16	0.1	34	4	38	0.3	688.1	0.3	997.5	0.3		
Omo Bank S.C									919.5	0.4	922.0	0.3		
Gadaa Bank	44	18	62	0.5	55	36	91	0.7	943.0	0.4	1,071.9	0.4		
Ramis Bank S.C	13	2	15	0.1	30	7	37	0.3	636.1	0.3	692.9	0.2		
Siket bank											6,314.0	2.1		
Total Private Banks	5,833	3,192	9,025	80.0	6,668	3,320	9,988	81.3	157,446.2	63.8	201,235.0	68.0		
3.Grand Total Banks	7,606	3,675	11,281	100	8,472	3,806	12,278	100.0	246,711.5	100.0	296,110.6	100.0		

Source: Commercial Banks & DBE

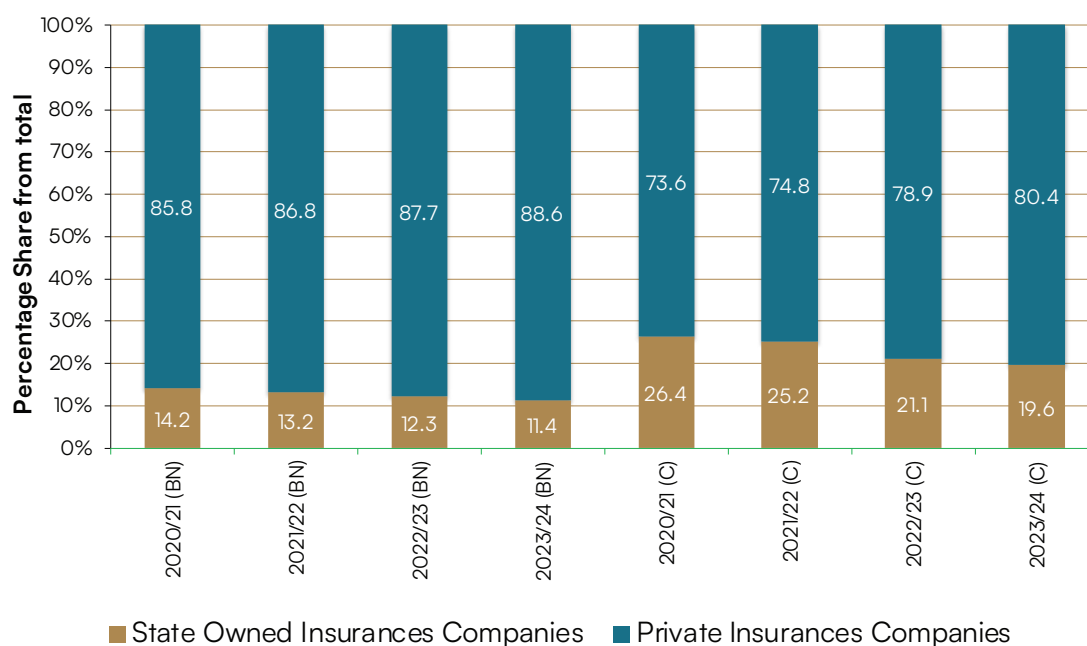
Table 4.6: Branch Network & Capital of Insurance Companies as at June 30, 2024

(Branch in Number and Capital in Millions of Birr)

No.	Insurance Companies	Branch			2023/24			Capital		
		2022/23		Total	2023/24		Total	2022/23		% Change
		A.A	Regions		A.A	Regions		A	B	
1	Ethiopian Ins. Cor.	25	66	91	25	66	91	3,466	4,378	26.3
2	Awash Ins.Com.S.C.	32	27	59	32	32	64	2,553	3,341	30.9
3	Africa Ins.Com S.C.	20	15	35	20	15	35	435	676	55.4
4	National Ins. Co. of Eth.	25	17	42	25	17	42	359	508	41.5
5	United Ins.Com. S.C	34	16	50	34	17	51	1,363	1,798	31.9
6	Global Ins. Com.S.C	13	9	22	13	9	22	272	354	30.1
7	Nile Ins.Com.S.C	35	24	59	37	24	61	1,242	1,597	28.6
8	Nyala Ins.Com.S.C	19	19	38	20	20	40	1,370	1,975	44.2
9	Nib Ins. Com.S.C	31	16	47	31	16	47	995	1,364	37.1
10	Lion Ins. Com.S.C	19	22	41	20	23	43	400	710	77.5
11	Ethio-Life Ins.Com.S.c	21	8	29	23	8	31	286	438	53.1
12	Oromia Ins.Com.S.c	27	28	55	29	32	61	1,350	1,837	36.1
13	Abay Insurance	21	16	37	23	17	40	675	886	31.3
14	Berhan insurance S.C	19	8	27	20	9	29	355	528	48.7
15	Tsehay Insurance S.C	24	10	34	26	12	38	489	687	40.5
16	Lucy Insurance	18	6	24	29	8	37	216	302	39.8
17	Bunna Insurance S.C.	19	13	32	23	15	38	374	512	36.9
18	Zemen Insurance S.C.	16	3	19	22	7	29	199	484	143.2
	Total	418	323	741	452	347	799	16,399.0	22,375.0	36.4

Source: Insurance Companies
Note: A.A=Addis Ababa

Fig.IV.6: Branch Network and Capital of Insurance Companies (2020/21-2023/24)



Source: Insurance Companies

By end of 2023/24, the number of micro-finance institutions (MFIs) reached 48. Their total capital increased by 18.8 percent and their total asset by 10.4 percent.

At the same time, their deposit mobilization and credit also expanded. Compared to last year, their deposit went up by 12.4 percent and reached Birr 31.4 billion while their outstanding credit slightly increased by 1.2 percent to Birr 39.7 billion (Table 4.7).

Table 4.7: Microfinance Institutions Performance as of June 30, 2024

Particulars	2022/23	2023/24	(In thousands of birr)
	A	B	% Change C= B/A
Total Capital	9,597,910.0	11,399,991.6	18.8
Saving	27,903,518.7	31,374,095.6	12.4
Credit	39,171,342.4	39,650,424.8	1.2
Total Assets	54,445,035.9	60,095,189.3	10.4

Source: MFIs

4.3.1 Resource Mobilization

Total resources mobilized by the banking system in the form of deposit, borrowing and loan collection decreased by 8.8 percent and reached Birr 806.5 billion at the end of 2023/24 (Table 4.8).

Aided by remarkable branch expansion, deposit liabilities of the banking system topped Birr 2.5 trillion, reflecting 15.3 percent annual growth. Similarly, saving deposits by 11.7 percent, demand deposit by 19.6 percent and time deposit increased by 26.7 percent. Of the total deposits, saving deposits accounted for 59.2 percent, demand deposits 32.8 percent and time deposit 7.9 percent (Table 4.9).

The share of private banks in total deposit mobilization rose 52.9 partly due to the opening of 1,145 new branches. CBE alone mobilized 47.1 percent of the total deposits due to its extensive branch network.

Total outstanding borrowing of the banking system at the end of the fiscal year was Birr 130.2 billion up from Birr 108.9 billion a year earlier due to borrowing by Development Bank of Ethiopia (DBE). Of the total borrowing, domestic sources accounted for 73.1 percent and foreign sources 26.9 percent. The net borrowing in 2023/24 was Birr 21.3 billion (Table 4.8 & 4.9).

Moreover, banks collected Birr 454.1 billion in 2023/24, showing a 13.2 percent annual increment. Private banks collected 60.6 percent of the loans previously disbursed (Table 4.8).

Table 4.8: Annual Resource Mobilization & Disbursing Activities of Commercial Banks and DBE (Specialized Bank) as at June 30, 2024

(In Millions of Birr)

Particulars	2021/22				2022/23				2023/24				Percent Change	
	Public Banks	Private Banks	Total (A)		Public Banks	Private Banks	Total (B)		Public Banks	Private Banks	Total (C)		C/A	C/B
1. Deposits (net change)	154,697.8	193,509.4	348,207.2		164,146.8	296,342.8	460,489.6		119,927.3	211,129.9	331,057.2		(4.9)	(28.1)
Demand	62,313.4	66,215.7	128,529.0		45,059.5	72,075.4	117,135.0		63,857.7	70,382.3	134,240.0		4.4	14.6
Savings	86,809.4	112,483.4	199,292.8		117,549.8	188,920.5	306,470.4		58,622.6	96,383.6	155,006.2		(22.2)	(49.4)
Time	5,575.0	14,810.4	20,385.4		1,537.4	35,346.9	36,884.3		(2,553.0)	44,364.0	41,811.0		105.1	13.4
2. Borrowing (net change)	1,890.8	-	1,890.8		22,788.9	-	22,788.9		21,310.4	-	21,310.4		1,027.1	(6.5)
Local	(2,010.0)	-	(2,010.0)		16,053.3	-	16,053.3		12,632.0	-	12,632.0		528.4	(21.3)
Foreign	3,900.8	-	3,900.8		6,735.5	-	6,735.5		8,678.4	-	8,678.4		122.5	28.8
3. Collection of Loans	72,697.6	203,782.5	276,480.1		142,098.0	258,905.5	401,003.4		179,034.4	275,053.6	454,088.1		64.2	13.2
4. Total Resources Mobilized (1+2+3)	229,286.2	397,291.9	626,578.1		329,033.6	555,248.3	884,282.0		320,272.1	486,183.6	806,455.7		28.7	(8.8)
5. Disbursement	129,141.5	298,767.5	427,909.0		160,127.0	387,549.7	547,676.7		223,528.1	237,960.7	461,488.8		7.8	(15.7)
6. Change in Liquidity (4-5)	100,144.7	98,524.4	198,669.1		168,906.7	167,698.6	336,605.3		96,744.1	248,222.8	344,966.9		73.6	2.5
Memorandum Item:														
7. Outstanding Credit	700,732.7	889,630.3	1,590,362.9		948,485.2	1,002,084.6	1,950,569.8		1,029,119.0	1,119,132.1	2,148,251.1		35.1	10.1

Source: Commercial Banks & DBE

Table 4.9: Deposits and Borrowings of Commercial Banks and Specialized Bank as at June 30, 2024

(In millions of Birr)

Particulars	2021/22	2022/23	2023/24	% Change	
	A	B	C	D=B/A	E=C/B
A. Deposits					
-Demand	568,360.2	685,495.1	819,735.1	20.6	19.6
-Savings	1,016,912.6	1,323,382.9	1,478,389.1	30.1	11.7
-Time	119,756.8	156,641.1	198,452.2	30.8	26.7
Total	1,705,029.5	2,165,519.2	2,496,576.4	27.0	15.3
B. Borrowings					
-Local	66,456.3	82,509.6	95,141.6	24.2	15.3
-Foreign	19,616.8	26,352.3	35,030.8	34.3	32.9
Total	86,073.1	108,862.0	130,172.3	26.5	19.6

Source: Commercial Banks and DBE

Table.4.10: Loans and Advances by Lenders

(In Millions of Birr)

Lenders	2022/23			2023/24			Percentage Change		
	D*	C*	O/S*	D*	C*	O/S*	D/A	E/B	F/C
	A	B	C	D	E	F			
{A}. Public Banks									
1.Commercial Bank of Ethiopia	140,823.73	128,616.86	876,079.80	191,163.83	163,175.72	936,906.98	35.7	26.9	6.9
2.Development Bank of Ethiopia	19,303.24	13,481.10	72,405.38	32,364.26	15,858.71	92,212.02	67.7	17.6	27.4
Sub-Total={A}	160,127.0	142,098.0	948,485.2	223,528.1	179,034.4	1,029,119.0	39.6	26.0	8.5
{B}. Private Banks									
Awash Bank	58915.0	36847.5	160987.1	39705.8	36829.7	183179.7	-32.6	0.0	13.8
Dashen Bank	45781.2	39029.2	101964.6	43483.9	40941.4	116920.3	-5.0	4.9	14.7
Bank of Abyssinia	39865.5	21631.1	147990.9	17773.9	17410.9	169167.4	-56.9	-19.5	14.3
Wegagen Bank	12661.8	9662.2	39661.5	9667.3	12606.5	45068.3	-23.6	30.5	13.6
United Bank	19356.1	17767.0	60255.1	13365.2	16248.4	69313.3	-31.0	-8.5	15.0
Nib International Bank	21412.1	10778.2	54181.9	2489.0	13517.0	48917.8	-88.4	25.4	-9.7
Cooperatives Bank of Oromia	30994.9	28337.2	102048.3	2444.8	24726.5	99018.6	-92.1	-12.7	-3.0
Lion International Bank	2255.0	2824.0	28372.9	5389.3	5380.6	31891.0	139.0	90.5	12.4
Zemen Bank	13555.3	8004.1	31825.6	8908.9	8816.8	36234.3	-34.3	10.2	13.9
Oromia Bank	14718.1	12834.2	42674.6	5630.7	10697.9	43562.6	-61.7	-16.6	2.1
Berhan Bank	12089.3	10660.4	28478.3	7685.9	11189.9	30328.4	-36.4	5.0	6.5
Buna International Bank	11340.1	5216.8	34633.7	4251.9	5524.1	37938.5	-62.5	5.9	9.5
Abay Bank	13468.0	7140.6	35584.2	9535.4	6950.6	40340.1	-29.2	-2.7	13.4
Addis International Bank	1378.0	1641.5	7592.1	942.6	1627.7	8673.5	-31.6	-0.8	14.2
Debub Global Bank	4508.9	3465.0	13998.1	3016.1	3472.6	15963.8	-33.1	0.2	14.0
Enat Bank	4400.2	4030.3	15368.2	2436.8	3043.9	17495.5	-44.6	-24.5	13.8
ZemZem Bank	7696.7	1744.5	3617.9	3195.9	3267.8	4536.4	-58.5	87.3	25.4
Hijira Bank	7249.5	647.2	3013.7	2926.0	2949.5	3409.1	-59.6	355.7	13.1
Goh Betoch Bank	1050.4	188.7	1318.6	257.1	233.0	1551.8	-75.5	23.5	17.7
Tseday Bank	32760.1	24110.1	37174.9	22478.8	21426.1	41683.4	-31.4	-11.1	12.1
Shebelle Bank	387.4	396.9	1934.3	560.5	565.8	1934.3	44.7	42.5	0.0
Siinqee Bank	12342.4	7717.2	24019.4	16206.6	16562.6	28065.9	23.2	114.6	16.8
Amhara Bank	13273.0	1146.1	15201.0	6185.6	4448.6	20372.1	-53.4	288.1	34.0
Sidama Bank	425.9	384.9	550.6	800.7	565.6	1085.4	88.0	47.0	97.1
Omo Bank	2799.7	2630.0	6807.8	3565.7	3363.2	6431.1	27.4	27.9	-5.5
Tsehay Bank	1102.4	32.3	1063.9	1702.9	459.9	2531.6	54.5	1324.3	138.0
Ahadu Bank	896.0	18.5	899.0	1445.8	468.7	1765.8	61.4	2437.1	96.4
Gadaa Bank	867.1	19.6	866.3	2053.9	997.4	2495.7	136.9	4979.4	188.1
Siket Bank				1358.6	760.5	9163.0	0.0	0.0	0.0
Rammis Bank				96.2	0.4	93.3	0.0	0.0	0.0
Sub-Total={B}	387,549.7	258,905.5	1,002,084.6	237,960.7	275,053.6	1,119,132.1	-38.6	6.2	11.7
Grand Total = {A+B}	547,676.7	401,003.4	1,950,569.8	461,488.8	454,088.1	2,148,251.1	-15.7	13.2	10.1

Source: Commercial Banks

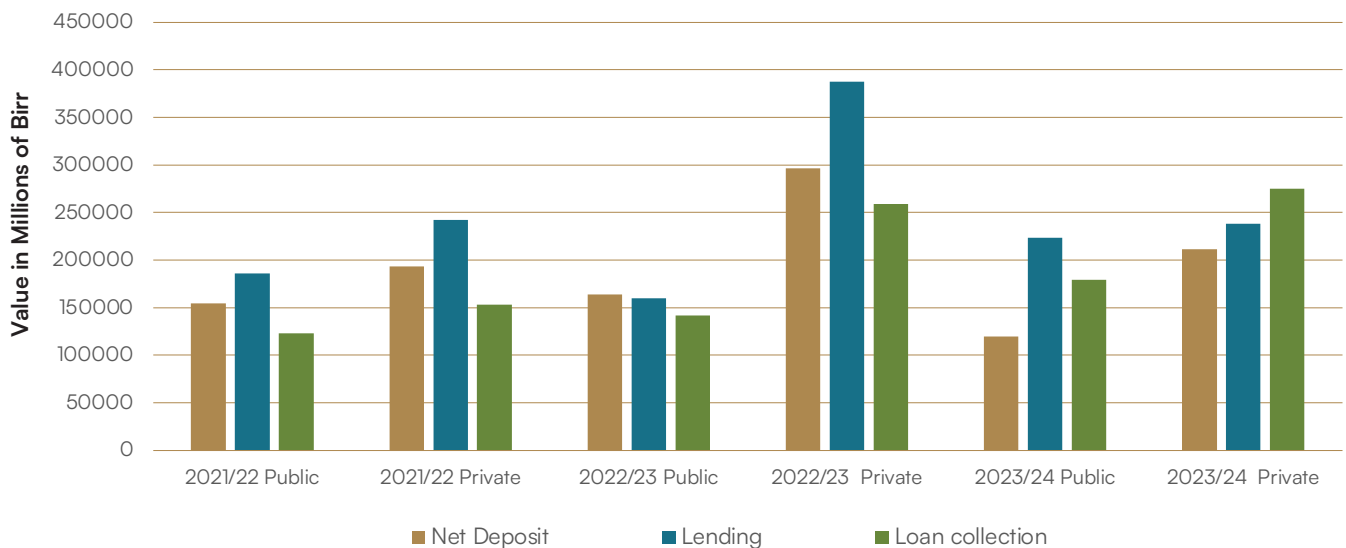
D*=Disbursement, C*=Collection, O/S*= Outstanding Credit

4.3.2 New Lending Activities

Commercial banks and Development Bank of Ethiopia (DBE) disbursed Birr 461.5 billion in fresh loans which was 15.7 percent lower than a year ago (Table 4.10). Of the total new loans, about 51.6 percent was provided by private banks and 48.4 percent by the two state owned banks (i.e. CBE and DBE) (Table 4.11).

Sector wise, the share of agriculture was 23.2 percent, followed by domestic trade (18.7 percent), manufacturing (15.7 percent), international trade (14.7 percent) consumer & staff loan (9.2 percent), building & construction (7.6 percent), and others.

Fig.IV.7: Development in Net Deposit, Lending and Loan Collection Activities of the Banking System (2021/22-2023/24)



Source: Commercial Banks and DBE

Table 4.11: Percentage Share of Loans and Advances by Lenders

Lenders	2022/23			2023/24			Percentage Change		
	D*	C*	O/S*	D*	C*	O/S*			
	A	B	C	D	E	F	D/A	E/B	F/C
A. Public Banks									
1.Commercial Bank of Ethiopia	25.7	32.1	44.9	41.4	35.9	43.6	61.1	12.0	(2.9)
2.Development Bank of Ethiopia	3.5	3.4	3.7	7.0	3.5	4.3	99.0	3.9	15.6
Sub-Total=A	29.2	35.4	48.6	48.4	39.4	47.9	65.7	11.3	(1.5)
B. Private Banks									
Awash Bank	10.8	9.2	8.3	8.6	8.1	8.5	(20.0)	(11.7)	3.3
Dashen Bank	8.4	9.7	5.2	9.4	9.0	5.4	12.7	(7.4)	4.1
Bank of Abyssinia	7.3	5.4	7.6	3.7	3.8	7.9	(48.9)	(28.9)	3.8
Wegagen Bank	2.3	2.4	2.0	2.1	2.8	2.1	(9.4)	15.2	3.2
United Bank	3.5	4.4	3.1	2.9	3.6	3.2	(18.1)	(19.2)	4.4
Nib International Bank	3.9	2.7	2.8	0.5	3.0	2.3	(86.2)	10.7	(18.0)
Cooperatives Bank of Oromia	5.7	7.1	5.2	0.5	5.4	4.6	(90.6)	(22.9)	(11.9)
Lion International Bank	0.4	0.7	1.5	1.2	1.2	1.5	183.6	68.3	2.1
Zemen Bank	2.5	2.0	1.6	1.9	1.9	1.7	(22.0)	(2.7)	3.4
Oromia Bank	2.7	3.2	2.2	1.2	2.4	2.0	(54.6)	(26.4)	(7.3)
Berhan Bank	2.2	2.7	1.5	1.7	2.5	1.4	(24.6)	(7.3)	(3.3)
Buna International Bank	2.1	1.3	1.8	0.9	1.2	1.8	(55.5)	(6.5)	(0.5)
Abay Bank	2.5	1.8	1.8	2.1	1.5	1.9	(16.0)	(14.0)	2.9
Addis International Bank	0.3	0.4	0.4	0.2	0.4	0.4	(18.8)	(12.4)	3.7
Debub Global Bank	0.8	0.9	0.7	0.7	0.8	0.7	(20.6)	(11.5)	3.5
Enat Bank	0.8	1.0	0.8	0.5	0.7	0.8	(34.3)	(33.3)	3.4
ZemZem Bank	1.4	0.4	0.2	0.7	0.7	0.2	(50.7)	65.4	13.8
Hijira Bank	1.3	0.2	0.2	0.6	0.6	0.2	(52.1)	302.4	2.7
Goh Betoch Bank	0.2	0.0	0.1	0.1	0.1	0.1	(71.0)	9.0	6.9
Tseday Bank	6.0	6.0	1.9	4.9	4.7	1.9	(18.6)	(21.5)	1.8
Shebelle Bank	0.1	0.1	0.1	0.1	0.1	0.1	71.7	25.9	(9.2)
Siinqee Bank	2.3	1.9	1.2	3.3	3.6	1.3	46.2	89.5	6.1
Amhara Bank	2.4	0.3	0.8	1.3	1.0	0.9	-	-	-
Sidama Bank	0.1	0.1	0.0	0.2	0.1	0.1	-	-	-
Omo Bank	0.5	0.7	0.3	0.8	0.7	0.3	-	-	-
Tsehay Bank	0.2	0.0	0.1	0.4	0.1	0.1	-	-	-
Ahadu Bank	0.2	0.0	0.0	0.3	0.1	0.1	-	-	-
Gadaa Bank	0.2	0.0	0.0	0.4	0.2	0.1	-	-	-
Siket Bank	-	-	-	0.3	0.2	0.4			
Rammis Bank	-	-	-	0.0	0.0	0.0			
Sub-Total=B	70.8	64.6	51.4	51.6	60.6	52.1	(27.1)	(6.2)	1.4
Grand Total (A+B)	100.0	100.0	100.0	100.0	100.0	100.0	-	-	-

Source: Commercial Banks

D*=Disbursement, C*=Collection, O/S*= Outstanding Credit

4.3.3 Outstanding Loans

Outstanding credit of the banking system (including corporate bond) increased by 10.1 percent and reached Birr 2.1 trillion at the end of June 2024. About 18.9 percent of the outstanding loans went to manufacturing, followed by international trade (15.6 percent), other sectors (14.1 percent), domestic trade (12.2 percent), mines, power and water resources (11.5 percent), building construction (9.4 percent), consumer and staff loan (8.3 percent), agriculture (4.9 percent), hotel and tourism (2 percent), transport and communication (1.9 percent), financial institutions (0.9 percent) and health and education (0.3 percent) (Table 4.12).

The share of private sector in outstanding credit was 65.3 percent while that of public sector 34.7 percent (Table 4.13).

Table 4.12: Loans & Advances by Economic Sectors

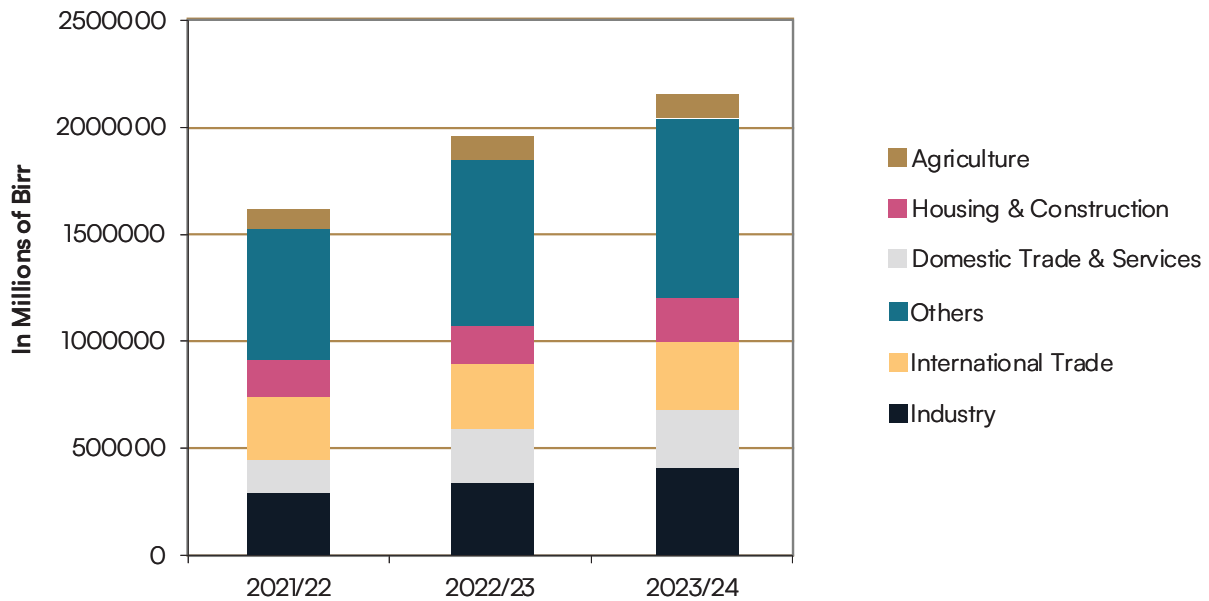
(In Millions of Birr)

Economic Sectors	2022/23			2023/24			Percentage Change		
	D*	C*	O/S*	D*	C*	O/S*	D*	C*	O/S*
	A	B	C	D	E	F	D/A	E/B	F/C
Agriculture	75,885.3	77,174.5	93,402.0	107,232.2	106,530.6	105,128.4	41.3	38.0	12.6
Manufacturing	66,382.8	49,664.2	351,511.4	72,480.3	58,254.1	406,589.0	9.2	17.3	15.7
Domestic Trade	100,111.9	68,726.3	239,715.1	86,108.5	85,723.8	261,669.4	(14.0)	24.7	9.2
International Trade	113,940.8	91,200.6	304,752.6	67,616.3	80,264.4	334,208.7	(40.7)	(12.0)	9.7
Export	85,650.6	62,984.0	205,423.2	50,723.9	54,343.9	212,097.3	(40.8)	(13.7)	3.2
Import	28,290.2	28,216.7	99,329.5	16,892.4	25,920.5	122,111.4	(40.3)	(8.1)	22.9
Hotels and Tourism	10,963.0	8,145.7	37,883.9	7,989.0	8,817.3	43,094.5	(27.1)	8.2	13.8
Building and Construction	44,987.3	40,819.1	176,836.0	35,026.5	46,245.7	202,480.5	(22.1)	13.3	14.5
Mines, Power and Water resources	15,885.5	1,129.1	212,413.5	8,196.2	1,434.9	246,759.2	(48.4)	27.1	16.2
Financial Institutions	7,186.0	5,112.2	12,917.1	7,773.2	6,935.3	18,958.4	8.2	35.7	46.8
Transport and Communication	22,527.7	9,083.3	31,402.2	11,216.7	10,027.6	40,599.7	(50.2)	10.4	29.3
Health and Education	2,153.0	1,064.0	4,292.4	2,617.7	1,489.0	6,891.1	21.6	39.9	60.5
Consumer and Staff Loans	70,663.0	29,010.4	138,265.5	42,272.2	36,487.5	178,826.5	(40.2)	25.8	29.3
Other Sectors	16,990.3	19,874.1	347,178.1	12,960.2	11,877.9	303,045.7	(23.7)	(40.2)	(12.7)
Total	547,676.7	401,003.4	1,950,569.8	461,488.8	454,088.1	2,148,251.1	(15.7)	13.2	10.1

Source: Commercial Banks & DBE

D*=Disbursement, C*=Collection, O/S*= Outstanding Credit

Fig.IV.8: Sectorial Breakdown of Bank Credit (2021/22-2023/24)



Source: Commercial Banks including DBE

Table 4.13: Loans and Advances by Borrowers

(In Millions of Birr)

Borrowing Sector	2020/21	2021/22	2022/23	2023/24			Percentage change	
	O/S*	O/S*	O/S*	D*	C*	O/S*		
	A	B	C	E	F	G	G/B	G/C
Corporate Bond	444,871.7	502,578.4	567,138.3	12,000.0	-	555,131.9	10.5	-2.1
Public Enterprises	612,774.3	700,732.7	747,220.6	99,074.0	97,427.5	745,921.7	6.4	-0.2
Cooperatives	29,129.8	21,398.8	21,148.1	1,586.1	4,831.5	21,343.8	-0.3	0.9
Private & Individuals	641,379.7	868,231.5	1,182,201.1	360,828.8	351,829.1	1,380,985.7	59.1	16.8
Total	1,283,283.8	1,590,362.9	1,950,569.8	461,488.8	454,088.1	2,148,251.1	35.1	10.1

Source: Commercial Banks & DBE

D*=Disbursement, C*=Collection, O/S*= Outstanding Credit

4.4 Financial Activities of NBE

As of June 2024, gross claims of NBE on the central government reached Birr 675.1 billion which was 19.7 percent higher than a year earlier. Of the total credit to the central government, bond accounted for 64.2 percent and direct advance 35.8 percent.

Similarly, NBE's outstanding claim on DBE was Birr 41.3 billion showing negligible change over last year same period.

On the liability side, total deposits at the NBE declined by 3 percent and stood at Birr 259 billion, due to the 3.6 percent decrease in deposit by the financial institutions (Table 4.14).

Table 4.14: Financial Activities of National Bank of Ethiopia at the Close of June 30, 2024

(In Millions of Birr)

Particulars	2021/22	2022/23	2023/24	%	
	A	B	C	B/A	C/B
1. Loans and Advances {(1.1)+(1.2)}	402,249.8	608,814.3	716,443.2	51.4	17.7
1.1 Claims on Central Gov't	357,427.1	563,991.5	675,120.4	57.8	19.7
1.1 Direct Advance	159,500.0	130,000.0	242,000.0	-18.5	86.2
1.2 Bonds	197,927.1	433,991.5	433,120.4	119.3	-0.2
1.2 Claims on DBE	44,822.7	44,822.7	41,322.7	0.0	-7.8
2. Deposit Liabilities {(2.1)+(2.2)}	185,675.5	266,929.9	258,994.1	43.8	-3.0
2.1 Government	31,210.8	42,691.6	42,867.4	36.8	0.4
2.2 Financial Institutions	154,464.7	224,238.3	216,126.7	45.2	-3.6

Source: NBE

D*=Disbursement, C*=Collection, O/S*= Outstanding Credit

4.5 Developments in Financial Markets

In the absence of secondary market in Ethiopia, government bonds were occasionally issued to finance fiscal deficit and/or to absorb excess liquidity in the banking system. Similarly, Treasury bills were auctioned bi-weekly basis. Banks also bought T-bonds based on their new monthly loan disbursements.

4.5.1 Treasury Bills Market

In 2023/24, T-bills supplied to the biweekly auction amounted to Birr 1.4 trillion, reflecting a 6.0 percent annual increment. At the same time, demand for T-bills rose 36.6 percent to Birr 812.9 billion, indicating that the market was undersubscribed by Birr 542.0 Billion (40 percent). Meanwhile, the amount of T-bills sold reached Birr 797.8 billion of which T-bills worth Birr 321.3 billion were sold to banks and remaining Birr 476.5 billion to non-bank institutions.

Birr 105.9 Billion (net of redemption) was mobilized to finance the fiscal deficit through sale of T-bills during the fiscal year.

Thus, total outstanding T-bills went up 31 percent and stood at Birr 447.8 billion, of which banks accounted for Birr 162.3 billion (10.7%) and non- bank institutions Birr 285.54 billion (38.4%) (Table 4.15).

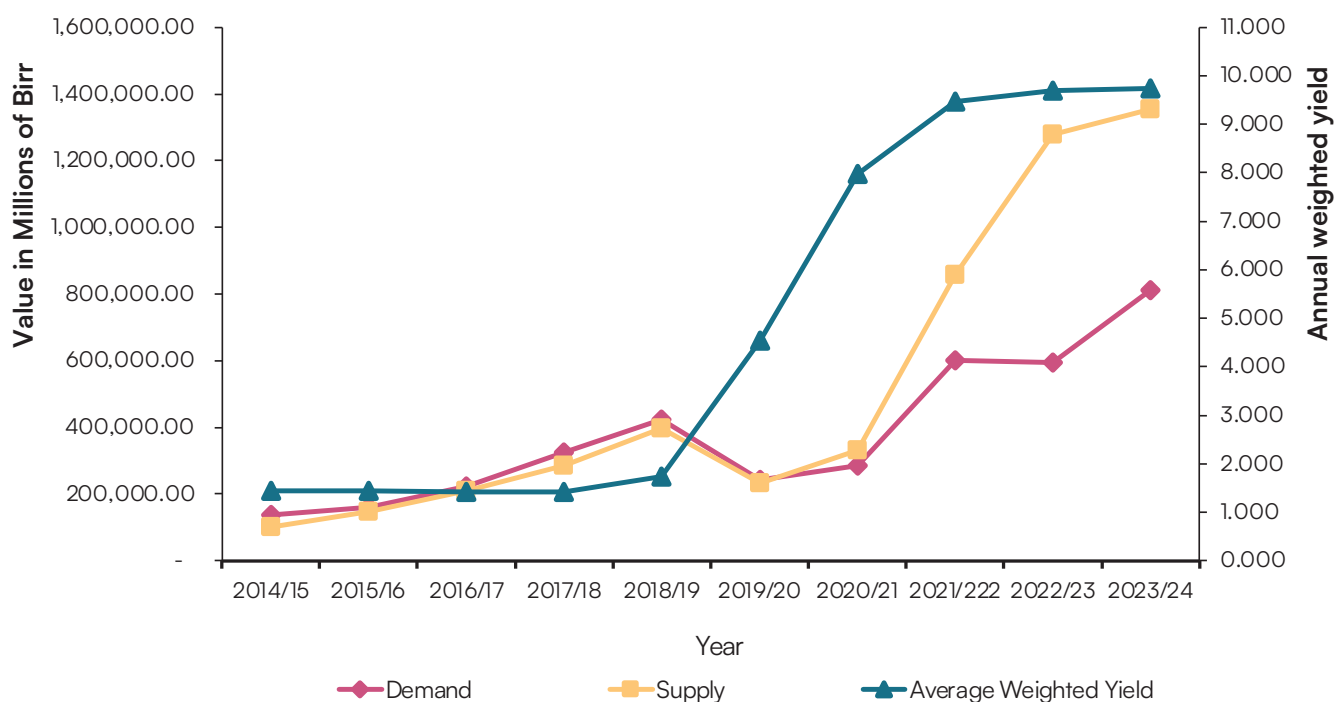
The average weighted T-bills yield increased to 9.736 percent from 9.704 percent, depicting a 0.33 percent annual growth (Table 4.15). The highest yield (10.217 percent) was recorded for 91-day T-bills while the lowest (9.508 percent) yield was for 28-day T-bills.

Table 5.15: Results of Annual Treasury Bills Auction

Treasury Bill Particulars	2021/22		2022/23		2023/24		Percentage Change	
	A		B		C		C/A	C/B
Number of Bidders	586.00		634.00		533.00		(9.04)	(15.93)
Amount Demanded (Mn.Birr)	599,478.625		595,231.335		812,892.090		35.60	36.57
28-day bill	67,664.8		77,059.0		126,925.0		87.58	64.71
91-day bill	187,382.6		138,331.1		225,427.6		20.30	62.96
182-day bill	147,606.1		171,949.9		216,976.9		47.00	26.19
364-day bill	196,825.1		207,891.3		243,562.6		23.75	17.16
Amount Supplied (Mn.Birr)	858,468.750		1,278,068.290		1,354,852.165		57.82	6.01
28-day bill	72,805.0		171,030.0		187,156.8		157.07	9.43
91-day bill	224,773.8		355,267.6		424,265.5		88.75	19.42
182-day bill	248,645.6		383,427.1		386,158.3		55.30	0.71
364-day bill	312,244.4		368,343.6		357,271.6		14.42	(3.01)
Amount Sold (Mn.Birr)	582,268.625		576,081.340		797,797.090		37.02	38.49
Banks	384,032.3		268,255.1		321,319.3		(16.33)	19.78
Non-Banks	198,236.3		307,826.2		476,477.8		140.36	54.79
Redemption (Mn. Birr)	385,308.990		553,781.400		691,863.775		79.56	24.93
Banks	245,890.0		317,819.3		305,468.1		24.23	(3.89)
Non-Banks	139,419.0		235,962.1		386,395.7		177.15	63.75
NetAmount (Mn. Birr)	196,959.64		22,299.94		105,933.32		(46.22)	375.04
Banks	138,142.3		-49,564.2		15,851.2		(88.53)	(131.98)
Non-Banks	58,817.350		71,864.175		90,082.110		53.16	25.35
Average Weighted Price for Successful bids(Birr)	95.953		95.914		95.878		(0.08)	(0.04)
28-day bill	99.342		99.272		99.276		(0.07)	0.00
91-day bill	97.465		97.484		97.516		0.05	0.03
182-day bill	95.493		95.486		95.383		(0.11)	(0.11)
364-day bill	91.510		91.416		91.336		(0.19)	(0.09)
Average Weighted Yield for Successful bids(%)	9.459		9.704		9.736		2.93	0.33
28-day bill	8.634		9.565		9.508		10.13	(0.59)
91-day bill	10.433		10.354		10.217		(2.07)	(1.33)
182-day bill	9.466		9.480		9.707		2.55	2.39
364-day bill	9.303		9.416		9.512		2.24	1.02
Outstanding bills at the end of period(Mn.Br.)	317,169.585	Share %	341,869.525	Share %	447,802.850	Share %	41.187	30.986
Banks	195,432.29	61.62	146,568.05	42.87	162,259.26	36.23		10.706
Non-Banks	121,737.30	38.38	195,301.48	57.13	285,543.59	63.77	134.557	46.207
Public Servants Social Security Agency	84,307.00	26.58	134,327.92	39.29	185,246.00	41.37	119.728	37.906
Development Bank of Ethiopia	-	0.00	-	0.00	-	0.00		
Private Organizations' Employees Social Security Agency	37,330.30	11.77	60,873.56	17.81	93,961.00	20.98	151.702	54.354
Other Non-Bank Institutions	100.00	0.03	100.00	0.03	6,336.59	1.42		-

Source: NBE

Fig.IV.9: Annual trends of T-Bills Market and its weighted yield



Source: NBE

4.5.2 Bonds Market

Commercial Bank of Ethiopia (CBE) purchased corporate bonds to the tune of Birr 12.0 billion showing a 55.7 percent annual decrease. During the same period, corporate bond valued at Birr 14.5 billion were redeemed, of which Birr 14.3 billion was by Addis Ababa City Administration, Birr 12.1 billion by EEP and Birr 210.72 million by regional governments (Table 4.16).

Thus, in 2023/24, outstanding bond held by CBE showed a 2.1percent annual decrease and reached Birr 555.1 billion. The share of Liability & Asset Management Corporation in outstanding corporate bond was 49.9 percent followed by EEP (43.9 percent), and Addis Ababa City Administration (6.2 percent).

Table 4.16: Disbursement, Redemption and Outstanding of Coupon and Corporate Bond of CBE⁴

(In Millions of Birr)

Corporate Bond Issuer	Annual			Percentage Change
	2021/22	2022/23	2023/24	B/A
	Actual	A	B	
1. Corporate Bond Purchases by holders	64,444.24	27,103.01	12,000.00	(55.7)
EEP	40,306.18	13,500.00	7,000.00	(48.1)
Regional governments	-	-	-	-
Development Bank of Ethiopia	-	-	-	-
City Government of Addis Ababa	5,000.00	5,000.00	5,000.00	-
Railway Corporation	19,138.06	8,603.01	-	(100.0)
Private Sector	-	-	-	-
Liability & Asset Management Corp.	-	-	-	-
2. Redemption of Bonds by Clients	6,737.54	25,095.95	14,506.39	(42.2)
EEP	3,250.00	-	12.09	-
Regional governments	177.48	79.39	210.72	165.4
Development Bank of Ethiopia	-	-	-	-
City Government of Addis Ababa	3,310.05	15,639.54	14,283.57	(8.7)
Railway Corporation	-	1,069.09	-	(100.0)
Private Sector	-	-	-	-
Liability & Asset Management Corp.	-	8,307.93	-	(100.0)
3. Outstanding Bonds by Clients	502,578.44	567,138.25	555,131.86	(2.1)
EEP	357,941.90	208,978.05	243,530.71	16.5
Regional governments	290.11	210.72	-	(100.0)
Development Bank of Ethiopia	0.00	0.00	-	-
City Government of Addis Ababa	53,822.14	43,692.22	34,408.65	(21.2)
Railway Corporation	90,524.29	0.00	-	-
Private Sector	0.00	-	-	-
Liability & Asset Management Corp.	-	314,257.26	277,192.50	(11.8)

Source: Commercial Bank of Ethiopia

4.5.3 Inter-bank Money Market

There has been no interbank money market transaction in 2023/24.

⁴ The reason for adjusting the total purchase and redemption amounts for FY 2022/23 was the exclusion corporate bond transfer ownership from state own enterprises to Liability and Asset Management corporation which was considered as purchase and redemption.



DEVELOPMENTS IN EXTERNAL SECTOR

V. DEVELOPMENTS IN EXTERNAL SECTOR

5.1 Overall Balance of Payments

The overall balance of payments registered USD 1.3 billion deficit in the 2023/24 compared to USD 752 million deficit a year earlier. This was attributed to widened current account deficit albeit the rise in capital account surplus.

The current account deficit widened due to an increase in merchandise trade deficit and a decline in net private transfers. As a result, current account deficit (including official transfers) ratio to GDP reached 2.8 percent in 2023/24.

On the other hand, capital account surplus increased by 16.4 mainly due to higher net surplus in official long term capital (15.5 percent) and foreign direct investment (13.9 percent) and decline in net deficit of other public sector long term capital (Table 5.1).

Table 5.1: Balance of Payments¹

(In Millions of USD)

S/N	Particulars	2021/22	2022/23 ^R	2023/24 ^P	Percentage Change	
		A	B	C	B/A	C/B
1	Exports, f.o.b.	4,101.5	3,624.3	3,798.7	-11.6	4.8
	Coffee	1,430.7	1,340.2	1,430.8	-6.3	6.8
	Other	2,670.8	2,284.1	2,367.9	-14.5	3.7
2	Imports	18,128.0	17,148.5	18,441.1	-5.4	7.5
	Fuel	3,460.4	3,966.5	3,608.7	14.6	-9.0
	Cereals	2,179.8	1,038.7	678.6	-52.3	-34.7
	Aircraft	140.7	164.0	622.3	16.5	279.5
	Imports excl. fuel, cereals, aircraft	12,347.0	11,979.3	13,531.4	-3.0	13.0
3	Trade Balance (1-2)	-14,026.5	-13,524.3	-14,642.4	-3.6	8.3
4	Services, net	639.2	950.1	1,278.0	48.6	34.5
	Non-factor services, net	1,212.9	1,399.1	1,610.4	15.4	15.1
	Exports of non-factor services	6,349.6	7,174.1	7,865.9	13.0	9.6
	Imports of non-factor services	5,136.8	5,775.0	6,255.5	12.4	8.3
	Income, net	-573.7	-449.0	-332.4	-21.7	-26.0
	o/w Gross official int. payment	579.5	504.9	430.0	-12.9	-14.8
	Dividend, net					
5	Private transfers, net	7,106.0	6,807.9	6,211.1	-4.2	-8.8
	o/w: Private Individuals	5,251.5	4,657.7	5,443.5	-11.3	16.9
6	Current account balance excluding off. Transfers (3+4+5)	-6,281.3	-5,766.3	-7,153.3	-8.2	24.1
7	Official transfers, net	1,136.3	1,093.3	1,236.4	-3.8	13.1
8	Current account balance including official transfers (6+7)	-5,145.1	-4,672.9	-5,916.9	-9.2	26.6
9	Capital account	2,723.7	3,547.3	4,128.3	30.2	16.4
	Off. Long-term Cap., net	450.8	546.5	631.2	21.2	15.5
	Disbursements	793.5	975.6	1,125.4	22.9	15.4
	Amortization	342.7	429.2	494.2	25.2	15.2
	Other pub. Long-term cap.	-1,005.9	-390.5	-219.2	-61.2	-43.9
	Private sector, long term	86.2	101.0	72.7	17.2	-28.0
	Foreign Direct Investment(net)	3,307.9	3,428.0	3,905.8	3.6	13.9
	Short-term Capital	-115.3	-137.7	-262.2	19.4	90.4
10	Errors and Omissions [11-(9+8)]	271.6	373.6	440.6		
11	Overall balance (-13)	-2,149.8	-752.0	-1,347.9		
12	Financing (13+16)	2,149.8	752.0	1,347.9		
13	Reserves [Increase (-), Decrease (+)] (14+15)	2,149.8	752.0	1,347.9		
14	Central Bank (NFA)	1,601.8	887.5	1,534.9		
	Asset	1,370.8	469.2	-403.1		
	Liabilities	231.0	418.2	1,938.0		
15	Commercial banks (NFA)	548.0	-135.4	-186.9		
16	Debt Relief					
	Principal					
	Interest					

Source: NBE Staff Compilation

^P2023/24 data are Preliminary

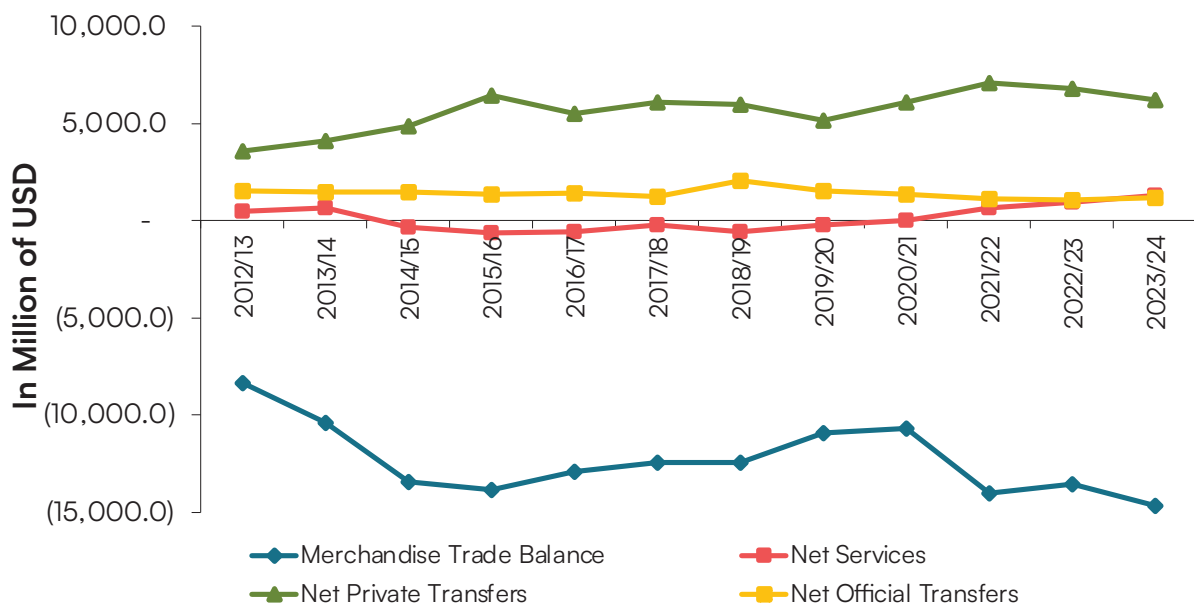
^RSome items are revised

Table 5.2: Components of Current Account as Percentage of GDP

Particulars	2021/22	2022/23	2023/24	Percentage Change	
	A	B	C	B/A	C/B
Trade Balance	-11.1	-8.3	-7.0	-25.3	-15.6
Net Services	0.5	0.6	0.6	15.1	4.9
Net Private Transfers	5.6	4.2	3.0	-25.8	-28.9
Net Official Transfers	0.9	0.7	0.6	-25.5	-11.8
Current Account Deficit (excluding official transfers)	-5.0	-3.5	-3.4	-28.9	-3.3
Current Account Deficit (including official transfers)	-4.1	-2.9	-2.8	-29.7	-1.3

Source: NBE Staff Compilation

Fig.V.1: Trends in Components of Current Account



Source: NBE Staff Compilation

5.2 Developments in Merchandise Trade

5.2.1 Balance of Trade

Merchandise trade deficit widened to USD 14.6 billion from USD 13.5 billion a year earlier, as the increase in merchandise import bills outpaced that of export receipts. Consequently, merchandise trade deficit as a ratio of GDP narrowed to 7.0 percent from 8.3 percent a year ago.

5.2.2 Merchandise Export

Total merchandise export earnings reached USD 3.8 billion, reflecting a 4.8 percent increase over the same period last year, driven by higher receipts from coffee (6.8 percent), gold (107.4 percent), oilseeds (29.2 percent), pulses (5.9 percent), electricity (36.0 percent), and live-animals (148.9 percent). On the other hand, export receipts from flower (17.2 percent), chat (33.6 percent), textiles and textile products (19.2 percent), fruits and vegetables (29.6 percent), meat and meat products (13.8 percent), leather and leather products (19.5 percent), and other export items (14.4 percent) showed negative growth.

Export earnings from coffee rose 6.8 percent, driven by a 23.7 percent increase in export volume despite a 13.7 percent decline in international price. Thus, the share of coffee in total merchandise exports slightly increased to 37.7 percent from 37.0 percent a year ago.

Gold export receipts surged 107.4 percent due to the 21.8 percent increase in export volume and 70.2 percent rise in international price. Hence, the share of gold in total merchandise export earnings doubled to 10.8 percent from 5.4 percent a year ago.

Likewise, export revenue from oilseeds grew by 29.2 percent due to an increase in export volume (27.2 percent) and international price (1.5 percent). Accordingly, the share of oilseeds in total export earnings marginally rose to 8.8 percent from 7.1 percent a year earlier.

Export earnings from live-animals rose by 148.9 percent due to more than fivefold increase in export volume despite 62.3 percent decline in international price. As a result, the share of live-animals in total merchandise export earnings slightly increased to 1.1 percent from 0.5 percent a year ago.

Proceeds from export of pulses went up 5.9 percent, reaching USD 343.8 million due to a 7.5 percent growth in export volume, despite 1.5 percent decline in international price. Consequently, the share of pulses in total merchandise export earnings reached 9.1 percent. Similarly, total export earnings from electricity stood at USD 139.0 million, showing a 36 percent annual increase owing to higher export volume (1.7 percent) and international prices (33.7 percent). Thus, the share of electricity in total merchandise export earnings increased to 3.7 percent from 2.8 percent a year ago.

On the other hand, flower export earnings fell by 17.2 percent due to a 2.0 percent decline in international price and 15.5 percent drop in export volume. Hence, the share of flowers in total merchandise export earnings decreased to 12.4 percent compared to 15.7 percent during the same period last year.

Similarly, export earnings from chat dropped 33.6 percent due to 49.4 percent fall in export volume, despite 31.3 percent rise in the international price. Consequently, the share of chat in total merchandise exports fell to 4.3 percent from 6.8 percent a year ago.

Export earnings from leather & leather products decreased 19.5 percent as export volume declined by 3.6 percent and international price by 16.5 percent. As a result, their share in total merchandise export earnings stood 0.5 percent.

Export revenue from meat & meat products went down (13.8 percent) owing to the decline in export volume and international price (10.1 percent). Hence, the share of meat & meat products in total merchandise export earnings was 1.9 percent. Receipts from textile & textile products' export declined (19.2 percent) due to the fall in export volume (1.8 percent) and international price (17.7 percent). As a result, the share of textiles & textile products in total merchandise export was 3.2 percent.

Similarly, revenue from export of fruits & vegetables declined by (29.6 percent) as a result of a slowdown in international price (32.5 percent) despite an increase in export volume (4.3 percent). As a result, the share of fruits & vegetables in total merchandise export receipts stood at 1.7 percent.

Furthermore, earnings from other export items declined (14.4 percent) to USD 189.9 million.

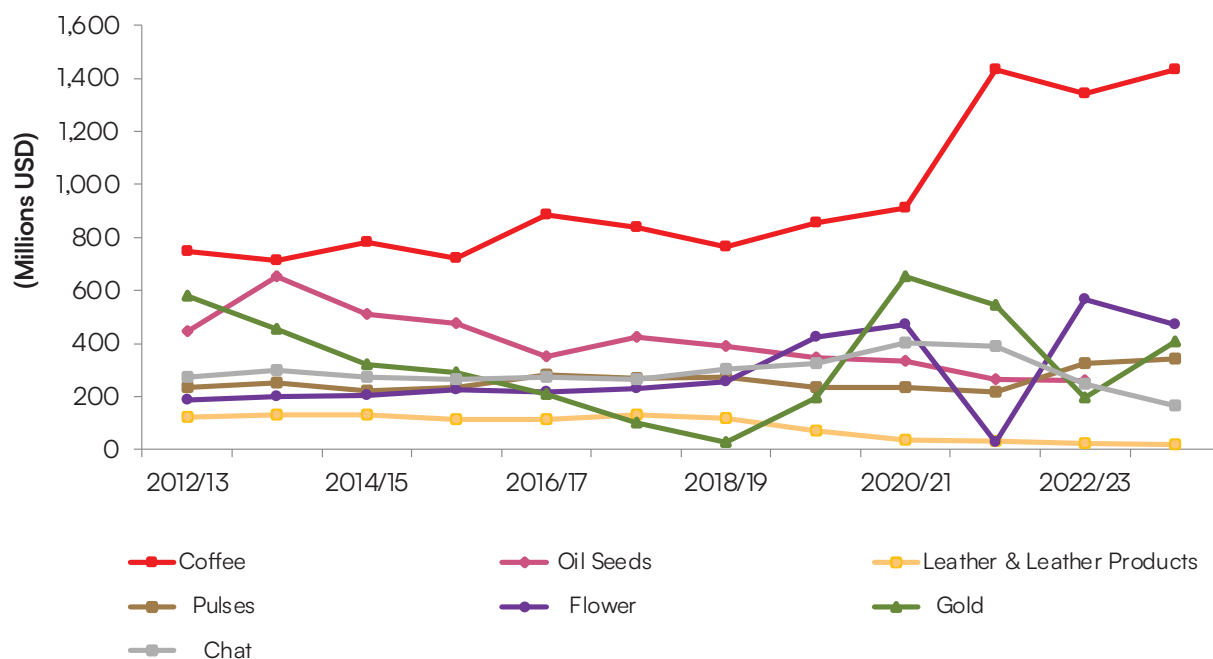
Table 5.3: Values of Major Export Items

(In millions of USD)

Particulars	2021/22		2022/23		2023/24		Percentage Change	
	A	%share	B	%share	C	%share	B/A	C/B
Coffee	1,430.7	34.9	1,340.2	37.0	1,430.8	37.7	(6.3)	6.8
Oilseeds	265.7	6.5	258.0	7.1	333.2	8.8	(2.9)	29.2
Leather and Leather Products	33.2	0.8	24.7	0.7	19.9	0.5	(25.5)	(19.5)
Pulses	218.9	5.3	324.5	9.0	343.8	9.1	48.2	5.9
Meat & Meat Products	109.6	2.7	81.7	2.3	70.4	1.9	(25.5)	(13.8)
Fruits & Vegetables	87.8	2.1	92.5	2.6	65.1	1.7	5.3	(29.6)
Textile & Textile Prod.	175.6	4.3	148.7	4.1	120.1	3.2	(15.3)	(19.2)
Live Animals	29.2	0.7	17.5	0.5	43.5	1.1	(40.1)	148.9
Chat	391.6	9.5	247.5	6.8	164.5	4.3	(36.8)	(33.6)
Gold	546.4	13.3	197.0	5.4	408.6	10.8	(63.9)	107.4
Flower	541.6	13.2	567.8	15.7	469.9	12.4	4.8	(17.2)
Electricity	93.5	2.3	102.2	2.8	139.0	3.7	9.3	36.0
Others	177.7	4.3	222.0	6.1	189.9	5.0	24.9	(14.4)
Total Export	4,101.5	100.0	3,624.3	100.0	3,798.7	100.0	(11.6)	4.8

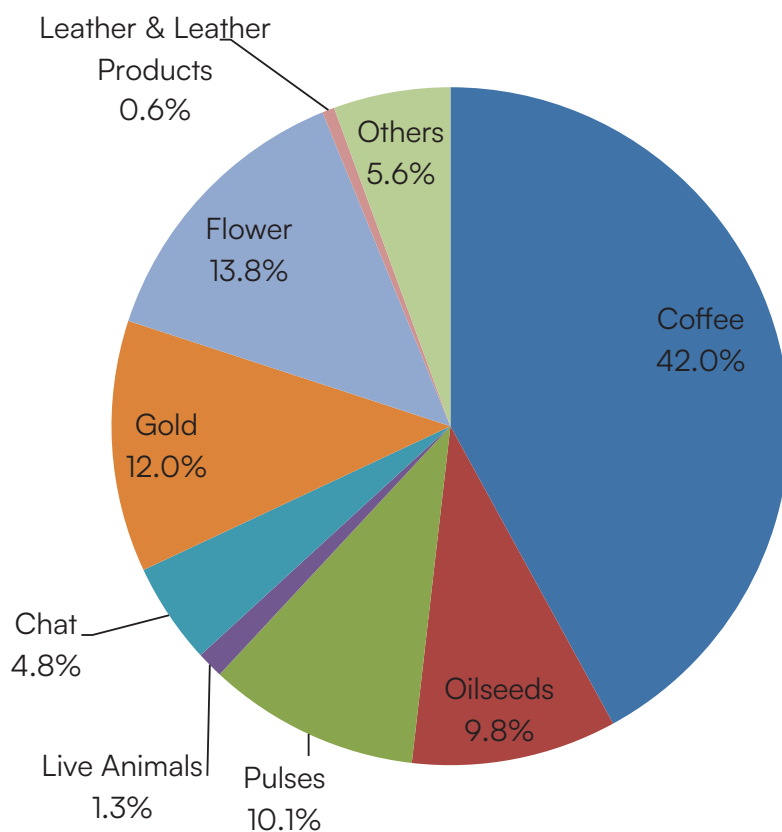
Source: Ethiopian Customs Commission, NBE and Ethiopian Electric Power

Fig.V.2: Foreign Exchange Earnings from Selected Export Items



Source: NBE Staff Computation

Fig.V.3: Export Share of Selected Commodities (FY2023/24)



Source: NBE Staff Computation

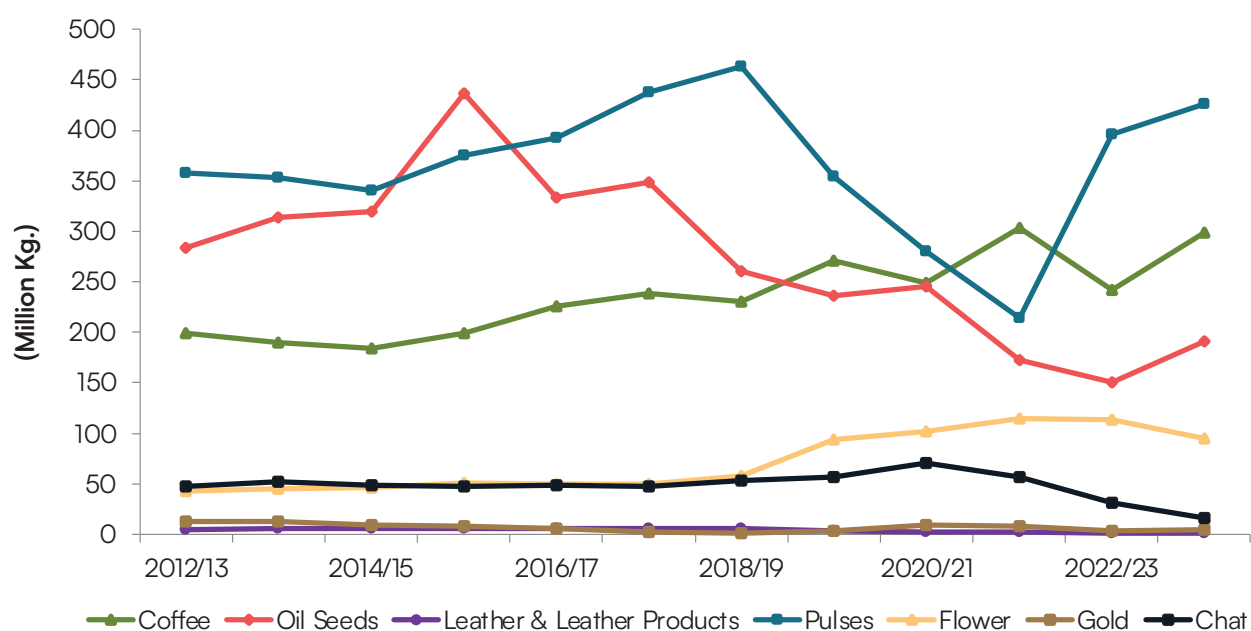
Table 5.4: Volume of Major Exports

(In millions of kg unless stated otherwise)

Particulars	2021/22	2022/23	2023/24	Percentage Change	
	A	B	C	B/A	C/B
Coffee	303.24	241.70	298.97	(20.3)	23.7
Oilseeds	172.14	150.29	191.17	(12.7)	27.2
Leather and Leather Products	2.24	1.70	1.63	(24.3)	(3.6)
Pulses	213.87	396.22	425.99	85.3	7.5
Meat & Meat Products	19.01	11.53	11.06	(39.4)	(4.0)
Fruits & Vegetables	222.65	177.24	184.84	(20.4)	4.3
Textile & Textile Prod.	35.23	31.38	30.81	(10.9)	(1.8)
Live Animals	17.27	7.87	51.99	(54.4)	560.4
Chat	56.33	31.31	15.84	(44.4)	(49.4)
Gold(In mn. of grams)	8.68	3.46	4.22	(60.1)	21.8
Flower	114.25	112.99	95.42	(1.1)	(15.5)
Electricity (In mn of kwh)	1,665.17	1,749.96	1,779.53	5.1	1.7

Source: Ethiopian Customs Commission and Ethiopian Electric Power

Fig.V.4: Export Volume of Selected Commodities



Source: NBE Staff Computation

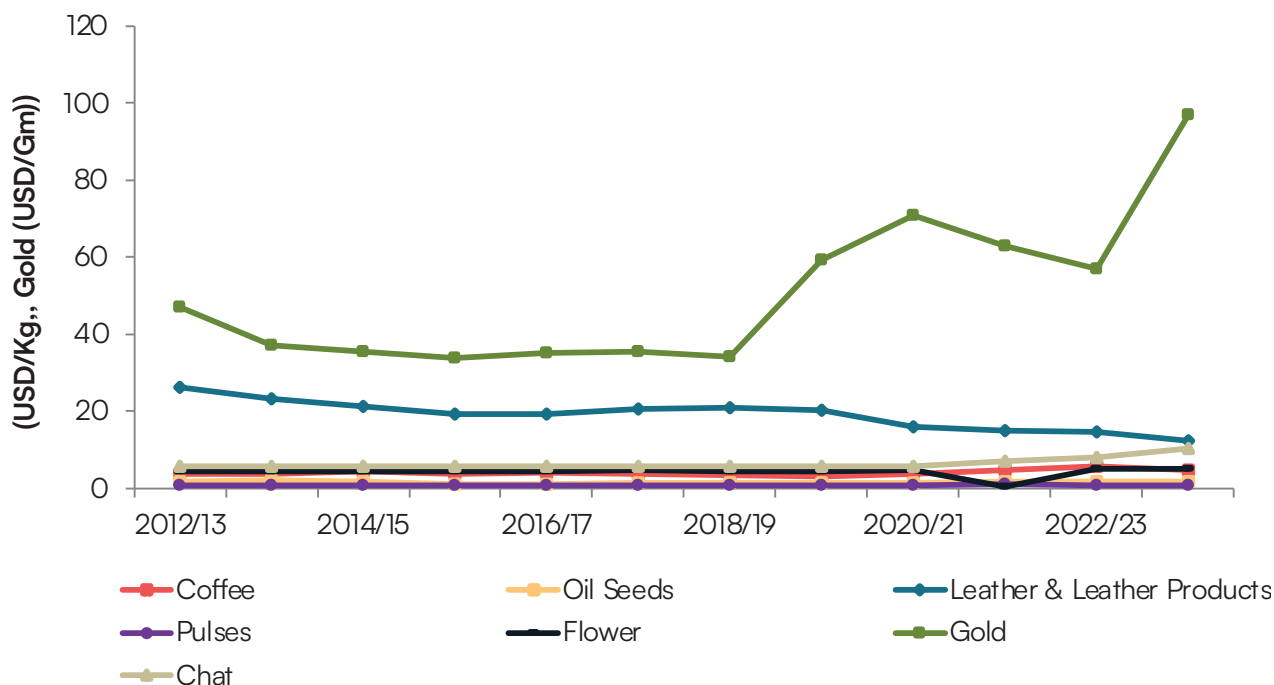
Table 5.5: Unit Value of Major Export Items

(In USD/kg unless stated otherwise)

Particulars	2021/22	2022/23	2023/24	Percentage Change	
	A	B	C	B/A	C/B
Coffee	4.72	5.54	4.79	17.5	(13.7)
Oilseeds	1.54	1.72	1.74	11.2	1.5
Leather and Leather Products	14.81	14.58	12.17	(1.6)	(16.5)
Pulses	1.02	0.82	0.81	(20.0)	(1.5)
Meat & Meat Products	5.77	7.09	6.37	22.9	(10.1)
Fruits & Vegetables	0.39	0.52	0.35	32.3	(32.5)
Textile & Textile Prod.	4.98	4.74	3.90	(4.9)	(17.7)
Live Animals	1.69	2.22	0.84	31.3	(62.3)
Chat	6.95	7.91	10.38	13.7	31.3
Gold (USD/grams)	62.95	56.93	96.91	(9.6)	70.2
Flower	4.74	5.02	4.92	6.0	(2.0)
Electricity (USD/kwh)	0.06	0.06	0.08	4.0	33.7

Source: Ethiopian Customs Commission and Ethiopian Electric Power

Fig.V. 5: Unit Value of Selected Export Commodities



Source: NBE Staff Computation

5.2.3 Import of Goods

Total merchandise import bill reached USD 18.4 billion, reflecting a 7.5 percent annual growth due to higher import bills for capital goods, semi-finished goods, raw materials and miscellaneous goods. On the other hand, payments for consumer goods and fuel declined during the review period. Thus, the import-to-GDP ratio declined to 8.8 percent from 10.5 percent a year ago.

Capital goods import bill rose by 48.4 percent, as the value of transport and industrial capital goods increased by 66.6 percent and 46.4 percent, respectively while import value of agricultural capital goods declined (30.6 percent) during the review period. Consequently, the share of capital goods in total merchandise imports increased to 30.6 percent from 22.1 percent a year earlier.

Likewise, semi-finished goods import bill reached USD 3.8 billion, reflecting a 16.7 percent annual increase as import bill for fertilizer grew (42.8 percent). As a result, the share of semi-finished goods in total merchandise imports rose to 20.6 percent from 19.0 percent last year.

Import bill of raw materials increased by (10.0 percent) relative to the preceding year and accounted for 0.6 percent of the total merchandise imports.

In contrast, consumer goods import decreased (12.9 percent) and reached USD 5.1 billion, owing to a decline in imports of durable goods (3.4 percent) and non-durable goods (16.0 percent). Hence, the share of consumer goods in total merchandise import decreased to 27.9 percent from 34.4 percent last year same period.

Likewise, the value of fuel import fell (9.0 percent) to USD 3.6 billion due to a fall in international price (4.0 percent) and import volume (5.2 percent). Hence, the share of fuel in total merchandise import went down to 19.6 percent from 23.1 percent a year ago (Table 5.6).

Table 5.6: Value of Imports by End Use

(In Millions of USD)

Categories	2021/22		2022/23		2023/24		Percentage change	
	A	% share	B	% share	C	% share	B/A	C/B
Raw Materials	114.5	0.6	107.9	0.6	118.7	0.6	-5.8	10.0
Semi-finished Goods	3,748.2	20.7	3,258.2	19.0	3,802.3	20.6	-13.1	16.7
Fertilizers	1,385.0	7.6	921.0	5.4	1,315.3	7.1	-33.5	42.8
Fuel	3,460.4	19.1	3,966.5	23.1	3,608.7	19.6	14.6	-9.0
Petroleum Products	3,362.3	18.5	3,829.4	22.3	3,530.9	19.1	13.9	-7.8
Others	98.1	0.5	137.1	0.8	77.8	0.4	39.8	-43.3
Capital Goods	3,038.1	16.8	3,798.0	22.1	5,636.4	30.6	25.0	48.4
Transport	327.0	1.8	728.0	4.2	1,212.7	6.6	122.6	66.6
Agricultural	55.6	0.3	93.4	0.5	64.7	0.4	68.2	-30.8
Industrial	2,655.5	14.6	2,976.6	17.4	4,359.0	23.6	12.1	46.4
Consumer Goods	7,618.3	42.0	5,904.6	34.4	5,140.2	27.9	-22.5	-12.9
Durables	815.5	4.5	1,447.3	8.4	1,397.8	7.6	77.5	-3.4
Non-durables	6,802.8	37.5	4,457.3	26.0	3,742.4	20.3	-34.5	-16.0
Miscellaneous	148.5	0.8	113.3	0.7	134.7	0.7	-23.7	18.9
Total Import	18,128.0	100.0	17,148.5	100.0	18,441.1	100.0	-5.4	7.5

Source: Ethiopian Customs Commission and Ethiopian Petroleum Enterprise

5.2.4 Direction of Trade

5.2.4.1 Export of Goods

The major destinations⁵ for Ethiopian merchandise exports were Asia, Europe, Africa and America. Asia accounted for 40.8 percent of Ethiopia's total exports. Saudi Arabia was the largest market for Ethiopia's exports, with a 23 percent share in total export earnings from Asia, followed by the United Arab Emirates (14.3 percent), South Korea (9.2 percent), Japan (8.3 percent), China (6.9 percent), India (6.6 percent), Israel (6.4 percent), Pakistan (4.4 percent), Singapore (4.1 percent), Hong Kong (1.7 percent), Yemen (1.5 percent) and Indonesia (1.4 percent). These countries in total had a 89.4 percent share in Ethiopia's total exports to Asia.

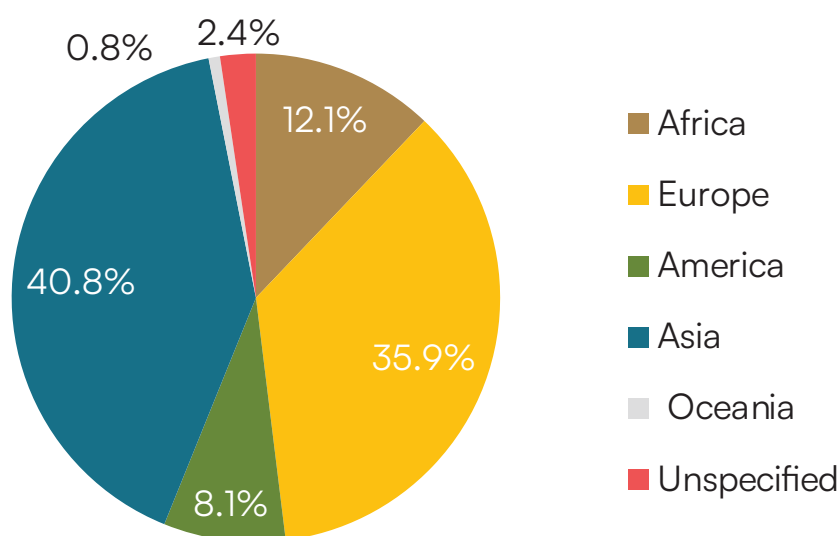
⁵ Wheat & Hilina's enriched foods sold to humanitarian organization operating in Ethiopia are included to export receipts and categorized under unspecified during 2023/24.

Europe accounted for 35.9 percent of Ethiopia's total export revenue, with the Switzerland taking a 30.1 percent, share followed by the Netherlands (24.2 percent), Germany (12.1 percent), Belgium (9.9 percent), Italy (5.6 percent), Turkey (4.3 percent), United Kingdom (3.8 percent), France (2.9 percent), Russia (1.5 percent) and Spain (1.0 percent). These countries altogether constituted for 95.4 percent of Ethiopia's total exports to Europe.

About 12.1 percent of Ethiopia's exports went Africa, mainly Djibouti (27.8 percent), Kenya (21.5 percent), Somalia (19.2 percent), Sudan (16.4 percent), Egypt (2.3 percent), South Africa (2.2 percent) and Morocco (2.0 percent) whose combined power was 91.4 percent of the total exports to Africa.

America accounted for 8.1 percent of Ethiopia's total export earnings, of which 86.4 percent was from exports to the United States and 7.6 percent to Canada. These two countries had 94.0 percent share in Ethiopia's total exports to America.

Fig.V.6: Export by Destination



Source: NBE Staff Compilation

5.2.4.2 Import of Goods

Asia accounted for 64.3 percent of Ethiopia's total imports. The major imports from Asia originated from China (38.8 percent), India (14.7 percent), U.A.E. (14.6 percent), Saudi Arabia (10.1 percent), Malaysia (4.2 percent), Indonesia (3.4 percent), Thailand (1.7 percent), Kuwait (1.2 percent) and South Korea (1.1 percent). Their combined share stood at 89.6 percent.

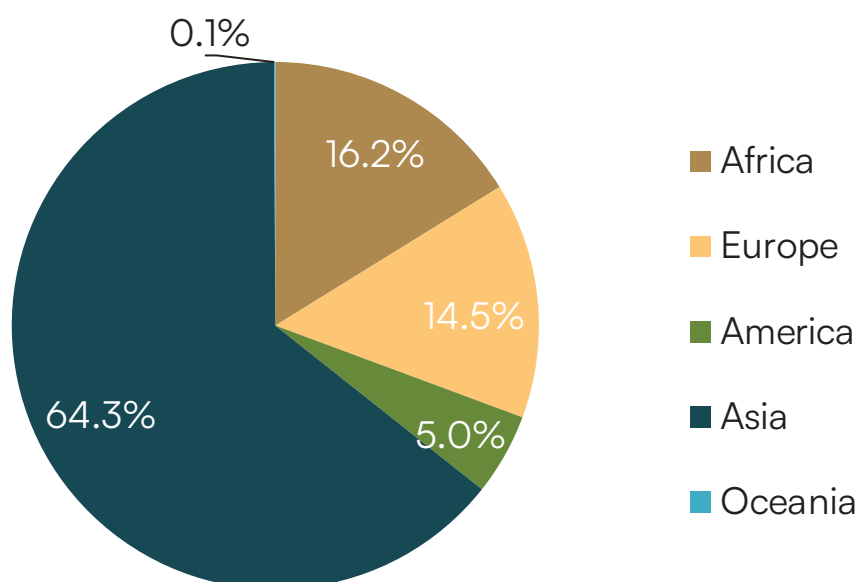
The share of Ethiopia's total merchandise imports from Africa was 16.2 percent. The major countries of origin were Morocco (45.2 percent), Egypt (28.6 percent), Djibouti (13.5 percent), South Africa (4.8 percent), Nigeria (3.2 percent) and Kenya (2.8 percent), which together

constituted 98.1 percent of the total imports from the continent.

About 14.5 percent of Ethiopia's import bill was from Europe were, with the major trading partner countries being Turkey (28.8 percent), United Kingdom (19.1 percent), Germany (10.2 percent), Italy (7.0 percent), Russia (6.8 percent), France (6.0 percent), Netherlands (4.0 percent), Belgium (2.5 percent), Rumania (2.2 percent) and Spain (2.4 percent). These countries jointly accounted for 88.6 percent of Ethiopia's total imports from Europe.

Imports from America accounted for 5.0 percent of the total import bill, of which the share of the United States was 73.0 percent, followed by Brazil (19.8 percent), Canada (1.6 percent) and Mexico (1.2 percent).

Fig.V.7: Import by Origin



Source: NBE Staff Compilation

5.3 Services and Transfers

5.3.1 Services

Net services account recorded USD 1.3 billion surplus compared with USD 950.1 million surplus a year ago. This was attributed to a 19.0 percent improvement in surplus of net transport services coupled with contraction in the deficit of net investment payments (26.0 percent) and other services (8.6 percent) while net travel services declined (4.5 percent).

Table 5.7: Services Accounts

(In Millions of USD)

No	Particulars	2021/22	2022/23	2023/24	Percentage Change!	
		A	B	C	D=B/A	E=C/B
1	Investment Income (2+5)	-573.7	-449.0	-332.4	-21.7	-26.0
2	Interest, net (3-4)	-573.0	-447.4	-331.1	-21.9	-26.0
3	Credit	6.6	57.5	99.0	771.0	72.2
4	Debit	579.5	504.9	430.0	-12.9	-14.8
5	Dividend, net	-0.7	-1.6	-1.3	121.1	-16.9
6	NON-FACTOR SERVICES, net (7-8)	1,212.9	1,399.1	1,610.4	15.4	15.1
7	Exports of non-factor services	6,349.6	7,174.1	7,865.9	13.0	9.6
!	Travel	1,028.4	1,140.5	1,274.0	10.9	11.7
!	Transport ¹	4,751.2	5,479.2	5,946.6	15.3	8.5
!	Gov't ²	192.4	208.9	127.6	8.6	-38.9
!	Other ³	377.7	345.4	517.7	-8.5	49.9
8	Imports of non-factor services	5,136.8	5,775.0	6,255.5	12.4	8.3
!	Travel	563.5	614.0	771.0	9.0	25.6
!	Transport ¹	3,648.1	4,124.9	4,335.0	13.1	5.1
!	Gov't ²	6.7	0.8	1.2	-88.0	54.9
!	Other ³	918.5	1,035.3	1,148.2	12.7	10.9
9	Net Services (10+11+12+13+14)	639.2	950.1	1,278.0	48.6	34.5
10	Travel	464.9	526.5	503.0	13.3	-4.5
11	Transport	1,103.1	1,354.3	1,611.6	22.8	19.0
12	Gov't	185.7	208.1	126.3	12.1	-39.3
13	Other	-540.8	-689.9	-630.5	27.6	-8.6
14	Investment Income	-573.7	-449.0	-332.4	-21.7	-26.0

Source: MoF, Transport and Telecommunication Companies, NBE- FEMEMD and Staff Compilation

1. Includes Ethiopian Airlines receipts and payments

2. Includes transactions with Embassies and international organizations such as UN-ECA, AU, EU, IMF and WB

3. Includes communication, construction, insurance, financial, information, other business

5.3.2 Unrequited Transfers

Net transfers declined (5.7 percent) and reached USD 7.4 billion in 2023/24. This was attributed to the fall in net private transfers (8.8 percent) despite an increase (13.1 percent) in net official transfers.

Receipts from private transfers, which comprised 83.1 percent of total transfers during the period, have registered USD 6.3 billion (declined by 8.7 percent annually). On the other hand, net official transfers increased by 13.1 percent resulted from a reduction in transfer payments.

Table 5.8: Unrequited Transfers

(In Millions of USD)

S/N	Particulars	2021/22		2022/23		2023/24		Percentage Change	
		A	% share	B	% share	C	% share	B/A	C/B
1	Private Transfers, net	7,106.0	86.2	6,807.9	86.2	6,211.1	83.4	-4.2	-8.8
1.1	Receipts	7,119.8	83.6	6,849.9	83.9	6,254.9	83.1	-3.8	-8.7
	NGO's	1,868.3	21.9	2,192.2	26.8	811.3	10.8	17.3	-63.0
	Cash	698.6	8.2	780.3	9.6	741.0	9.8	11.7	-5.0
	Food	1,169.7	13.7	1,411.9	17.3	70.4	0.9	20.7	-95.0
	Other								
	Private Individuals	5,251.5	61.7	4,657.7	57.0	5,443.5	72.3	-11.3	16.9
1.2	Payments	13.8	5.1	42.0	15.8	43.8	52.8	204.9	4.2
2	Official Transfers, net	1,136.3	13.8	1,093.3	13.8	1,236.4	16.6	-3.8	13.1
2.1	Receipts	1,394.5	16.4	1,317.9	16.1	1,275.5	16.9	-5.5	-3.2
	Cash	1,331.7	15.6	1,317.9	16.1	1,275.5	16.9	-1.0	-3.2
	Food								
	Other	62.8							
2.2	Payments	258.2	94.9	224.6	84.2	39.1	47.2	-13.0	-82.6
	Total Receipts	8,514.3	100.0	8,167.8	100.0	7,530.4	100.0	-4.1	-7.8
	Total Payments	272.0	100.0	266.5	100.0	82.9	100.0	-2.0	-68.9
3	Net Transfers	8,242.3	100.0	7,901.2	100.0	7,447.5	100.0	-4.1	-5.7

Source: National Disaster Risk Management Commission (NDRMC), MoF and NBE

5.4 Current Account

The deficit in the current account balance, including official transfers, widened to USD 5.9 billion USD 4.7 billion last year due to widened merchandise trade deficit (8.3 percent) and decline in net private transfers (8.8 percent) while net service trade rose 34.5 percent and net official transfers 13.1 percent (Table 5.1).

5.5 Capital Account

Net capital accounts, showed USD 4.1 billion surplus, which was 16.4 percent higher than that of last year. This was largely attributed to the rise in net official long term capital (15.5 percent) and net foreign direct investment (13.9 percent) coupled with a decline (43.9 percent) in net other public sector long term capital deficit. In contrast, short term capital outflow rose to USD 262.2 million from USD 137.7 million last year while private long term-capital declined (28 percent) (Table 5.1).

5.6 Changes in Reserve Position

Net foreign assets of the banking system recorded reserve drawdown of USD 1.3 billion. Thus, the draw down in net foreign assets of the National Bank of Ethiopia was USD 1.5 billion while that of commercial banks showed a USD 186.9 million build up (Table 5.1).

5.7 External Debt

Ethiopia's external debt stock reached USD 28.8 billion in 2023/24, depicting a 1.9 percent annual growth mainly due to an increase in multilateral creditors (1.8 percent) and bilateral (4.5 percent) albeit decline in commercial sources (1.7 percent). Hence, the country's external debt stock to GDP ratio stood at 13.7 percent. Commercial debt stock reached USD 5.1 billion showing 1.7 percent annual reduction and accounted for 17.6 percent of the total debt stock. Of the total debt stock, 54.0 percent was owed to multilateral and the remaining 28.4 percent to bilateral creditors. The country's external debt burden, measured by debt services to export of goods and non-factor services ratio, decreased to 10.8 percent from 16.6 percent a year earlier (Table 5.9).

Table 5.9: External Public Debt

(In Millions of USD)

Particulars	2021/22	2022/23	2023/24	Percentage Change	
	A	B	C	D=B/A	E=C/B
Annual Debt	1,175.6	1,612.5	1,386.4	37.2	-14.0
Debt Stock	27,953.1	28,249.2	28,795.0	1.1	1.9
Multilateral	14,707.6	15,280.5	15,562.6	3.9	1.8
Bilateral	7,982.4	7,801.4	8,150.6	-2.3	4.5
Commercial	5,263.1	5,167.3	5,081.8	-1.8	-1.7
Debt Services	2,139.9	1,790.1	1,265.3	-16.3	-29.3
Principal repayments	1,643.1	1,360.8	974.4	-17.2	-28.4
Interest payments	496.8	429.3	291.0	-13.6	-32.2
Debt Stock to GDP Ratio (in %)	22.0	17.3	13.7	-21.7	-20.5
Debt stock to export of goods and non-factor services	2.7	2.6	2.5	-2.2	-5.6
Receipt from Goods & Non-factor Services	10,451.1	10,798.4	11,664.6	3.3	8.0
Debt service ratio (In percent)1/	20.5	16.6	10.8	-19.0	-34.6
Arrears					
Principal					
Interest					
Relief					
Principal					
Interest					

Source: MoF and NBE

1/ Ratio of debt service to receipts from export of goods and non-factor services

5.8 Developments in Foreign Exchange Markets

5.8.1 Developments in Nominal Exchange Rate

In 2023/24, weighted average exchange rate of the Birr in the inter-bank foreign exchange market was Birr 55.9623/USD, depicting a 5.0 percent annual depreciation (Table 5.10).

In the retail foreign exchange market, the average buying and selling rates (USD/ETB) of forex bureaus depreciated by 4.6 percent and 4.5 percent, respectively.

Table 5.10: Inter-Bank Exchange Rates of Birr per USD

(In Millions of USD)

Period	Average Weighted Rate	Amount Traded in millions of USD		Number of Trades	
		Total	o/w Among CBs	Total	o/w Among CBs
2021/22	48.5674	12.6	0.0	252.0	0.0
Qtr. I	44.9109	3.2	0.0	64.0	0.0
Qtr. II	47.6026	3.3	0.0	65.0	0.0
Qtr. III	50.2619	3.1	0.0	61.0	0.0
Qtr. IV	51.4941	3.1	0.0	62.0	0.0
2022/23	53.2830	12.7	0.0	253.0	0.0
Qtr. I	52.3035	3.3	0.0	65.0	0.0
Qtr. II	52.9654	3.3	0.0	65.0	0.0
Qtr. III	53.6179	3.2	0.0	63.0	0.0
Qtr. IV	54.2454	3.0	0.0	60.0	0.0
2023/24	55.9623	12.7	0.0	254.0	0.0
Qtr. I	54.9259	3.1	0.0	62.0	0.0
Qtr. II	55.6146	3.3	0.0	66.0	0.0
Qtr. III	56.3211	3.3	0.0	65.0	0.0
Qtr. IV	56.9876	3.1	0.0	61.0	0.0

Source: NBE, Foreign Exchange Monitoring & Reserve Management Directorate and Staff Compilation

Table 5.11: End Period Mid-Market Rates

(USD per Unit of Foreign Currency)

Currency	2021/22	2022/23	2023/24	Percentage Change	
	A	B	C	B/A	C/B
Pound Sterling	1.2161	1.2659	1.2641	4.1	(0.1)
Swedish Kroner	0.0984	0.0926	0.0943	(5.9)	1.9
Djibouti Franc	0.0056	0.0056	0.0057	(0.2)	1.0
Swiss Franc	1.0522	1.1176	1.1137	6.2	(0.3)
Saudi Riyal	0.2665	0.2666	0.2666	0.0	(0.0)
UAE Dirham	0.2722	0.2722	0.2722	0.0	0.0
Canadian Dollar	0.7775	0.7542	0.7300	(3.0)	(3.2)
Japanese Yen	0.0073	0.0069	0.0062	(5.4)	(10.1)
Euro	1.0527	1.0936	1.0695	3.9	(2.2)
SDR	1.3363	1.3363	1.3075	0.0	(2.2)

Source: Staff Compilation

End-period mid-market exchange rate of the US dollar depreciated against the Swedish Kroner (1.9 percent) and Djibouti Franc (1.0 percent), whereas it appreciated against the Japanese Yen (10.1 percent), Canadian Dollar (3.2 percent), Euro (2.2 percent), SDR (2.2 percent), Swiss Franc (0.3 percent) and Pound Sterling (0.1 percent). However, USD remained stable vis-à-vis the Saudi Riyal and UAE Dirhams (Table 5.11).

Table 5.12: End Period Mid-Market Rates

(Birr per Unit of Foreign Currency)

Currency	2021/22	2022/23	2023/24	Percentage Change	
	A	B	C	B/A	C/B
USD	52.2538	54.8673	57.6132	5.0	5.0
Pound	63.5459	69.4565	72.8288	9.3	4.9
Swedish Kroner	5.1426	5.0805	5.4349	(1.2)	7.0
Djibouti Franc	0.2932	0.3104	0.3259	5.8	5.0
Swiss Franc	54.9809	61.3180	64.1643	11.5	4.6
Saudi Riyal	13.9258	14.6290	15.3570	5.0	5.0
UAE Dirhams	14.2245	14.9364	15.6848	5.0	5.0
Canadian Dollar	40.6265	41.3812	42.0596	1.9	1.6
Japanese Yen	0.3829	0.3804	0.3589	(0.7)	(5.7)
Euro	55.0076	60.0029	61.6173	9.1	2.7
SDR	69.8267	73.3192	75.3292	5.0	2.7

Source: Staff Compilation

Likewise, the Birr depreciated against almost all major international currencies, such as the Swedish Kroner (7.0 percent), Djibouti Franc (5.0 percent), Saudi Riyal (5.0 percent), USD (5.0 percent), UAE Dirhams (5.0 percent), Pound Sterling (4.9 percent), Swiss Franc (4.6 percent), SDR (2.7 percent), Euro (2.7 percent) and Canadian Dollar (1.6 percent), while it appreciated against Japanese Yen by 5.7 percent (Table 5.12).

5.8.2 Movements in Real Effective Exchange Rate

The real effective exchange rate (REER) of the Birr has been appreciating since 2012/13 as result of higher domestic inflation and strengthening of US dollar relative to that of its major trading partners. However, the Birr exchange rate tended to depreciate in real terms during 2017/18, 2019/20 and 2021/22. Notably, during the FY2023/24, the Birr appreciated by 23.1 percent in real terms due to elevated domestic inflation and the appreciation of the Birr against its trading partners currencies.

Likewise, the nominal effective exchange rate (NEER) of the Birr appreciated by 23.4 percent compared to 11.4 percent appreciation a year earlier (Table 5.13).

Table 5.13: Trends in Real and Nominal Effective Exchange Rates

Fiscal Year	REERI	NEERI	Percentage Change	
			REERI	NEERI
2012/13	141.8	41.4	-0.3	-3.9
2013/14	143.8	39.8	1.4	-3.8
2014/15	162.4	41.5	12.9	4.2
2015/16	165.1	40.4	1.7	-2.8
2016/17	178.5	41.0	8.2	1.6
2017/18	169.2	34.7	-5.3	-15.4
2018/19	192.8	35.5	14.0	2.4
2019/20	202.4	31.5	5.0	-11.3
2020/21	192.6	25.4	-4.8	-19.2
2021/22	235.4	27.1	22.2	6.7
2022/23	305.5	30.2	29.7	11.4
2023/24	376.1	37.3	23.1	23.4

Source: NBE Staff Compilation

An increase in REERI and NEERI indicates appreciation and vice versa.

Where: REERI = Real Effective Exchange Rate Index

NEERI = Nominal Effective Exchange Rate Index

5.8.3 Foreign Exchange Transactions

In 2023/24, USD 12.7 million was traded in the inter-bank foreign exchange market which was the same amount as that of last year. All the foreign exchange traded in the inter-bank foreign exchange market was supplied by the National Bank of Ethiopia (Table 5.10).

At the same time, forex bureaus of commercial banks purchased USD 226.4 million from customers which was 23.1 percent higher than last year. Similarly, their foreign exchange sales increased by 13.6 percent to USD 252.7 million (Table 5.14).

Table 5.14: Foreign Exchange Transactions by Forex Bureaus of Commercial Banks

(In Millions of USD)

Name of Forex Bureau	2021/22		2022/23		2023/24		Percentage Change	
	A	B	C	D	E	F	G=E/C	H=F/D
	Purchases	Sales	Purchases	Sales	Purchases	Sales	Purchases	Sales
Commercial Bank of Ethiopia	136.3	39.0	142.7	127.3	192.3	169.4	34.8	33.1
Bank of Abyssinia	4.1	17.1	1.1	17.8	0.5	17.3	-58.4	-2.9
Dashen Bank	14.2	14.8	13.9	17.3	19.4	15.6	39.9	-9.7
Awash International Bank	2.6	15.9	2.2	25.3	0.8	21.9	-62.5	-13.3
Wegagen Bank	6.7	4.0	1.3	4.9	0.4	2.9	-70.7	-41.6
United Bank	4.6	8.0	1.8	3.3	1.4	3.3	-19.4	-1.6
Development Bank	0.0	0.1	0.0	0.1	0.0	0.1	-88.3	103.9
Nib International Bank	11.4	3.1	2.2	3.7	0.2	1.5	-90.3	-61.1
Lion International Bank	0.4	0.3	0.7	0.4	0.8	0.6	20.8	69.7
Oromia International Bank	9.9	3.8	11.0	5.4	5.9	4.7	-46.3	-13.3
Zemen Bank	0.4	4.5	0.3	3.8	0.2	2.2	-35.5	-42.5
Cooperative Bank of Oromia	0.8	5.7	0.5	4.0	0.3	1.6	-29.8	-58.8
Buna International Bank	1.5	1.6	0.4	1.1	0.5	3.7	53.8	234.3
Birhan International Bank	2.7	3.1	0.5	3.2	0.1	1.9	-70.2	-41.8
Abay Bank	2.1	1.0	0.8	0.9	0.1	1.2	-85.5	29.6
Addis International Bank	3.6	1.3	2.1	1.2	0.4	1.1	-81.7	-7.1
Debub Global Bank	0.8	0.7	1.1	0.8	0.4	0.3	-65.3	-56.1
Enat Bank	1.7	1.1	1.0	0.9	0.7	0.6	-34.8	-39.0
Zamzam Bank	0.0	0.3	0.0	0.5	0.0	0.7	-63.5	37.0
Gohe Betch Bank	0.0	-	0.0	0.1	0.0	0.1	109.7	-38.4
Hijra Bank	0.0	-	0.2	0.1	1.0	0.1	327.5	4.4
Amhara Bank	-	-	0.0	0.4	0.0	1.0	-65.6	158.2
Tsehay Bank	-	-	0.0	0.1	0.3	0.1	717.1	64.7
Siinqee Bank	-	-	0.0	0.0	0.4	0.6	893.3	
Geda Bank	-	-	0.0	0.0	0.1	0.1	380.7	422.8
Ahadu Bank	-	-	0.0	0.0	0.0	0.2	46.4	1662.6
Sidama Bank	-	-			0.0	0.0		
Tseday Bank	-	-	0.0	-	0.0	0.1	6387.9	
Total	203.8	125.5	184.0	222.5	226.4	252.7	23.1	13.6
Average Exchange Rate	39.0406	39.8005	53.5595	54.6562	56.0276	57.1230	4.6	4.5

Source: Staff Compilation



GENERAL GOVERNMENT FINANCE

VI. GENERAL GOVERNMENT FINANCE

6.1 General

Overall fiscal operations of the general government resulted Birr 246.9 billion deficit which was higher than Birr 221.1 billion deficit a year ago. Its ratio to GDP was 2.1 percent compared to (2.5 percent) a year earlier.

General government revenue (excluding grants) increased by 22.6 percent (Table 6.2) and its ratio to GDP stood at 7.1 percent (Table 6.1).

Similarly general government expenditure rose by 19.3 percent (Table 6.3) and its ratio to GDP was 9.5 percent (Table 6.1).

During the review period public debt-to-GDP ratio was 32.9 percent (Table 6.1).

Table 6.1: Measuring Fiscal Sustainability

(In Percent)

Fiscal Year	PD/GDP	IP/RR	DDebt/GDP	PDebt/GDP	R(Debt)	R(GDP)	Exp/GDP	Rev/GDP	R(OR)
2014/15	-2.1	2.9	31.8	56.6	31.1	16.6	18.6	15.1	27.7
2015/16	-1.4	3.1	31.3	54.1	24.6	18.2	17.4	14.7	23.6
2016/17	-2.8	3.2	34.4	57.7	28.7	17.6	18.0	14.0	11.3
2017/18	-2.5	4.3	35.7	61.2	24.3	21.0	16.1	12.3	5.1
2018/19	-2.0	4.3	35.8	57.8	22.8	23.1	15.4	11.6	15.5
2019/20	-2.1	3.8	34.9	57.2	22.1	25.4	14.2	10.5	13.8
2020/21	-2.2	5.4	34.1	56.8	25.9	29.4	13.8	10.2	25.5
2021/22	-2.8	7.1	31.4	48.5	30.3	41.8	12.7	8.8	21.5
2022/23	-1.9	8.0	28.0	39.2	26.6	41.7	10.8	7.9	26.9
2023/24	-1.5	8.2	23.8	32.9	14.5	34.7	9.5	7.1	22.6

Source: NBE Staff Computation

Footnotes:

PD = Primary Deficit

IP/RR = Share of interest payments in Recurrent revenue

Debt/GDP = Ratio of Domestic Debt to GDP

R(Debt) = Growth rate of Domestic Debt

R(GDP) = Growth rate of GDP at current market price

Exp/GDP = Ratio of General Government Expenditure to GD

Rev/GDP = Ratio of General Government Revenue to GDP

R(OR) = Growth rate of ordinary Revenue

PDebt/GDP = Ratio of public debt to GDP

6.2 Revenue and Grants

General government revenue (including grants) was Birr 873.1 billion and depicting a 21.7 percent annual growth.

Total domestic revenue reached Birr 840.0 billion of which 85.2 percent was derived from taxes, and the remaining Birr 123.9 billion (14.8%) from non-taxes.

Tax revenue rose by 20.7 percent due to a 29.0 percent increase in direct tax revenue which constituted income tax, profit tax and urban & rural land use fees. Income tax and profit tax accounted for 97.0 percent of the direct taxes while the remaining 3 percent was from urban & rural land use fees.

Revenue from indirect tax stood at Birr 375.5 billion during the review period.

The share of indirect tax in total tax revenue reached 52.4 percent of which about 47.5 percent was collected from import duties. Revenue from indirect taxes grew 5.9 percent on annual terms.

Meanwhile, non-tax revenue was Birr 123.9 billion about 34.4 percent higher than a year ago mainly due to improvement in reimbursement and property sales.

External grants stood at Birr 33.0 billion showing a 2.8 percent annual growth.

The share of total revenue in GDP was 22.6 percent (Table 6.1).

All in all, the performance of total revenue, including grants, was 89.7 percent of the annual budget (Table 6.2).

Table 6.2: Summary of General Government Revenue by Component

(In Millions of Birr)

Particulars	2022/23	2023/24		Percentage Change	Performance Rate
	[A]	[B]	[C]	[C/A]	[C/B]
	Pre. Act	Budget	Pre. Act		
Total Revenue and Grants	717,586.7	973,158.2	873,126.5	21.7	89.7
Total Domestic Revenue 1/	685,459.1	932,038.5	840,094.8	22.6	90.1
Tax Revenue	593,232.1	774,416.4	716,172.2	20.7	92.5
1. Direct Tax Revenue	263,958.6	353,003.3	340,600.2	29.0	96.5
1.1 Income and Profit Taxes	254,984.3	337,876.4	330,391.6	29.6	97.8
Personal	108,234.1	130,979.5	142,491.9	31.7	108.8
Business	123,422.3	157,691.6	156,510.5	26.8	99.3
Others 2/	23,327.9	49,205.3	31,389.3	34.6	63.8
1.2 Rural Land Use Fee	511.6	516.5	1,026.5	100.6	198.7
1.3 Urban Land Use Fee	8,462.7	14,610.3	9,182.0	8.5	62.8
2. Indirect Taxes	329,273.4	421,413.2	375,572.0	14.1	89.1
2.1 Domestic Taxes	160,720.8	233,824.4	197,033.0	22.6	84.3
2.2 Foreign Trade Taxes	168,552.6	187,576.4	178,503.6	5.9	95.2
Import	168,552.6	187,576.4	178,503.6	5.9	95.2
Export		12.4	35.5		286.6
3. Non-Tax Revenue	92,227.1	157,622.1	123,922.7	34.4	78.6
3.1 Charges and Fees	7,148.0	6,945.1	13,744.3	92.3	197.9
3.2 Govt. Invst. Income 3/	16,679.0	23,474.4	16,465.7	(1.3)	70.1
3.3 Reimb. And Property Sales	1,477.5	2,059.1	4,805.0	225.2	233.4
3.4 Sales of Goods & Services	12,844.5	12,951.1	21,355.8	66.3	164.9
3.5 Others 4/	54,078.1	112,192.3	67,551.9	24.9	60.2
4. Grants	32,127.6	41,119.6	33,031.7	2.8	80.3

Source: Ministry of Finance

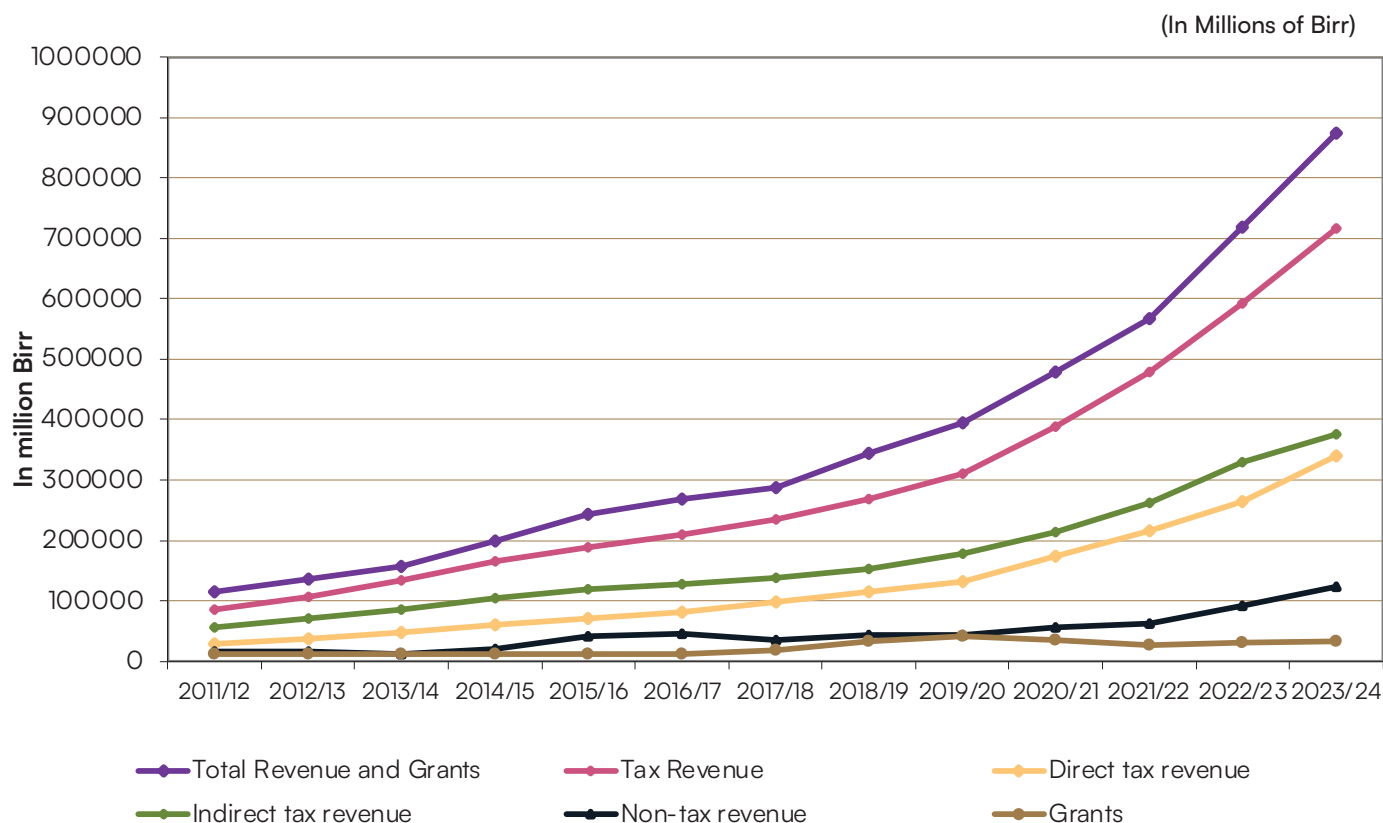
1/ It does not include privatization proceeds

2/ Others include rental income tax, withholding income tax on imports, interest income tax, capital gains tax, agricultural income and other income

3/ Government investment income includes: residual surplus, capital charge, interest payments and state dividend.

4/ Other extraordinary, miscellaneous and pension contribution

Fig.VI.1: Trend of General Government Revenue by Component



6.3 Expenditure

Total general government expenditure was Birr 1,120.0 billion showing a 19.3% annual growth, due to increase in both current and capital expenditures.

Current expenditure at Birr 652.6 billion was 12 percent higher than a year ago and its share in total expenditure reached 58.2 percent.

Meanwhile, capital expenditure stood at Birr 467.4 billion which was 31.3 percent higher than last year same period (Table 6.3).

The share of total expenditure in GDP was 9.5 (Table 6.1).

In summary, total general government expenditure performance was 93.3 percent of the annual budget (Table 6.3).

Table 6.3: Summary of General Government Expenditure

(In Millions of Birr)

Particulars	2022/23	2023/24		Percentage Change	Performance Rate
	[A]	[B]	[C]	[C/A]	[C/B]
	Pre. Act	Budget	Pre. Act		
Total Expenditure	938,771.6	1,200,475.3	1,120,077.3	19.3	93.3
1. Current Expenditure	582,854.6	706,927.8	652,619.7	12.0	92.3
General Services	215,850.3	179,175.4	230,741.7	6.9	128.8
Economic Services	55,863.0	81,574.3	63,103.7	13.0	77.4
Social Services	217,279.4	244,902.3	247,932.4	14.1	101.2
Interest and Charges	54,544.0	105,470.0	68,888.3	26.3	65.3
External Assistance ^{1/}					
Social Safety Net		-	-		
Others (miscellaneous)	39,317.9	95,805.8	41,953.6	6.7	43.8
2. Capital Expenditure	355,917.0	493,547.5	467,457.6	31.3	94.7
Economic Development	216,131.9	278,620.0	275,982.7	27.7	99.1
Social Development	74,773.2	83,897.2	92,963.5	24.3	110.8
General Development	65,011.8	131,030.3	98,511.4	51.5	75.2
3. Special programs	-	-	-		

Source: Ministry of Finance

Note: 1/ Includes mapping, science and technology, public buildings, etc.

Fig.VI.2: Trends in General Government Expenditure by Component

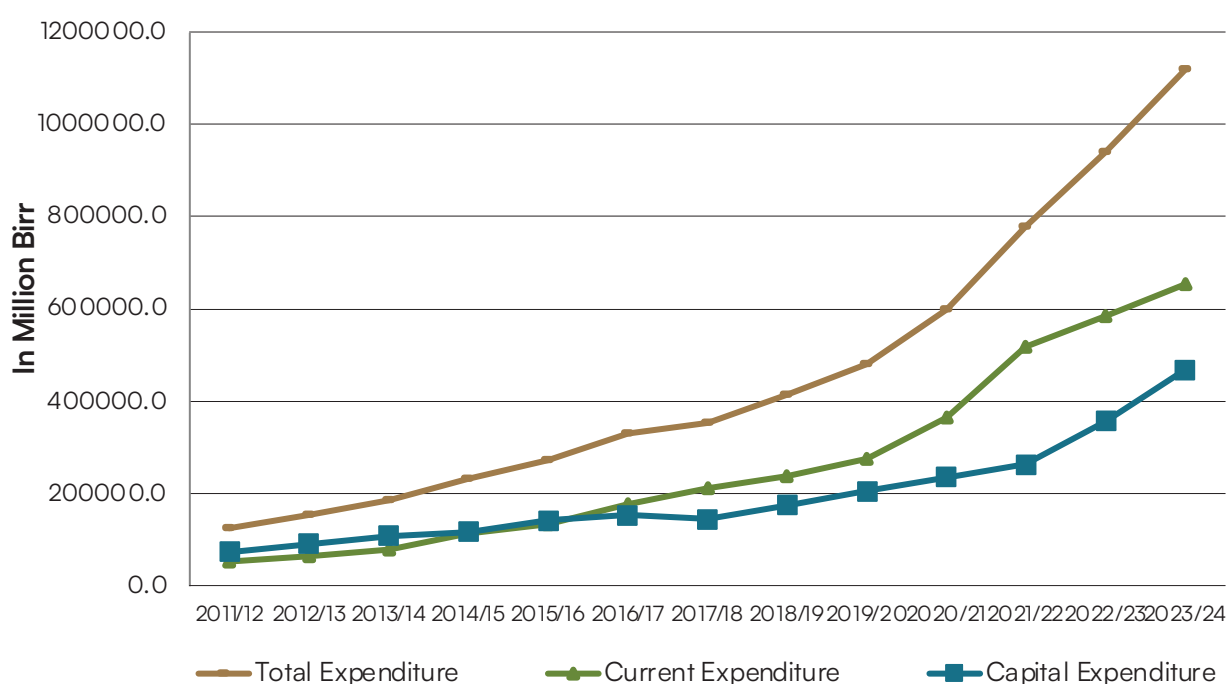
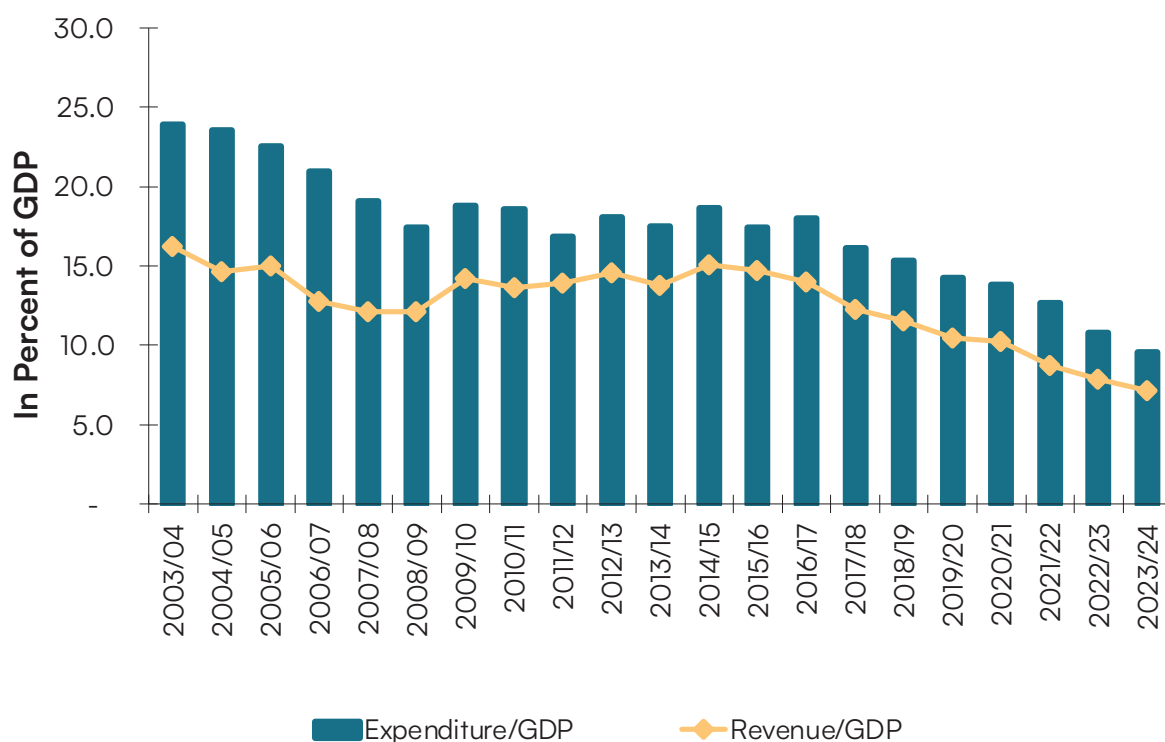


Fig.VI.3: Trends in General Government Expenditure and Revenue (% of GDP)



6.4 Deficit Financing

The general government fiscal operations resulted in a deficit of Birr 246.9 billion which was 11.6 percent higher than that of a year earlier.

The primary balance deficit to GDP ratio was 2.1 percent compared to 2.5 deficit of a year ago. The deficit was financed by net domestic and external borrowings (Table 6.4).

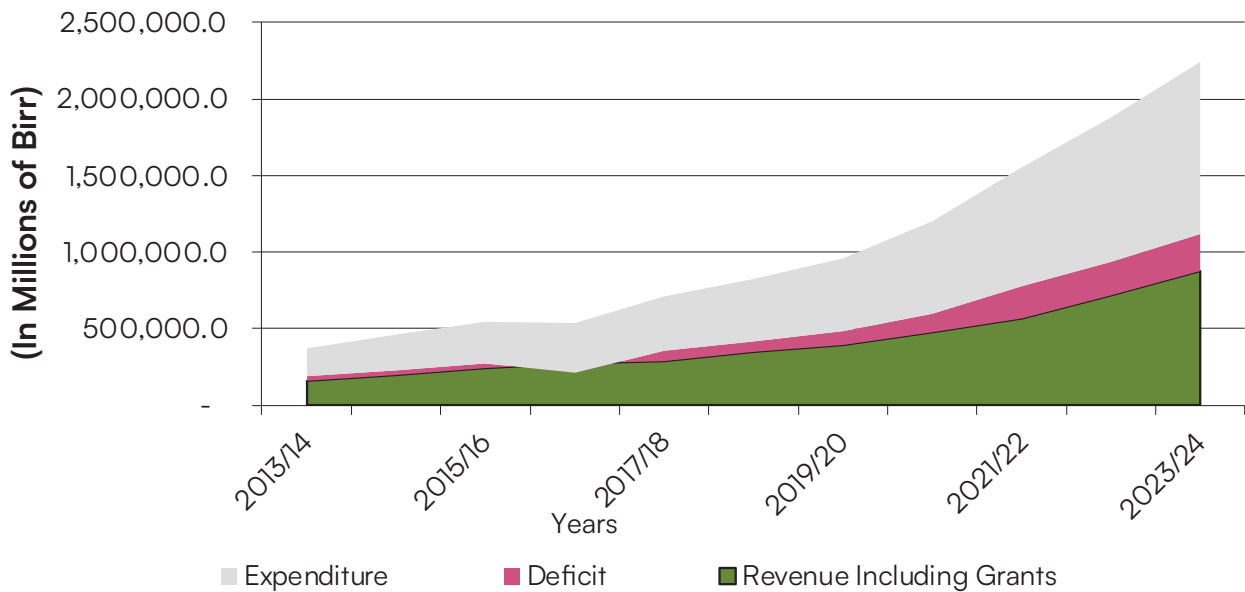
Table 6.4: Summary of General Government Finance

(In Millions of Birr)

Particulars	2022/23	2023/24		Percentage Change	performance rate
	[A]	[B]	[C]	[C/A]	[C/B]
	Pre. Act	Budget	Pre. Act		
Total Revenue and Grants	717,586.7	973,158.2	873,126.5	21.7	89.7
Revenue	685,459.1	932,038.5	840,094.8	22.6	90.1
Grants	32,127.6	41,119.6	33,031.7	2.8	80.3
Total Expenditure	938,771.6	1,200,475.3	1,120,077.3	19.3	93.3
Current Expenditure	582,854.6	706,927.8	652,619.7	12.0	92.3
Capital Expenditure	355,917.0	493,547.5	467,457.6	31.3	94.7
Special Programs					
Overall Surplus/ Deficit					
(Including Grants)	(221,184.9)	(227,317.1)	(246,950.7)	11.6	108.6
(Excluding Grants)	(253,312.4)	(268,436.8)	(279,982.5)	10.5	104.3
Total Financing	221,184.9	227,317.1	246,950.7	11.6	108.6
Net External Borrowings	28,641.6	(11, 376.3)	29,289.1	2.3	(257.5)
Gross Borrowing	51,842.7	39,007.7	52,615.4	1.5	134.9
o/w Special Programs					
Amortization Paid	23,201.1	50,384.0	23,326.3	0.5	46.3
HIPC relief & MDRI					
Net Domestic Borrowings	214,243.1	238,693.4	228,045.2	6.4	95.5
Banking System	141,728.9		139,753.1	(1.4)	
Non-Banking Systems	72,514.2		88,292.1	21.8	
Privatization Receipts	-	-	-		
Others and Residuals	(21,699.9)		(10,383.6)	(52.1)	

Source: Ministry of Finance

Fig.VI.4: General Government Deficit Finance of F.Y 2023/24



6.5 General Government Public Debt

Overall public sector debt reached Birr 3,863.9 billion and was 13.7 percent greater than a year earlier due to an increase in both domestic and external debt (Table 6.5). External debt was Birr 1,611.4 billion showing a 8.6 annual growth.

Likewise, domestic debt stood at Birr 2,252.5 billion depicting a 17.6 percent year-on-year increase.

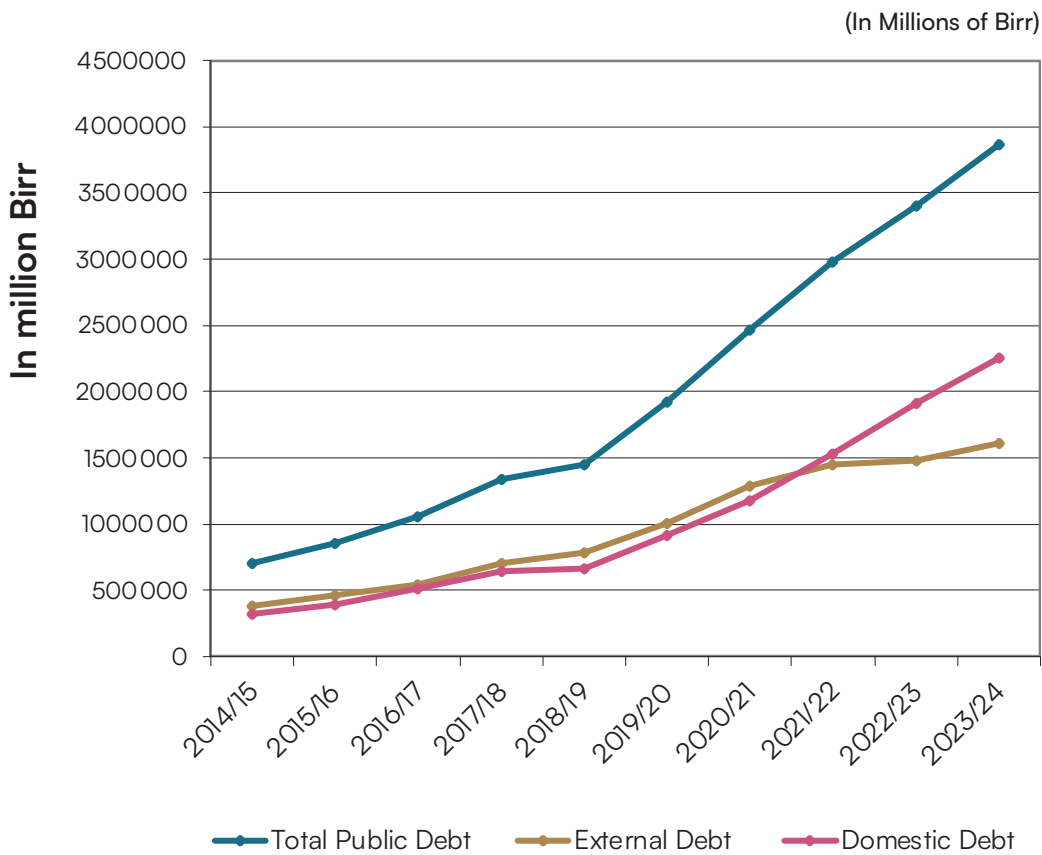
Public debt as percentage of GDP was 32.9 percent (Table 6.1).

Table 6.5: Summary of Total Public Debt by Components

Particulars	(In Millions of Birr)		
	2022/23	2023/24	%age Change
	[A]	[C]	[C/A]
	Actual	Actual	
Total Public Debt	3,399,275.4	3,863,984.2	13.7
External Debt	1,484,097.4	1,611,436.2	8.6
Domestic Debt	1,915,178.0	2,252,548.0	17.6

Source: NBE Staff Computation

Fig.VI.5: General Government Public Debt by Components



INVESTMENT



VII. INVESTMENT

In 2023/24, 101 projects registered by the Ethiopian Investment Commission and regional investment offices have become operational. All the investment projects were private. These projects had Birr 76 billion in investment capital showing 21.6 percent annual growth.

Of the total investment projects, 49 projects were domestic (48.5 percent) with a capital of Birr 62.4 billion (82.1 percent); and 52 projects (51.5 percent) were foreign with a capital of Birr 13.6 billion.

The average capital per project for domestic investors was Birr 1.3 billion and Birr 260.9 million for foreign investors, signifying that domestic investment projects were more capital intensive than the foreign ones.

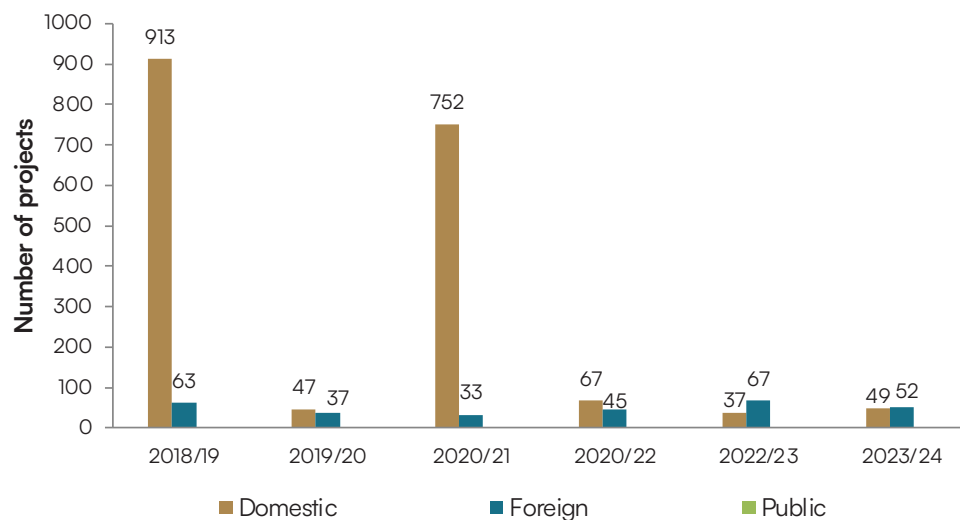
These investment projects have created new job opportunities for about 5,706 permanent and 2,169 casual workers (Table 7.1).

Table 7.1: Number of Projects, Capital and Jobs Created by Operational Investment

(Capital in millions of Birr)

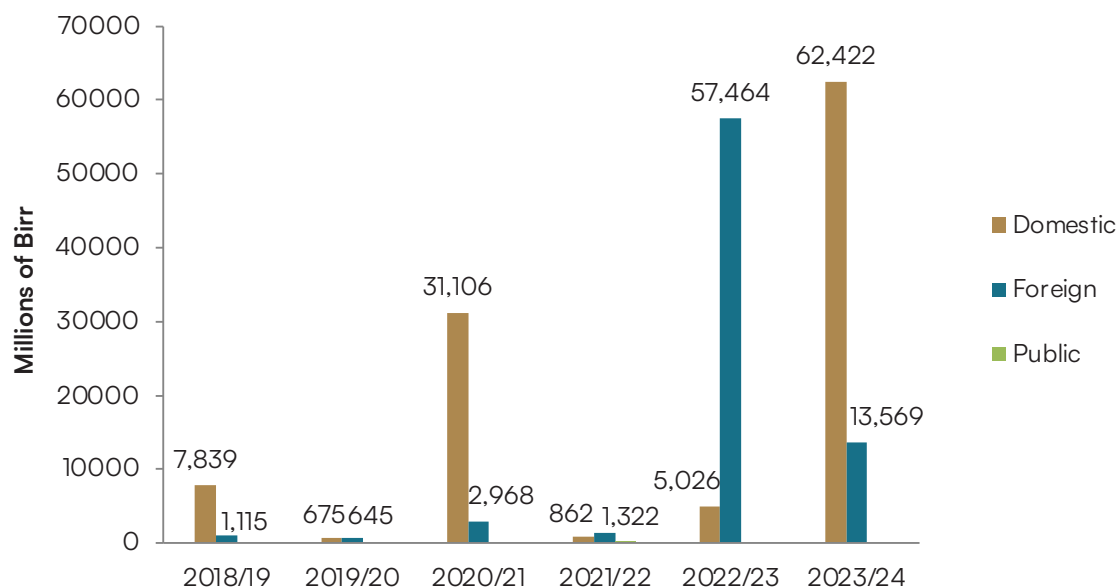
		2021/22	2022/23	2023/24		Percentage change	
		A	B	C	Share	C/A	C/B
1. Total Investment	Number	112	104	101	100	-9.8	-2.9
	Capital	2,183.8	62,490.0	75,991.7	100	3,379.7	21.6
	Permanent Workers	12,914	6,849	5,706	100	-55.8	-16.7
	Temporary Workers	3,452	9,431	2,169	100	-37.2	-77.0
1.1. Total Private	Number	112	104	101	100	-9.8	-2.9
	Capital	2,183.8	62,490.0	75,991.7	100	3,379.7	21.6
	Permanent Workers	12,914	6,849	5,706	100	-55.8	-16.7
	Temporary Workers	3,452	9,431	2,169	100	-37.2	-77.0
1.1.1. Domestic	Number	67	37	49	48.5	-26.9	32.4
	Capital	862.1	5,026.2	62,422.4	82.1	7,141.1	1,141.9
	Permanent Workers	1,973	915	316	5.5	-84.0	-65.5
	Temporary Workers	228	6,619	339	15.6	48.7	-94.9
1.1.2. Foreign	Number	45	67	52	51.5	15.6	-22.4
	Capital	1,321.8	57,463.7	13,569.3	17.9	926.6	-76.4
	Permanent Workers	10,941	5,934	5,390	94.5	-50.7	-9.2
	Temporary Workers	3,224	2,812	1,830	84.4	-43.2	-34.9
1.2. Public	Number	-	-	-	-	-	-
	Capital	-	-	-	-	-	-
	Permanent Workers	-	-	-	-	-	-
	Temporary Workers	-	-	-	-	-	-

Source: Ethiopian Investment Commission

Fig.VII.1: Number of Operational Investment Projects by Type

Source: Ethiopian Investment Commission

Fig.VII.2: Capital of Operational Investment Projects by Type



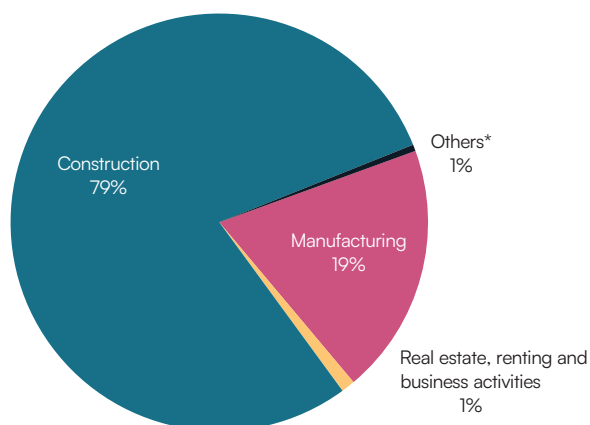
Source: Ethiopian Investment Commission

7.1 Investment by Sector

Of the total investment projects about 63.4 percent were in manufacturing, 19.8 percent in real estate, renting & business activities, 6.9 percent in construction, 5.9 percent in health and social work, 2 percent in hotels and restaurants; 1 percent each in education and other community, social & personal service activities.

Specifically, of the total capital investment of the projects, construction sector alone constituted 79 percent whereas manufacturing accounted for 19.4 percent and real estate, renting & business activities 1.1 percent (Table 7.2).

Fig.VII.3: Distribution of Operational Investment Capital by Sector in 2023/24



Source: Ethiopian Investment Commission

Others*: Hotel & restaurants, Education and Health & social work and others

Table: 7.2: Numbers and Capital of Operational Investment Projects by Sector

(Capital in Millions of Birr)

Sectors	2021/22		2022/23		2023/24		Percentage share	
	No. of Projects	Investment Capital	No. of Projects	Investment Capital	No. of Projects	Investment Capital	No. of Projects	Investment Capital
Manufacturing	26	1,308.2	59	2,765.5	64	14,770.7	63.4	19.4
Agriculture, hunting and forestry			1	20.0			-	-
Real estate, renting and Business activities	23	130.7	14	56,150.9	20	810.9	19.8	1.1
Hotel and restaurants	1	105.4	2	30.4	2	157.3	2.0	0.2
Education	1	20.6	1	1,500.0	1	70.0	1.0	0.1
Health and social work	1	7.0	3	48.7	6	152.3	5.9	0.2
Construction	47	482.1	14	118.2	7	60,025.0	6.9	79.0
Tour operation, transport and communication	8	62.5	6	1,139.5			-	-
Wholesale, retail trade and repair service	1	1.7					-	-
Mining and quarrying							-	-
Electricity, gas, steam and water supply							-	-
Other community, social and personal service activities					1	5.5	1.0	0.0
Others	4	65.7	4	716.7			-	-
Grand Total	112	2,183.9	104	62,490.0	101	75,991.7	100.0	100.0

Source: Ethiopian Investment Commission

7.2 Distribution by Region

Out of the total projects that commenced operation in 2023/24, 49 projects (48.5 percent) with Birr 62.4 billion capital were established in Addis Ababa. The remaining 52 projects (51.5 percent) having Birr 13.6 billion capital went operational in multiregional projects (Table 7.4).

Table 7.3: Number and Capital of Operational Projects by Region

(Capital in Millions of Birr)

Regions	2021/22		2022/23		2023/24		Percentage share	
	No. of projects	Investment Capital	No. of projects	Investment Capital	No. of projects	Investment Capital	No. of projects	Investment Capital
Tigray	-	-	-	-	-	-	-	-
Afar	-	-	-	-	-	-	-	-
Amhara	1	1.7	-	-	-	-	-	-
Oromia	-	-	-	-	-	-	-	-
Somali	-	-	-	-	-	-	-	-
Benishangul-Gumuz	-	-	-	-	-	-	-	-
SNNPR	1	105.4	-	-	-	-	-	-
Gambella	-	-	-	-	-	-	-	-
Harari	-	-	-	-	-	-	-	-
Addis Ababa	64	750.0	35	5,010.3	49	62,422.4	48.5	82.1
Dire Dawa	-	-	-	-	-	-	-	-
Multiregional Projects	46	1,326.8	69	57,479.7	52	13,569.3	51.5	17.9
Grand Total	112	2,183.8	104	62,490.0	101	75,991.7	100	100

Source: Ethiopian Investment Commission



INTERNATIONAL DEVELOPMENTS

VIII. INTERNATIONAL DEVELOPMENTS

8.1 International Economic Developments

8.1.1 Overview of the World Economy

Global growth is projected to marginally fall from 3.3 percent in 2023 to 3.2 percent in 2024 on annual average basis. While for advanced economies, the growth projection will improve from 1.7 percent in 2023 to 1.8 percent in 2024. On the other hand, for emerging market and developing economies, the growth outlook is projected to slow from 4.4 percent in 2023 to 4.2 percent in 2024.

In the United States, projected growth for 2024 has been revised upward to 2.8 percent but lower by 0.1 percentage point in 2023, on account of stronger outturns in consumption and nonresidential investment. The resilience of consumption is largely the result of robust increases in real wages and wealth effects.

In the Euro area, growth seems to have reached its lowest point in 2023. A touch weaker than projected in April and July 2024, GDP growth is expected to pick up to a modest 0.8 percent in 2024 as a result of better export performance, in particular of goods.

Growth is expected to decelerate in Japan in 2024, with the slowdown reflecting temporary supply disruptions and fading of one-off factors that boosted activity in 2023, such as the surge in tourism.

Growth in the Middle East and Central Asia is projected to pick up from an estimated 2.1 percent in 2023 to 2.4 percent in 2024, as the effect on the region of temporary disruptions to oil production and shipping are assumed to fade away.

In Sub-Saharan Africa, GDP growth is similarly projected to increase, from an estimated 3.6 percent in 2023 to 4.2 percent in 2025, as the adverse impacts of prior weather shocks abate and supply constraints gradually ease. Besides, the ongoing conflict that has led to 26 percent contraction of the South Sudanese economy, the revision reflects slower growth in Nigeria, amid weaker than expected activity in the second half of the FY 2023/24.

Table 8.1: Overview of World Economic Outlook and Projection

(Annual Percentage Change)

Particulars	2022	2023	Projection	
			2024	2025
World Output	3.6	3.3	3.2	3.2
Advanced Economies	2.9	1.7	1.8	1.8
United States	2.5	2.9	2.8	2.2
Euro Area	3.3	0.4	0.8	1.2
Japan	1.2	1.7	0.3	1.1
United Kingdom	4.8	0.3	1.1	1.5
Emerging Market & Developing Economies	3.2	4.4	4.2	4.2
Middle East and Central Asia	4.2	2.1	2.4	3.9
Sub-Saharan Africa	4.1	3.6	3.6	4.2
Nigeria	3.2	2.9	2.9	3.2
South Africa	1.3	0.7	1.1	1.5
World Trade Volume (goods & services)	5.7	0.8	3.1	3.4
Import				
Advanced Economies	7.2	-0.7	2.1	2.4
Emerging Market and Developing Economies	4.2	3.0	4.6	4.9
Export				
Advanced Economies	5.7	1.0	2.5	2.7
Emerging Market and Developing Economies	4.6	0.6	4.6	4.6
Commodity Prices (US dollars)				
Oil	8.8	-16.4	0.9	-10.4
Non- fuel (average based on world commodity import weights)	-0.4	-5.7	2.9	-0.2
World Consumer Price	9.2	6.7	5.8	4.3
Advanced Economies	7.7	4.6	2.6	2.0
United States	8.0	4.1	3.0	1.9
Euro Area	8.4	5.4	2.4	2.0
Japan	2.5	3.3	2.2	2.0
Emerging Market & Developing Economies	10.5	8.1	7.9	5.9
China	1.9	0.2	0.4	1.7
Mexico	7.9	5.5	4.7	3.8
Turkey	72.3	53.9	60.9	33.0
Brazil	9.3	4.6	4.3	3.6
Russia	13.8	5.9	7.9	5.9
Sub-Sahara Africa	15.2	17.6	18.1	12.3
Angola	21.4	13.6	28.4	21.3
Nigeria	18.8	24.7	32.5	25.0
Ghana	31.9	39.2	19.5	11.5

Source: IMF, World Economic Outlook, October 2023 and October, 2024

8.1.2 World Trade

Global trade is expected to continue to grow in line with GDP, reaching an average of 3.1 percent growth annually in 2024, following a period of near stagnation in 2023. Despite an increase in cross-border restrictions affecting trade between geopolitically distant blocs, the global trade-to-GDP ratio is expected to remain stable.

8.1.3 Inflation and Commodity Prices

Global headline inflation is projected to decrease further, from an average of 6.7 percent in 2023 to 5.8 percent in 2024 in the baseline. Disinflation is expected to be faster in advanced economies with a decline of 2 percentage points from 2023 to 2024 than in emerging market and developing economies, in which inflation is projected to decline from 8.1 percent in 2023 to 7.9 percent in 2024.

Inflation in emerging Asia is projected to be on par with that in advanced economies, at 2.1 percent in 2024 and 2.7 percent in 2025, due to monetary tightening and price controls in many countries in the region.

In contrast, inflation forecasts for emerging and developing Europe, the Middle East and North Africa, and sub-Saharan Africa remain in double digit territory on account of large outliers amid pass-through of past currency depreciation and administrative price adjustment (Egypt).

In the United States, headline consumer price inflation is expected to decrease from 4.1 percent in 2023 to 3.0 percent in 2024. Likewise, in Euro area headline inflation is expected to decline to 2.4 percent in 2024 from 5.4 percent in 2023.

Headline inflation in Japan forecasted to decline by 2.2 percent in 2024 from 3.3 percent in 2023. In China inflation is expected to rise by 0.4 in 2024 and increase by 0.2 percent in 2023.

Inflation is expected to rise in 2023 and 2024 in Sub-Saharan Africa, 17.6 percent and 18.1 percent, respectively.

Oil prices are projected to rise by about 0.9 percent in 2024 from fall in 2023 by 16.4 percent. Likewise, nonfuel commodity prices are expected to rise in 2024 by 2.9 percent and decline by 5.7 in 2023.

8.1.4 Exchange Rate

In foreign exchange markets, the euro appreciated slightly in trade-weighted terms but was broadly stable against the US dollar. During the review period, the nominal effective exchange rate of the euro as measured against the currencies of 41 of the euro area's most important trading partners appreciated by 0.5 percent. The slight appreciation of the euro was mostly driven by gains against the currencies of several advanced economies. It appreciated by 5.2 percent against the Japanese yen, 1.3 percent against the Swiss franc, 1.2 percent against the Swedish krona and 1.1 percent against the Canadian dollar. These developments mainly reflected heterogeneous monetary policy developments. For example, the Swiss National Bank cut interest rates by 25 basis points to 1.5 percent in March, the Sweden Central Bank cut its key interest rate from 4.00 percent to 3.75 percent at its May meeting, and the Bank of Canada cut its interest rate by 25 basis points to 4.75 percent on 5 June. The euro depreciated by 0.4 percent against the pound sterling as market participants pushed back their expectations regarding the timing of potential policy rate cuts by the Bank of England. The euro remained relatively stable against the US dollar (-0.2 percent), despite some intra-period fluctuations.

8.2 Implications of International Economic Developments on the Ethiopia Economy

During the FY 2023/24, despite slowdown, the global economy is estimated to grow while commodity prices, both oil and non-oil commodities are expected to increase in 2024.

Improvement in the global economy creates demand for our export commodities. This together with improvement in other economic activities helps Ethiopia to register robust economic growth. Meanwhile, higher price of non-oil commodities enforce the country to pay more for its capital goods import which in turn results in higher pressure in the country's trade balance.



National Bank of Ethiopia

(Federal Democratic Republic of Ethiopia)

Financial Statements

For the year ended 30 June 2024



**National Bank of Ethiopia
Financial Statements
For the year ended 30 June 2024**

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National Bank of Ethiopia
Annual Financial Statements
For the year ended 30 June 2024

Statement of Director's Responsibility

The Directors are responsible for the preparation and fair presentation of the financial statements of National Bank of Ethiopia ("The Bank"), comprising the statement of financial position as at 30 June 2024, statements of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards.

To enable the Directors, meet those responsibilities, the Board of Directors (the "Board") and management sets standards and management implements systems of internal control, accounting and information systems aimed at providing reasonable assurance that assets are safeguarded, and the risk of error, fraud or loss is reduced in a cost-effective manner. These controls, contained in established policies and procedures, include the proper delegation of responsibilities and authorities within a clearly defined framework, effective accounting procedures and adequate segregation of duties.

To their best knowledge and belief, based on the above, the Directors are satisfied that no material breakdown in the operation of the systems of internal control and procedures has occurred during the year under review. The Directors have reviewed the performance and financial position of the Bank to the date of signing of these financial statements and its prospects based on prepared budgets and are satisfied that the Bank is a going concern and, therefore, have adopted the going concern assumption in the preparation of these financial statements.

Approval of the annual financial statements

The financial statements on pages 9 to 117 were approved by the Governor on behalf of the Board of Directors on 12 June 2025.

Signed on behalf of the Directors

H.E. Mamo Esmelealem Mihretu

Date: 12-June 2025



Mamo Esmelealem Mihretu
Governor



(continue)

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF THE NATIONAL BANK OF ETHIOPIA

Report on the Audit of the Financial Statements

Audit Opinion

We have audited the financial statements of The National Bank of Ethiopia, which comprise the statement of financial position as at 30 June 2024, and the related statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at 30 June 2024, and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standard (IFRSs) and the requirement of the Pronouncements on the application of International Accounting Standards (IAS 29), Financial reporting in Hyperinflationary Economies in Ethiopia by the Accounting and Auditing Board of Ethiopia.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Bank in accordance with the requirements of the International Ethics Standards Board for Accountants (IESBA), International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) and other independence requirements applicable to performing audits of financial statements in Ethiopia. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements that are relevant to our audit of financial statements in Ethiopia. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for 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, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matter to be communicated in our report.



Key audit matter	How the matter was addressed in the audit								
1. Impairment of financial assets As discussed under Note 9 of the financial statements, the National Bank of Ethiopia extends various loans to private commercial banks, government banks, and the Government of Ethiopia, summarized as follows: <table border="1" data-bbox="216 488 854 745"> <tr> <td>Loan to government banks</td><td>134,953,595,130</td></tr> <tr> <td>Loans to private commercial banks</td><td>13,210,129,051</td></tr> <tr> <td>Due from Government of Ethiopia</td><td>687,897,177,830</td></tr> <tr> <td></td><td>836,060,902,011</td></tr> </table> The Bank conducted an impairment assessment of these assets as of 30 June 2024, and 30 June 2023. A provision of Birr 5,456,148,892 has been recognized for these balances, reflecting an increase from Birr 4,768,090,699 in 2023, which corresponds to a rise of 14.4%. This provision represents 0.65% of the total outstanding amount. Given the absence of credit ratings for both private commercial banks and government banks, along with the substantial amount due from the Government, we identified the assessment of impairments for these assets as a key audit matter due to the significant judgments applied by management. Key areas of significant judgment within the Expected Credit Loss (ECL) process included: - Assessing the expected cash flows associated with these instruments. - Evaluating whether an appropriate discount rate was used to calculate the ECL for these assets. - Assessing whether there was an elevated credit risk linked to other issued instruments and evaluating the appropriateness of the staging classification based on the Significant Increase in Credit Risk assessment. - Evaluating the validity of the references used to establish the relevant rates for loss given default and the probability of default for these instruments. The accounting policies, critical estimates and judgments, and impairment allowance are outlined in Notes 3(b), 9, and 28 (a) of the financial statements.	Loan to government banks	134,953,595,130	Loans to private commercial banks	13,210,129,051	Due from Government of Ethiopia	687,897,177,830		836,060,902,011	We conducted the following procedures on the Expected Credit Loss (ECL) for these financial instruments: - We assessed the design and tested the implementation of key controls related to the calculation of impairment losses. - We observed that the initial financial model was developed by third-party IFRS experts with the requisite experience. Subsequently, this model has been adapted by internal resources for the current reporting period, taking into account relevant factors that may impact its accuracy and reliability. - In evaluating the control design, we examined its suitability considering the nature and significance of the risk, the competence and authority of the individuals executing the control, and the frequency and consistency of its application. - We verified the completeness of these financial assets by obtaining confirmations and reconciling the carrying amounts of each asset category to ensure that all related exposures were thoroughly evaluated for impairment. - We consulted with our internal IFRS specialists to scrutinize the appropriateness of the discount rate used for calculating the present value of cash flows for the assets, confirming that the rate was suitable. - We questioned management regarding the appropriate staging and the determination of suitable Loss Given Default (LGD) and Probability of Default (PD) for each asset category. - We consider that the assumptions made by management are reasonable. - We also reviewed the disclosures to confirm that they complied with IFRS 9 requirements. Based on the procedures conducted, we concluded that the judgments made by the Bank are reasonable and that the related disclosures are appropriate.
Loan to government banks	134,953,595,130								
Loans to private commercial banks	13,210,129,051								
Due from Government of Ethiopia	687,897,177,830								
	836,060,902,011								



2. Going concern assessment and operating losses

As discussed in Note 2(a), the National Bank of Ethiopia incurred an operating loss of Birr 10.5 billion and a net loss from operations totalling Birr 9.7 billion for the year. This has led to a negative equity balance of Birr 5.1 billion. In response, the board of directors has resolved to transfer the outstanding dividend payable to the Ministry of Finance from the previous period into the general reserve. This transfer has effectively diminished the deficit in the general reserve, resulting in a surplus in the equity balance.

The operating losses were primarily due to:

- Impairment losses on government and government bank-related securities and loans and advances which amounts to 0.7 billion Birr,
- Write-downs of gold commodities to net realizable value (NRV) and loss on sale of Gold which aggregates to 1.9 billion Birr and
- Exchange losses as a result of depreciation of the local currency and other foreign currency related transactions which amounts to 38.1 billion Birr.

The assessment of the bank's going concern status, along with the current period's operating loss, is considered a key audit matter due to the significant risks it presents, affecting:

- The Bank's ability to meet its operational and debt obligations as they become due.
- The Bank's capacity to fulfil its policy mandates, including maintaining stable rate of price and exchange, to foster a healthy financial system and to undertake such other related activities as are conducive to rapid economic development of Ethiopia.
- The Bank's ability to continue operating as a going concern.

This situation necessitates careful evaluation and monitoring to address the going concern issues and results of its operation.

The National Bank of Ethiopia operates to achieve its policy mandates, which include maintaining price and financial stability. Therefore, the effectiveness of its interventions is evaluated based on their success in meeting these mandates. To assess the impact of the current period operating losses and the negative general reserve balance on the Bank's operations, we undertook the following procedures:

- We engaged with management and those charged with governance to discuss their assessment of the going concern status, as well as their strategies to address the underlying causes of the operating losses and potential remedial actions to manage the negative general reserve position.
- We reviewed the decision made by the board of directors to rectify the negative equity position by transferring the dividend payable balance to the general reserve.
- We reviewed various policy reforms and interventions initiated by the Board aimed at enhancing the Bank's operations and strengthening the equity position to mitigate loss exposures from these interventions.
- We analysed the effects of various policy reforms implemented after the year-end, including the newly enacted proclamation which increases the bank capital and its implications for the Bank's equity and liquidity.
- We assessed the impact of the Domestic Gold Purchase Program on the Bank's equity and reserve.
- We further examined the associated disclosures.

Based on the procedures performed, we concluded that the judgments made and the response strategies adopted by the Bank to address the going concern issue and resolve the underlying causes of the operating loss, as well as the resulting negative general reserve, are reasonable. Additionally, the related disclosures were deemed appropriate.



3. Foreign exchange risk and currency conversion losses

As disclosed in Note 8(b), the National Bank of Ethiopia incurred a net foreign exchange losses amounting to ETB 38.1 Billion for the year ended 30 June 2024 (ETB 12.2 Billion in 2023). These losses are primarily attributable to the on-going devaluation of the Ethiopian Birr, and the Bank's high exposure to foreign currency-denominated assets and liabilities, including obligations to international financial institutions and foreign currency reserves.

The Bank operates in a macroeconomic context characterized by significant exchange rate volatility, high inflation, and regulatory interventions affecting foreign currency accessibility. In addition, the Government has issued forex regulations to reform the foreign exchange regime starting from July 2024, which could introduce further volatility and affect the Bank's financial position and results.

The accounting treatment of foreign currency transactions and balances is governed by IAS 21 – The Effects of Changes in Foreign Exchange Rates, which requires entities to apply appropriate spot rates at each reporting date and to recognize exchange differences in profit or loss. Given the magnitude of the losses, the sensitivity of the results to currency movements, and the complexity of the underlying exposures, we determined that the assessment of foreign exchange losses constituted a key audit matter.

To address this matter, we designed and performed audit procedures to evaluate the accuracy, completeness, and compliance of the Bank's accounting for foreign currency transactions, including:

- Assessing the accounting policies adopted by the Bank for foreign currency translation and ensuring consistency with IAS 21 requirements.
- Recalculating the exchange differences for a sample of foreign currency balances (assets and liabilities) to test the mathematical accuracy and appropriateness of applied exchange rates.
- Reviewing year-end conversion rates to ensure they were based on observable and reliable sources, and that consistent methodologies were applied across all instruments.
- Testing internal controls over the foreign exchange management process, including approval mechanisms, and controls over the recognition of exchange gains or losses.
- Evaluating post-balance sheet events, including the policy decision on exchange rate reform announced by the Government in July 2024, and assessing the Bank's disclosure regarding the associated uncertainties and potential financial impact.

We also reviewed the disclosures provided in the financial statements to ensure they were transparent, complete, and informative regarding the nature and sources of foreign exchange losses. Based on the procedures performed, we considered that the accounting treatment and related disclosures were appropriate, and that the Bank had adequately presented the impact of foreign exchange volatility.



4. Classification and valuation of financial instruments

As presented in Notes 3(b), 9, 10, and 28 of the financial statements, the Bank holds a significant portfolio of financial instruments, including government securities, loans to commercial banks, investment placements, and deposits. These instruments are measured at amortized cost, fair value through other comprehensive income (FVOCI), or fair value through profit or loss (FVTPL) in accordance with IFRS 9 – Financial Instruments.

The classification of financial assets under IFRS 9 requires an evaluation of both the business model for managing the instruments and the results of the SPPI test (Solely Payments of Principal and Interest). These assessments involve significant management judgment, particularly for instruments with non-standard features or where the contractual terms are complex or perpetual in nature.

In addition, the Bank applies IFRS 13 – Fair Value Measurement for the determination of fair values. For certain instruments, especially those falling into Level 2 (observable inputs other than quoted prices) or Level 3 (unobservable inputs) of the fair value hierarchy, the use of valuation techniques and assumptions becomes critical. These include discount rate selection, expected cash flow modelling, and adjustments for liquidity or credit risk.

Due to the subjectivity, complexity, and materiality of these judgments, we considered the classification and valuation of financial instruments as a key audit matter.

Our audit procedures addressed both the classification criteria and the fair value measurement approaches applied by the Bank:

- We reviewed the Bank's assessment of its business models, including internal documentation, reporting structures, and evidence supporting whether financial assets were held to collect, to sell, or both.
- We evaluated the SPPI test outcomes, ensuring that the contractual cash flows of selected instruments represented only principal and interest. For complex instruments (e.g., perpetual advances), we challenged management's assumptions and classifications.
- We tested the valuation techniques and assumptions used for instruments. This included evaluating the appropriateness of discount rates, cash flow forecasts, and liquidity adjustments.
- We reconciled fair value disclosures with supporting schedules and assessed compliance with IFRS 7 and IFRS 13, particularly in terms of fair value hierarchy classification and sensitivity disclosures.

Based on our work, we found that the classification decisions were appropriate and that the valuation methodologies were applied consistently and aligned with IFRS requirements.



The Directors are responsible for the other information. The other information comprises the Report of the Directors and the Annual Report, which is expected to be made available to us after the audit report date. The other information does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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 management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process and ensuring the adequacy of internal controls and risk management.

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.



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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, actions taken to eliminate threats or safeguards applied. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are, therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Seid Abdela



MSE Audit Service LLP
Chartered Certified Accountants

Addis Ababa
13 June 2025

National Bank of Ethiopia

Statement of Profit or Loss and Other Comprehensive Income For the year ended 30 June 2024 (In Ethiopian Birr)

		30 June 2024	30 June 2023
	Note		
Interest income	4	27,997,420,307	22,712,530,273
Interest expense	4	(9,272,965,249)	(5,342,833,233)
Net interest income		18,724,455,058	17,369,697,040
Fee and commissions income	5	13,406,174,311	12,109,205,742
Revenue from sale of gold	6	4,978,625,325	14,098,776,971
Other income	7(a)	250,861,069	217,375,911
Net non-interest income		18,635,660,705	26,425,358,624
Net operating income		37,360,115,763	43,795,055,664
Currency costs	8 (a)	(1,030,743,077)	(3,816,098,288)
General and administration costs	8 (b)	(38,629,764,167)	(13,221,606,686)
Salaries and related benefits	8 (c)	(600,216,540)	(513,580,743)
Gold purchase, refinery, and other related costs	8 (d)	(6,920,772,961)	(15,522,836,443)
Impairment losses on financial assets	8(e),9,15	(691,015,146)	(1,663,471,402)
Operating surplus/Loss before (un) realised gains / (losses)		(10,512,396,128)	9,057,462,102
Other comprehensive income:			
<i>Items that will not be reclassified to profit or loss:</i>			
Remeasurement of defined benefit obligation	25 (b)	50,478,770	(172,418,020)
Fair value gains/(losses) on monetary gold		-	-
Fair value gains / (losses) on financial assets	7(b)	801,483,553	1,309,320,567
Other comprehensive income		851,962,323	1,136,902,547
Total comprehensive profit/(loss)		(9,660,433,805)	10,194,364,649

The notes on pages 13 to 117 are an integral part of these financial statements.



National Bank of Ethiopia
Statement of Financial Position
As at 30 June 2024
(In Ethiopian Birr)

		<u>30 June 2024</u>	<u>30 June 2023</u>
Assets	Note		
Balances due from foreign entities - Commercial banks	9 (c)	32,055,598,466	26,546,453,204
Balances due from foreign entities - Central banks	9 (d)	47,483,737,622	27,228,439,137
Cash - foreign currencies	9 (e)	712,631,306	654,953,910
Funds held with IMF	9 (f), 18	176,870,099	106,243,555
IMF Quota Subscription	18	22,557,124,177	21,941,217,675
Gold commodity	11	141,169,916	95,104,815
Loans to government banks	9 (b)	134,058,854,802	137,758,663,898
Loans to private commercial banks	9 (g)	13,209,468,542	15,054,294,232
Equity Investment	10	1,130,087,452	913,787,046
Property and equipment	13	2,023,678,015	1,434,863,480
Other assets	15	18,264,837,377	18,884,556,376
Intangible asset	14	427,643	1,234,513
Due from Government of Ethiopia	9 (a)	683,336,429,771	583,119,662,333
Right of use asset	16	5,634,610	2,747,351
Total assets		<u>955,156,549,798</u>	<u>833,742,221,525</u>
Liabilities			
Currency in circulation	21	258,835,844,757	255,855,630,180
Deposits due to local financial institutions, government, and government institutions	17	352,308,833,697	359,930,191,365
Due to International Monetary Fund (IMF)	18	81,338,275,471	90,657,013,578
Funds due to international financial institutions	19	35,839,398	9,854,742
Due to other institutions	20	232,846,343,070	110,269,289,467
Due to the Ministry of Finance	24	-	11,120,875,954
Deferred revenue	23(d)	8,392,833	8,878,846
Lease liability	16	5,893,892	3,090,450
Provisions	22	44,465,837	41,419,704
Employee benefits	25	408,533,094	394,772,324
Other liabilities	26	23,367,552,387	955,071,700
Total Liabilities		<u>949,199,974,436</u>	<u>829,246,088,310</u>
Equity			
Capital	27 (a)	500,000,000	500,000,000
General reserve	27 (b)	(377,188,338)	(985,668,162)
Retained earnings	27 (b)	-	-
Fair value reserve	27 (e)	2,397,094,874	1,595,611,321
Defined benefit reserve	25 / 27(f)	(68,903,678)	(119,382,448)
International reserve valuation	27 (c)	3,849,198,654	3,849,198,654
Other reserve	27 (g)	(343,626,150)	(343,626,150)
Total equity		<u>5,956,575,362</u>	<u>4,496,133,215</u>
Total liabilities and equity		<u>955,156,549,798</u>	<u>833,742,221,525</u>

The notes on pages 13 to 117 are an integral part of these financial statements.



National Bank of Ethiopia
Statement of Changes in Equity
For the year ended 30 June 2024
(In Ethiopian Birr)

	Note	Capital	General reserve	Other Reserve	International reserve valuation	Retained earnings	Defined benefit reserve	Fair value reserve	Total Equity
Balance as of 1 July 2022		500,000,000	(2,797,160,582)	(343,626,150)	3,849,198,654	-	53,035,572	286,290,754	1,547,738,248
Total comprehensive income:									
Profit/Loss for the year	27 (d)	-	-	-	-	9,057,462,102	-	-	9,057,462,102
Other comprehensive income	27 (f)	-	-	-	-	-	(172,418,020)	1,309,320,567	1,136,902,547
Total comprehensive income		-	-	-	-	9,057,462,102	(172,418,020)	1,309,320,567	10,194,364,649
Transactions with owners of the Bank:									
Transfer to / (from) General reserve	27 (b)	-	1,811,492,420	-	-	(1,811,492,420)	-	-	-
Transfer to MOF	24/27 (d)	-	-	-	-	(7,245,969,682)	-	-	(7,245,969,682)
Balance as at 30 June 2023		500,000,000	(985,668,162)	(343,626,150)	3,849,198,654	-	(119,382,448)	1,595,611,321	4,496,133,215
Total comprehensive income:									
Profit for the year	27 (d)	-	-	-	-	(10,512,396,128)	-	-	(10,512,396,128)
Other comprehensive income	27 (f)	-	-	-	-	-	50,478,770	801,483,553	851,962,323
Total comprehensive income		-	-	-	-	(10,512,396,128)	50,478,770	801,483,553	(9,660,433,805)
Transactions with owners of the Bank:									
Transfer to / (from) Other reserve	27 (b)	-	(10,512,396,128)	-	-	10,512,396,128	-	-	-
-Transfer to/(from) MOF	24/27 (d)	-	11,120,875,952	-	-	-	-	-	11,120,875,952
Balance as of 30 June 2024		500,000,000	(377,188,338)	(343,626,150)	3,849,198,654	-	(68,903,678)	2,397,094,874	5,956,575,362

The notes on pages 13 to 117 are an integral part of these financial statements.



National Bank of Ethiopia
Statement of Cash Flows
For the year ended 30 June 2024
(In Ethiopian Birr)

	Note	30 June 2024	30 June 2023
Cash flows from operating activities:			
Operating surplus/Loss for the year		(10,512,396,128)	9,057,462,102
Impairment of loans and advances	8(e), 9, 15	691,015,146	1,663,471,402
Depreciation and amortization	13, 14	102,418,314	94,918,477
Net interest income	4	(18,724,455,058)	(17,369,697,040)
Dividend income	7	(35,852,659)	(18,430,518)
Interest paid on lease obligation	16	376,937	140,956
Loss/ (Gain) on disposal of property, plant, and equipment	13	1,294,941	47,310
Loss on inventory write down	11	78,942,028	34,046,877
Losses on currency notes in custody	21	-	60,261,200
		(28,398,656,479)	(6,477,779,234)
Changes in working capital:			
Loans to government banks and commercial banks	9 (b, c, g)	5,537,874,737	2,734,708,450
Other assets	15	617,299,750	1,700,978,832
Deposits due from foreign entities – central banks and commercial banks	9(c,d)	(1,786,108,060)	3,922,562,205
Currency in circulation	21	2,980,214,577	46,104,132,856
Due to International Monetary Fund (IMF)	18	(9,336,796,780)	5,780,707,324
Due to International financial institutions	19	25,984,656	7,035,388
Due to other institutions	20	120,725,389,051	5,246,854,904
Deposits due to local financial institutions, government, and government institutions	17	(7,621,357,668)	107,061,033,672
Gold commodity	11	(125,007,129)	2,890,180,172
Due from Government of Ethiopia	9 (a)	(100,602,039,994)	(206,832,576,315)
Provisions	22	3,046,133	5,357,799
Deferred revenue	23 (d)	(486,013)	(3,160,193)
Employee benefits	25	64,239,540	26,039,382
Other liabilities	26	22,412,480,687	(1,384,179,355)
Interest income received		27,701,394,719	28,073,132,486
Interest expense paid		(7,403,242,024)	(5,242,313,670)
Net cash provided by operating activities		24,794,229,703	(16,387,285,297)
Cash flows from investing activities:			
Increase of ROU assets	16	(4,062,894)	(1,305,914)
Dividends received	7	35,852,659	18,430,518
Increase in equity investment & IMF quota*	10	(30,723,355)	(379,880,714)
Acquisition of properties and equipment	13	(690,545,287)	(200,824,293)
Net cash used in investing activities		(689,478,877)	(563,580,403)
Cash flows from financing activities:			
Payments on finance lease obligations	16	(1,333,277)	(472,818)
(Increase)/decrease in lease measurement	16	3,759,782	1,305,914
Remittance of annual profits to the Ministry of Finance	24	-	(1,500,000,000)
Net cash from financing activities		2,426,505	(1,499,166,904)
Increase (decrease) in cash and cash equivalents		24,107,177,331	(18,450,032,604)
Cash and cash equivalents at beginning of period	9 (f)	34,762,919,079	53,212,951,683
Cash and cash equivalents at end of period	9 (f)	58,870,096,410	34,762,919,079

*Fair value related adjustments of Equity investment and CVA of IMF quota subscription measured through OCI has been excluded from the cash flow statement (as per IAS-7 p.43). For detail refer (note 10 & 18).

The notes on pages 13 to 117 are an integral part of these financial statements.



1. Reporting entity

National Bank of Ethiopia ("the Bank") is the Central Bank of Ethiopia. It was established by Order No. 30/1963 as an autonomous institution. It is governed by the National Bank of Ethiopia Establishment (as Amended) Proclamation No. 591/2008 and is wholly owned by the Government of the Federal Democratic Republic of Ethiopia.

Its principal place of business is Addis Ababa.

It operates as the Central Bank of Ethiopia and acts as the banker, fiscal agent and financing advisor of the Government of Ethiopia and is domiciled in Ethiopia.

2. Basis of preparation

(a) Going concern

The National Bank of Ethiopia recorded a net operating loss of Birr 10.5 billion for the 2024 financial year. However, following the Board's decision to strengthen the Bank's capital position, the accumulated dividend payable to the Ministry of Finance was transferred to the General Reserve. As a result, the General Reserve balance improved to a negative Birr 0.4 billion as of 30 June 2024, compared to a negative balance of Birr 1 billion in 2023. The net operating loss of Birr 10.5 billion in 2024 F.Y. was largely due to: (1) an impairment loss on government and government bank related securities plus loans and advances, 2) gold commodity inventory write down to the NRV, loss on sale of Gold and (3) a depreciation of the local currency which resulted in exchange losses.

In the view of the Board of Directors and Management, the Bank will continue to operate as a going concern. A central bank is considered policy solvent when it generates sufficient realized income to cover the costs associated with monetary policy operations. Given the expectation of more favorable macroeconomic conditions, driven by ongoing and wide-ranging policy reforms, the Directors believe there is minimal risk to the Bank's ability to generate adequate income to sustain its monetary policy operations.

In addition to the anticipated positive impact of macroeconomic conditions on the Bank's financial position, the Management has assessed the impact of the new National Bank of Ethiopia (NBE) Proclamation No. 1359/2025 on the Bank's solvency. Based on this assessment, management believes that the provisions under Article 8 of the Proclamation will significantly enhance the policy solvency of the central bank.

Article 8, Sub-article 1, establishes the authorized capital of NBE at Birr 20 billion, of which Birr 10 billion is paid-up capital. Furthermore, Article 8, Sub-article 4(a), clearly stipulates that unrealized gains shall not be distributed but instead maintained in the valuation reserve. In addition, the General Reserve Fund is required to be equal to 5% of the Bank's monetary liabilities, and no profit distribution shall occur until this reserve target is met.

These provisions are expected to strengthen NBE's capital base, improve loss absorption capacity, and thereby contribute positively to the Bank's policy solvency.

Based on the above, the Directors have a reasonable expectation that these measures will support the Bank's continued operational efficiency and long-term sustainability.

Thus, the financial statements of the Bank have been prepared under the going-concern assumption.



2. Basis of preparation (Continued)

(b) Statement of compliance

The accompanying financial statements of the Bank have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and National Bank of Ethiopia Establishment (as Amended) Proclamation No. 591/2008.

Extension of Pronouncement on the Application of International Accounting standard (IAS 29), Financial Reporting in Hyperinflationary Economies, in Ethiopia by Accounting and Auditing Board of Ethiopia

The Accounting and Auditing Board of Ethiopia is a statutory body established under Ethiopia Council of Ministers Regulation No. 332/2014 basing the financial reporting proclamation 847/2014, to regulate the accounting profession as well as for issuing a national professional accountancy qualification in Ethiopia. As part of its regulatory functions, it issued Pronouncement No. AABE/002/2025, reaffirming that the evidence and conclusions outlined in Pronouncement No. AABE/001/2023 remains valid. Specifically, the indicators of a hyperinflationary economy, as outlined in paragraph 3 of IAS 29 including a cumulative three-year inflation rate approaching or exceeding 100% are not currently evident in the Ethiopian economy. The statutory body concluded that, Ethiopia is not operating in a hyperinflationary economy. The requirements of IAS 29 are therefore deemed not applicable in the recognition, measurement, presentation, and disclosures in the financial statements for the financial year ended 30 June 2024.

Accounting standards are applied on the assumption that the value of money (the unit of measurement) is Constant over time. However, when the rate of inflation is no longer negligible, a number of issues arise impacting the true and fair nature of the accounts of entities that prepare their financial statement on historical cost basis. To address such concerns International Accounting Standards Board has issued IAS 29, Financial Reporting in Hyperinflationary Economies. However, IAS 29 does not establish an absolute inflation rate at which an economy is considered hyperinflationary. Instead, it considers a variety of non-exhaustive factors to determine the existence of hyperinflation. The indicators stated under paragraph 3 of the standard include, but are not limited to, the following:

- a. The general population prefers to keep its wealth in non-monetary assets or in a relatively stable foreign currency. Amounts of local currency held are immediately invested to maintain purchasing power;
- b. The general population regards monetary amounts not in terms of the local currency but in terms of a relatively stable foreign currency. Prices may be quoted in that currency;
- c. Sales and purchases on credit take place at prices that compensate for the expected loss of purchasing power during the credit period, even if the period is short;
- d. Interest rates, wages, and prices are linked to a price index; and
- e. The cumulative inflation rate over three years is approaching, or exceeds, 100%.





2. Basis of preparation (Continued)

(b) Statement of compliance (continued)

Given most of the criteria (a-e) stated above and based on the assessments conducted to check whether Ethiopia is hyperinflationary economy or not, the Accounting and Auditing Board of Ethiopia has concluded that Ethiopia is not a hyperinflationary economy for the year 2024, 2025 and beyond, unless new evidence emerges and a new revised pronouncement issued. Therefore, the requirements of IAS 29 are not applicable for financial reporting for the year ended 30 June 2024.

On 12 June, 2025, the Governor authorized the issuance of the accompanying financial statements.

(c) Basis of accounting

The financial statements have been prepared on the historical cost basis, except for the following significant items:

1. Financial instruments measured at amortised cost and at fair value;
2. Monetary gold measured at fair value; and
3. Measurement of defined benefits obligations: key actuarial assumptions.

(d) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Bank operates (the "Functional currency").

The financial statements are presented in Ethiopian Birr (ETB), which is the Bank's functional currency, and all values are rounded to the nearest Birr, except when otherwise indicated.

(e) Use of judgments and estimates

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the Bank's accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Judgments

Information about judgment made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

Note 3 (b (ii)) - Classification of financial assets: assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial assets are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding;

2. Basis of preparation (Continued)

(e) Use of judgments and estimates (Continued)

Note 3 (b (viii)) - Establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining methodology for incorporating forward-looking information into measurement of Expected Credit Losses (ECL) and selection and approval of models used to measure ECL; and

Note 3 (e) - Leases; whether a contract contains a lease.

Estimates on uncertainties and assumptions

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

Information on assumptions and uncertainty of estimates posing a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the year ending 30 June 2024 is included in the following notes as set out below:

Note 3 (b (i; ii)) – identification and measurement of financial instruments;
Note 3 (c) and (d) – useful lives and salvage value of tangible and intangible assets;
Note 3 (k) – measurement of employee benefits liability: key actuarial assumptions;
Note 3 (b) (viii) - impairment of financial instruments: key assumptions used in estimating recoverable cash flows; and
Note 3 (j) and (t) – recognition and measurement of provisions and contingencies.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.



3. Significant accounting policies

(a) Foreign currency transactions

Transactions in foreign currencies on a day to day basis are recorded at the respective buying and selling rate. The closing balances on these foreign currency accounts at the close of business are translated using the mid-exchange rate.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the mid-exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between the amortized cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortized cost in the foreign currency translated at the mid-exchange rate at the end of the year.

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

Foreign currency differences arising on translation are generally recognised in profit or loss.

(b) Financial instruments

(i) Recognition and initial measurement

The Bank initially recognizes cash, loans and advances, deposits, and debt securities on the date on which they are originated. All other financial instruments (including assets designated at fair value through profit or loss) are initially recognized on the trade date on which the Bank becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

a. Financial assets:

On initial recognition, financial assets are classified into one of the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income (FVOCI);
- Fair value through profit or loss (FVTPL);
- Elected at fair value through other comprehensive income (equities only); or
- Designated at FVTPL



3. Significant accounting policies (continued)

(b) Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

a. Financial assets (continued)

Financial assets include both debt and equity instruments. Financial assets are not reclassified subsequent to their initial recognition unless the Bank changes its Business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the Business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

On initial recognition of an equity investment that is not held for trading, the Bank may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

All other financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Bank may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Debt instruments, including loans and debt securities, are classified into one of the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income (FVOCI);
- Fair value through profit or loss (FVTPL); or
- Designated at FVTPL



3. Significant accounting policies (continued)

(b) Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

(a.) Financial assets (continued)

Classification of debt instruments is determined based on:

- (i) The business model under which the asset is held; and
- (ii) The contractual cash flow characteristics of the instrument.

Business model assessment

Business model assessment involves determining how financial assets are managed in order to generate cash flows. The Bank's business model assessment is based on the following-categories:

- *Held to collect:* The objective of the business model is to hold assets and collect contractual cash flows. Any sales of the asset are incidental to the objective of the model.
- *Held to collect and for sale:* Both collecting contractual cash flows and sales are integral to achieving the objectives of the business model.
- *Other business model:* The business model is neither held-to-collect nor held-to-collect and for sale.

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

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



3. Significant accounting policies (continued)

(b) Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

a. Financial assets (continued):

Business model assessment (continued)

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Bank's continuing recognition of the assets.

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

Assessments whether contractual cash flows are solely payments of principal and interest

The contractual cash flow characteristics assessment involves assessing the contractual features of an instrument to determine if they give rise to cash flows that are consistent with a basic lending arrangement. Contractual cash flows are consistent with a basic lending arrangement if they represent cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

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.

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

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



3. Significant accounting policies (continued)

(b) Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

a. Financial assets (continued):

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

Debt instruments measured at amortized cost

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

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

Debt instruments are measured at FVOCI if they are held within a business model whose objective is to hold for collection of contractual cash flows and for selling financial assets, where the assets' cash flows represent payments that are solely payments of principal and interest. Subsequent to initial recognition, unrealized gains and losses on debt instruments measured at FVOCI are recorded in other comprehensive income (OCI). Upon derecognition, realized gains and losses are reclassified from OCI and recorded in non-interest income in the Statement of Profit or Loss and Other Comprehensive Income on an average cost basis. Foreign exchange gains and losses that relate to the amortized cost of the debt instrument are recognized in the Statement of Profit or Loss and Other Comprehensive Income.

Premiums, discounts, and related transaction costs are amortized over the expected life of the instrument to Interest income in the Statement of Profit or Loss and Other Comprehensive Income using the effective interest rate method.



3. Significant accounting policies (continued)

(b) Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

a. Financial assets (continued):

Debt instruments measured at FVOCI (Continued)

Impairment on debt instruments measured at FVOCI is calculated using the expected credit loss approach. The allowance for credit losses (ACL) on debt instruments measured at FVOCI does not reduce the carrying amount of the asset in the Statement of Financial Position, which remains at its fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI with a corresponding charge to provision for credit losses in the Statement of Profit or Loss and Other Comprehensive Income. The accumulated allowance recognised in OCI is recycled to the Statement of Profit or Loss and Other Comprehensive Income upon derecognition of the debt instrument.

Debt instruments measured at FVTPL

Debt instruments are measured at FVTPL if assets:

- i) Are held for trading purposes;
- ii) Are held as part of a portfolio managed on a fair value basis; or
- iii) Whose cash flows do not represent payments that are solely payments of principal and interest.

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

Debt instruments designated at FVTPL

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

Financial assets are designated at FVTPL if doing so eliminates or significantly reduces an accounting mismatch which would otherwise arise. The decision to designate relates to assets that otherwise meet requirements to be measured at amortised cost or as at FVOCI but are designated as at FVTPL to reduce account mismatch.



3. Significant accounting policies (continued)

(b) Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

a. Financial assets (continued):

Debt instruments designated at FVTPL (Continued)

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

Equity instruments

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

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

Equity instruments measured at FVTPL

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

Equity instruments measured at FVOCI

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

Gains and losses on these instruments including when derecognized/sold are recorded in OCI and are not subsequently reclassified to the Statement of Profit or Loss and Other Comprehensive Income. As such, there is no specific impairment requirement.

Dividends received are recorded in other income in the Statement of Profit or Loss and Other Comprehensive Income. Any transaction costs incurred upon purchase of the security are added to the cost basis of the security and are not reclassified to the Statement of Profit or Loss and Other Comprehensive Income on sale of the security.



3. Significant accounting policies (continued)

(b) Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

a. Financial assets (continued):

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.

b. Financial liabilities

The Bank classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortised cost.

The financial instruments at NBE have been classified into one of the following categories and their measurement criteria defined as follows based on their nature and business purpose:

Financial assets	Measurement criteria
Due from Government of Ethiopia (Note 9(a))	Amortised cost
Loans to government banks (Note 9(b))	Amortised cost
Due from foreign institutions – commercial banks (Note 9(c))	Amortised cost
Due from foreign institutions – central banks (Note 9(d))	Amortised cost
Cash - foreign currencies (Note 9(e))	Amortised cost
Funds held with IMF (Note 9(f))	Amortised cost
Loans to private commercial banks (Note 9(g))	Amortised cost
Loans to employees (Note 15(a))	Amortised cost
Equity Investment and IMF Quota Subscription (Note 10 & 18)	Fair value through OCI

Financial liabilities	Measurement criteria
Deposits from banks and government (Note 17)	Amortised cost
Due to International Monetary Fund (IMF) (Note 18)	Amortised cost
Due to international financial institutions (Note 19)	Amortised cost
Due to other institutions (Note 20)	Amortised cost
Currency in circulation (Note 21)	Fair value



3. Significant accounting policies (continued)

(b) Financial instruments (continued)

(iii) Derecognition

Financial assets

The Bank derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, 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.

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.

Any cumulative gain/loss recognized in OCI in respect of equity investment securities designated as at FVOCI is not recognized in profit or loss on derecognition of such securities. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Bank is recognized as a separate asset or liability.

In transactions in which the Bank neither retains nor transfers substantially all of the risks and rewards of ownership of a financial asset and it retains control over the asset, the Bank continues to recognize the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

Financial liabilities:

The Bank derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Bank also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.



3. Significant accounting policies (continued)

(b) Financial instruments (continued)

(iv) *Modifications of financial assets and financial liabilities*

Financial assets:

If the terms of a financial asset are modified, the Bank evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognized and a new financial asset is recognized at fair value.

If the terms of a financial asset were modified because of financial difficulties of the borrower and the asset was not derecognized, then impairment of the asset was measured using the pre-modification interest rate.

Financial liabilities:

The Bank derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in profit or loss.

(v) *Offsetting*

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

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

(vi) *Amortized cost measurement*

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



3. Significant accounting policies (continued)

(b) Financial instruments (continued)

(vii) 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.

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

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

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

(viii) Impairment of financial assets

The Bank recognises 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 recognised 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 (other than lease receivables) on which credit risk has not increased significantly since their initial recognition.

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



3. Significant accounting policies (continued)

(b) Financial instruments (continued)

(viii) *Impairment of financial assets (continued)*

At each reporting date, the Bank assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. A financial asset is 'impaired' when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset(s) and that the loss event has an impact on the future cash flows of the asset(s) that can be estimated reliably.

The Bank considers a debt security to have low credit risk when their credit risk rating is equivalent to the globally understood definition of 'investment grade'.

12-month ECL is the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Measurement of Expected Credit Losses (ECL)

Expected Credit Losses (ECL) is a probability-weighted estimate of credit losses. They are measured as follows:

- *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);
- *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;
- *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
- *financial guarantee contracts:* the expected payments to reimburse the holder less any amounts that the Bank expects to recover.



3. Significant accounting policies (continued)

(b) Financial instruments (continued)

(viii) Impairment of financial assets (continued)

Restructured financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognised and ECL are measured as follows.

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

Credit-impaired financial assets

At each reporting date, the Bank assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired. 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.

A loan that has been renegotiated due to deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.

In making an assessment of whether an investment in sovereign debt is credit-impaired, the Bank considers the following factors:



3. Significant accounting policies (continued)

(b) Financial instruments (continued)

(viii) Impairment of financial assets (continued)

Credit-impaired financial assets (continued)

- The market's assessment of creditworthiness as reflected in the bond yields.
- The rating agencies' assessments of creditworthiness.
- The country's ability to access the capital markets for new debt issuance.
- The probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness.

There are also international support mechanisms in place to provide the necessary support to NBE as 'lender of last resort' to that country, as well as the intention, reflected in public statements, of governments and agencies to use those mechanisms. This includes an assessment of the depth of those mechanisms and, irrespective of the political intent, whether there is the capacity to fulfil the required criteria.

Presentation of loss allowance in the statement of financial position

Loss allowances for Expected Credit Losses (ECL) are presented in the statement of financial position as follows:

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

Write-off

Loans and debt securities are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Bank determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Bank's procedures for recovery of amounts due.



3. Significant accounting policies (continued)

(c) Property and equipment

(i) Recognition and measurement

Items of property and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation, cumulative impairment losses and residual value.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

If significant parts of an item of property or equipment have different useful lives, then they are accounted for as separate items (major components) of property and equipment.

Any gain or loss on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognized net within operating and administrative expenses in profit or loss.

(ii) Subsequent costs

Subsequent expenditure is capitalized only when it is probable that the future economic benefits of the expenditure will flow to the Bank and the cost of the item can be measured reliably. Ongoing repairs and maintenance are expensed as incurred.

(iii) Depreciation

Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognized in profit or loss. Land is not depreciated.

The estimate useful lives and residual values of significant items of property and equipment are as follows:

Asset classification	Useful life	Depreciation rate	Residual value
Buildings	20 years	5%	25%
Furniture and fittings	5 years	20%	1%
Office and other equipment	5 years	20%	1%
Motor vehicles	5 years	20%	25%

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted prospectively, if appropriate.



3. Significant accounting policies (continued)

(d) Intangible assets

(i) Software

Software acquired by the Bank is measured at cost less accumulated amortization and any accumulated impairment losses. Acquired computer software licences are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized on the basis of the expected useful lives.

Subsequent expenditure on software assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. Directly attributable costs that are capitalized as part of the software product include the software development employee costs and an appropriate portion of relevant overheads. All other expenditure is expensed as incurred.

Software is amortized on a straight-line basis in profit or loss over its estimated useful life, from the date on which it is available for use. The estimated useful life of software for the current and comparative periods is 5 years this is amortized at a rate of 20% less the residual value. The estimated residual value of software for the current period and comparative periods is nil. Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(e) Leases

(i) Bank acting as a lessee

The Bank recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial costs incurred. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Bank's incremental borrowing rate as the discount rate. The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future leases payments arising from a change in a rate.

After the commencement date, the Bank measures the right-of-use asset applying a cost model (cost less any cumulative depreciation and any cumulative impairment). In the case of the lease liability, the Bank measures it by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments



3. Significant accounting policies (continued)

(e) Leases (continued)

(i) Bank acting as a lessee (continued)

Made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

Short-term leases and leases of low-value assets

The Bank has elected not to recognise right-of-use assets and lease liabilities for short-term leases of equipment that have a lease of 12 months or less and leases of low-value assets defined as those below ETB 135,000 (equivalent to USD 5,000 at an exchange rate of USD1 to ETB27, the prevailing mid-rate as at 2016). The Bank recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) Bank acting as a lessor – Finance leases

Where the Bank is the lessor, it determines at lease inception whether each of its leases is an operating or finance lease.

Finance lease

A lease agreement that transfers substantially all of the risks and rewards incidental to ownership of the asset to the lessee, then the arrangement is classified as a finance lease and a receivable equal to the net investment in the lease is recognized and presented within receivables.

At the commencement date, the Bank recognizes assets held under a finance lease in its statement of financial position and presents them as a receivable at an amount equal to the net investment in the lease. After the initial measurement, the Bank recognizes finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

Operating lease

A lease agreement that does not transfer substantially all of the risks and rewards incidental to the ownership of the asset to the lease is classified as an operating lease.

The Bank recognizes lease payments from operating leases as income on either a straight-line basis or another systematic basis. The Bank applies another systematic basis if that basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished.



3. Significant accounting policies (continued)

(f) Taxes

The Bank is exempt from income tax as defined under article 23 of Proclamation No. 591/2008.

(g) Accounting for currency expenses

The cost relating to printing of bank notes and minting of coins are charged to profit or loss in the period in which the notes and coins are received by the bank from the printing company.

(h) Currency in circulation

Notes and coins in circulation are recorded at fair value. The fair value of notes and coins approximates their carrying value and represents the nominal value of all bank notes and coins held by the public and commercial banks.

(i) Inventories

The bank holds gold, office and other consumables as inventory. Included in the office and other consumables are spare parts, stationery items, fuel and lubricants, tyres and inner tubes and cleaning and sanitary items. Refer to Note 15(c) for the qualitative disclosures.

Gold inventory is initially measured at the lower of cost and net realizable value while office and other consumables are measured at cost.

Cost of inventories comprises of purchase price (after deducting trade discounts), and related tax and duty for imports, any costs directly attributable to the acquisition of the stock item such as transport costs, labour costs, unpacking, temporary warehousing fees and inspection costs and destination charges in case of imports.

Net realizable value is the price at which the inventory can be realised in the normal course of business after allowing for costs of realisation. The cost of inventories to the Bank is determined on a First in First Out (FIFO) basis.

(j) Provisions

A provision is recognized if, as a result of a past event, the Bank has a present legal or constructive obligation that can be estimated reliably as at the Statement of Financial Position date, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are not recognized for future operating losses. Provisions at NBE are recognized in respect of legal cases and bonus payments to employees as well as to board members who are not employees of the bank.



3. Significant accounting policies (continued)

(k) Employee benefits

(i) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Bank accounts not only for its legal obligation but also for any constructive obligation that arise from the Bank's customary practices. A customary practice in place gives rise to a constructive obligation where the Bank has no realistic alternatives but to pay employee benefits.

The Bank's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. The benefit is discounted to determine its present value, and any unrecognized past service costs and the fair value of any plan assets is deducted.

The discount rate is the yield at the reporting date on governmental bonds that have maturity dates approximating the terms of the Bank's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method. This method takes into account various parameters, specific to the Ethiopia market such as demographic assumptions, the probability that employees will leave before retirement age, salary inflation, a discount rate, general inflation rate as well as any other relevant financial assumptions. The net liability recognized with respect to post-employment benefit plans is the difference between the present value of the defined-benefit obligation and the fair value of any plan assets, if any.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized in profit or loss during which the services are rendered. The annual expenses recognized in the profit or loss statement under "Salaries and employee benefits" with respect to defined-benefit plans includes the current service cost (the rights vested by each employee during the period in return for service rendered), the net interests linked to the effect of discounting the net defined-benefit liability, the past service cost arising from plan amendments or curtailments, and the effect of any plan settlements.

Remeasurements of the net defined-benefit liability are recognized in other comprehensive income in the period they arise and are never reclassified to profit or loss. These include: all actuarial gains and losses arising from defined benefit plans.



3. Significant accounting policies (continued)

(k) Employee benefits (continued)

(ii) Short-term benefits

Short-term benefit obligations consist of salaries, bonuses, and any non-monetary benefits. They exclude the following benefits which are expected to be paid over periods exceeding 12 months: funeral expenses; medical expenses for pension employees; prize pay; severance pay and leave benefits. Short-term benefits are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonuses if the Bank has a present legal or constructive obligation to pay this amount as a result of past services provided by the employees, and the obligation can be estimated reliably.

(iii) Termination benefits

Termination benefits are employee benefits payable in exchange for the termination of an employee's contract as a result of either a decision by the Bank to terminate a contract of employment before legal retirement age, or a decision by an employee to accept voluntary redundancy in exchange for these benefits. Some of the termination benefits at NBE include severance payments.

Termination benefits are expensed at the earlier of when the Bank can no longer withdraw the offer of those benefits and when the Bank recognizes costs for a restructuring. If benefits are not expected to be wholly settled within 12 months of the reporting date, then they are discounted.

(iv) Long-term benefits

These are benefits, other than short-term benefits, post-employment benefits and termination benefits. These benefits relate to compensation deferred for more than 12 months, which is accrued in the financial statements for the period in which it is earned.

The actuarial techniques used are similar to those used for defined benefit post-employment benefits except that the revaluation items are recognized in the profit or loss and not in equity.



3. Significant accounting policies (continued)

(l) General reserve

The General reserve is defined in the NBE proclamation No. 591/2008. The balance of this reserve fund is dependent on the Capital amount. The limit of the General reserve should equal the Capital account. The proclamation defines that 20% (twenty percent) of net profit shall be paid each financial year into the General reserve fund until such fund equals the paid-up capital of the National Bank. The remaining 80% (eighty percent) shall be credited to the account of the Ministry of Finance (MOF).

Where the General reserve fund equals the paid-up capital of the Bank, the total amount of the net profit shall be credited each financial year to the account of the Ministry of Finance (MOF). Net losses of the National Bank shall be debited to the General reserve fund. If at any time, as a result of net losses sustained by the Bank, the General reserve fund is less than the paid-up capital, the fund is replenished as per proclamation guidance until it equals the paid-up capital.

(m) Revenues

Revenue comprises of:

- Interest income (Note 3 (m))
- Revenue from gold (Note 3(n))
- Fee and commission (Note 3(n))

(n) Interest

Effective interest rate

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

- the gross carrying amount of the financial assets; or
- the amortized cost of the financial liability.

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

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



3. Significant accounting policies (continued)

(n) Interest (continued)

Amortized cost and gross carrying amount

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

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

Calculation of interest income and expenses

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

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

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

Presentation of interest income and expenses

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

- Interest on financial assets and financial liabilities measured at amortised cost calculated on an effective interest basis;
- Interest on debt instruments measured at FVOCI calculated on an effective interest basis; and
- Interest expense on lease liabilities.

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



3. Significant accounting policies (continued)

(o) Revenues from contracts with customers

Revenue from sale of gold, fee and commission income from contracts with customers is based on the consideration specified in a contract with a customer. The Bank recognizes revenue when it transfers control over a good or service to a customer.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant terms, and the related revenue recognition policies.

Type of product (good or service)	Nature and timing of satisfaction of performance obligations, including significant payment terms
Gold	NBE recognizes revenue from gold when the customer receives right and ownership of the gold. This occurs when a deal is struck between the Bank and the customer on pricing and the customer takes possession of the product. The Bank's performance obligation is satisfied at a point in time when the gold is delivered to the customer.
Fee and commission income	The Bank provides foreign currency transactions services to banks, government and government agencies in Ethiopia. It also provide services relating to selling gold, issuance of bonds and treasury bills on behalf of the government. Transaction based fees are charged to the customer when the transaction takes place. The Bank's performance obligations are satisfied at a point in time.

(p) Dividend income

Dividend income is recognized when the right to receive income is established. Usually, this is the ex-dividend date for quoted equity securities. Dividends are presented in net trading income, net income from other financial instruments at fair value through profit or loss (FVPTL) or other revenue based on the underlying classification of the equity investment.

(q) Due from Government of Ethiopia

Balances due from the Government of Ethiopia arise from the following transactions:

- Direct advances bearing interest at 3% per annum, issued with no maturity date;
- Bonds bearing interest at the rate of 2% per annum which mature on 03 October 2044 and 08 October 2047; and
- Non-interest bearing bond that is expected to mature in 2034.

Other than non-interest-bearing bonds which are measured at fair value by discounting them using a market related interest rate, all other balances due from the Government of Ethiopia are measured at amortized cost.

3. Significant accounting policies (continued)

(r) Funds held at/due to International Monetary Fund (IMF)

Ethiopia has been a member of the International Monetary Fund (IMF) since 1945. The Bank acts as the fiscal agent that conducts the financial transaction with the IMF and designated as the depository for IMF's currency holdings. IMF currency holdings are held in the form of either promissory notes which are payable on demand or in the No. 1 and No. 2 Accounts, which are deposit accounts of the IMF with the Bank.

Borrowings from and repayments to the IMF are denominated in Special Drawing Rights (SDRs). The SDR balances in the two IMF accounts (No. 1 and No. 2) are translated into Birr at the prevailing exchange rates as at 30 April of each year and any unrealized gains or losses resulting thereof are accounted for in accordance with accounting policy on foreign currencies.

(s) Gold

NBE is mandated by the Government to buy gold deposits locally and sell the same in international markets. NBE works in conjunction with the Ministry of Mines and Ethiopian Geology survey to undertake gold purchase activities. The Ministry is responsible for verifying purity of gold purchased by the Bank. NBE recognizes three types of gold transactions which are: gold commodity; gold in transit and monetary gold.

Gold commodity comprises of raw gold or gold bullion which is sourced locally before it is refined and sold abroad. Gold commodity not sold at year end is considered as inventory and is measured at the lower of cost and net realizable value.

Gold in transit refers to gold that is held by the refineries or is in transit to refineries before it is processed to gold bullion. It is measured at the lower of cost and net realizable value.

Monetary gold refers to gold that is held in foreign financial institutions to enable the bank to build an international reserve. NBE invests a maximum of 8,000 ounces of gold in the form of time deposits at Commerz Bank.

In the absence of an accounting standard that specifically applies to accounting for transaction relating to monetary gold, NBE chose to apply IAS 8:10 and 11 (Accounting Policies, Changes in Accounting Estimates and Errors) and guidance issued by World Gold Council on how to account for gold by monetary authorities. This guidance was prepared with reference to the conceptual framework of current financial reporting standards and uses similar terminology as far as possible.

NBE measures monetary gold at fair value with gains and losses being recognized in statement of other comprehensive income (OCI).



3. Significant accounting policies (continued)

(t) Contingencies

The Bank, discloses by way of a note, a contingent liability when a condition or circumstance at the end of the reporting period of which the eventual result, either beneficial or prejudicial, can only be confirmed upon the occurrence or non-occurrence of one or more uncertain future events which are beyond the control of the Bank.

(u) Comparatives

Where necessary, comparatives figures have been adjusted to conform to changes in presentation in the current year.

(v) New Standards, amendments and interpretations

(i) New and amended standards and interpretations in issue but not yet effective during the period ended 30 June 2024

A number of new standards, amendments to standard and interpretations are not yet effective for the period ended 30 June 2024 and have not been applied in preparing these financial statements. These are summarized as follows:

Standards / Interpretations	Effective for annual periods beginning on or after
- Classification of liabilities as current or non-current and non- current with covenant (IAS 1 amendment)	1 July 2024
- Lease liability in a sale and leaseback (IFRS 16 amendment)	1 July 2024
- Disclosure: Supplier Finance Arrangements (IAS 7 and IFRS 7 amendment)	1 July 2024
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (IFRS 10 and IAS 28 amendment)	Deferred indefinitely by amendments made in December 2015

There were no new or revised standards and interpretations that became effective and implemented by the bank during the year. Of the standards listed above, IFRS 16 (lease liability) and Sale or Contribution of Assets between an Investor & its Associate or Joint Venture (IFRS 10 and IAS 28 amendment) are not applicable to the bank and will therefore have no impact on future financial statements.

Classification of liabilities as current or non-current and non-current with covenant (Amendments to IAS 1)

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the Board has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period.



3. Significant accounting policies (continued)

(v) New Standards, amendments and interpretations (continued)

(i) New and amended standards and interpretations in issue but not yet effective during the period ended 30 June 2023 (continued)

There is limited guidance on how to determine whether a right has substance and the assessment may require management to exercise interpretive judgement.

The existing requirement to ignore management's intentions or expectations for settling a liability when determining its classification is unchanged.

The amendments are to be applied retrospectively from the effective date.

The Bank will make an assessment of the impact of this adoption.

Disclosures: Supplier Finance Arrangements (Amendments to IAS 7 & IFRS 7)

The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments clarify the characteristics of supplier finance arrangements. In these arrangements, one or more finance providers pay amounts an entity owes to its suppliers.

The amendments require an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those arrangements. The Bank will make an assessment of the impact of this adoption.

Early adoption of standards

The Bank has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.



4. Interest income and expense

Interest income and expense are recognized in profit or loss using the effective interest method and are analyzed as follows:

	For year ended 30 June 2024	For year ended 30 June 2023
<i>Interest income</i>		
Advance to Central Treasury	3,485,972,603	2,524,931,507
Priority sector loans	634,479,454	1,732,388,883
DBE Special bond	2,114,366,658	150,200,910
Foreign time deposits	2,460,179,051	1,576,532,772
Call and ordinary accounts	1,303,879,082	652,936,705
Foreign securities	168,781,290	178,060,371
Advance to domestic banks	9,099,619,900	8,451,943,217
Government bonds	8,730,142,268	7,445,535,908
Total interest income	27,997,420,307	22,712,530,273

	For year ended 30 June 2024	For year ended 30 June 2023
<i>Interest expense</i>		
Government deposits	974,918,084	970,345,491
International Monetary Fund	1,280,830,357	832,403,625
Correspondent banks	3,007,992	2,947,336
Interest on time deposits	6,667,709,383	3,292,282,140
General Resource Account (GRA) charge on Special Drawing Rights (SDR) Purchase ¹	344,818,395	244,854,641
Acc. interest Exp. On FCY Reserve	1,681,038	-
Total interest expense	9,272,965,249	5,342,833,233

¹ Refer to Note 18 for details on this disclosure item

5. Fee and commission income

Exchange service commission

	For year ended 30 June 2024	For year ended 30 June 2023
Foreign exchange transfers	1,739,738,264	2,220,569,449
Local banks	9,542,302,694	7,547,860,796
Government and Government institutions	941,384,835	1,488,044,159
Exchange service commission	12,223,425,793	11,256,474,404
<i>Service charge commission</i>		
Treasury bills	500,370,056	361,488,339
Other service charges	682,378,462	491,242,999
Service charge commission	1,182,748,518	852,731,338
Total fee and commission income	13,406,174,311	12,109,205,742



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6. Revenue from sale of gold *

	For year ended 30 June 2024	For year ended 30 June 2023
Local sales	28,625,186	17,040,298
Foreign sales	4,950,000,139	14,081,736,673
	4,978,625,325	14,098,776,971

* Revenue from sale of gold was less than the gold purchase cost due to the increase on premium price which was paid to the suppliers of the gold on the world gold price.

7. Other Operating Income and Fair value gains / (losses) on financial assets measured at FVOCI

a) Other Operating Income

	For year ended 30 June 2024	For year ended 30 June 2023
Dividend income	35,852,659	18,430,518
Postage, telephone and telex refunds	772,700	712,521
License fee*	73,672,723	35,922,676
Sundries	137,294,365	159,150,003
Amortisation of deferred revenue	3,268,622	3,160,193
	250,861,069	217,375,911

***License fees:** The Bank is mandated to issue business licenses to financial institutions operating in Ethiopia. The license fees are earned from the issuance of new and renewal of business licenses to financial institutions giving them mandate to operate in Ethiopia. The financial institutions that are licensed include: banks, microfinance institutions as well as insurance businesses, insurance agencies, insurance actuaries, insurance surveyors and insurance brokers.

b). Fair value gains / (losses) on financial assets measured at FVOCI

	For year ended 30 June 2024	For year ended 30 June 2023
Fair value gain/Loss on Equity Investments	185,577,051	145,298,948
Fair value gain /Loss on IMF quota Subscription	615,906,502	1,164,021,619
	801,483,553	1,309,320,567

Fair value gains/losses on financial assets measured at FVOCI include Birr 185.6 million, representing the valuation of the Bank's shares in Afreximbank and Africa Reinsurance Corporation. Additionally, Birr 615.91 million relates to the revaluation of the IMF quota in SDR, translated at the Ethiopian Birr exchange rate determined by the IMF as of 30 April 2024.

For more details, refer to notes 10 & 18.



8. Operating expenses

a). Currency costs

	For year ended 30 June 2024	For year ended 30 June 2023
Printing of bank notes	1,030,733,777	3,684,696,781
Minting of coins	9,300	131,401,507
Total currency costs	1,030,743,077	3,816,098,288

b). General and administration costs

Depreciation and Amortization	101,242,679	94,122,131
Depreciation – Right of use asset	1,175,635	398,446
Loss on foreign exchange differences ¹	38,136,853,904	12,169,582,584
Loss on Inventory write down ²	78,942,028	34,046,877
Fuel and lubricants	6,494,083	5,189,185
Membership fees	2,598,015	2,496,244
Travelling and per diem	18,041,234	9,291,531
Stationery and printing	13,000,044	10,264,354
Transportation of currency	32,698,425	36,268,839
Repairs and maintenance costs	94,733,429	65,645,041
Advertisements	836,641	2,456,956
Communications	11,034,851	10,648,989
Utilities	10,893,287	5,423,340
Reuters' Service	6,541,730	5,749,878
Insurance	11,625,628	8,789,516
Tuition fees	1,374,134	980,370
Subscriptions	684,186	558,193
Audit fee	1,840,000	1,380,000
Bankers' Club	8,072,597	3,373,698
Uniforms	8,922,651	1,954,555
Entertainment	12,661,387	4,089,809
Board fees	1,505,241	1,458,000
Legal expenses	66,620	1,280,205
Miscellaneous	67,925,738	685,896,746
Losses on currency notes in custody ³	-	60,261,200
Total general and administration expenses	38,629,764,167	13,221,606,686

¹ **Loss on foreign exchange differences;** This balance arises from the net impact/differences resulting from translating a given number of units of foreign currencies into the bank's reporting currency, that is, ETB at different exchange rates. Included in the above balance is payment incurred by the bank amounting to birr 28.3 billion, which represents reimbursement paid by the Bank to settle foreign exchange remittance related claim.

² Loss on Inventory write down arises due to gold purchase cost is less than the NRV as a result of the increase on premium price which was paid to the suppliers of the gold on the world gold price.



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8. Operating expenses (continued)

c). Salaries and related benefits

	For year ended 30 June 2024	For year ended 30 June 2023
Staff salaries	274,547,294	264,032,786
Periodic employees' benefits costs	64,239,540	26,039,382
Overtime	3,204,891	7,580,355
Bonus	42,136,814	38,196,259
Medical expenses	39,944,972	27,995,113
Representation allowance	25,439,404	18,024,695
Fuel and transportation allowance	99,663,570	77,502,025
Housing allowance	29,049,526	30,349,700
Salary outsourcing	20,329,307	22,304,937
Accumulated leave expenditure	1,661,222	1,555,491
Total salaries and related benefits	600,216,540	513,580,743

d). Gold purchase, refinery and other related costs

	For year ended 30 June 2024	For year ended 30 June 2023
Gold purchase costs	6,903,950,044	15,509,844,931
Gold transport and other costs	16,822,917	12,991,512
	6,920,772,961	15,522,836,443

e). Impairment losses on financial instruments

	For year ended 30 June 2024	For year ended 30 June 2023
Balance as at 1 July – Financial assets ¹	(4,773,417,421)	(3,110,130,602)
Balance as at 1 July – Other assets:	(813,357)	(696,402)
Loans to employees ²		
Balance as at 1 July – Other assets: Staff advances ³	(812,144)	(744,516)
Total balance as at 1 July	(4,775,042,922)	(3,111,571,520)
Charged to profit or loss – Financial assets ¹	(688,595,897)	(1,663,286,819)
Charged to profit or loss – Other assets:		
Loans to employees ²	240,732	(116,955)
Charged to profit or loss – Other assets: Staff advances ³	(2,659,981)	(67,628)
Total charged to profit or loss	(691,015,146)	(1,663,471,402)
Total cumulative impairment losses	(5,466,058,068)	(4,775,042,922)



8. Operating expenses (continued)

e). Impairment losses on financial instruments (continued)

¹ Financial assets relate to instruments held in favour of the bank or owed to the bank by other financial institutions. The bank holds the following financial assets: loans due from the Government of Ethiopia, loans to Government banks; as well as call, current and time deposits held with foreign commercial and central banks.

² The bank provides interest free loans to employees. These loans are checked off against the staff payroll. However, in some cases employees may leave the Bank without settling their due loans in full. The Bank therefore assesses each of the cases and provides an impairment loss allowance against the outstanding staff loan balance.

³ The Bank also provides staff advances to employees for field work purpose.

9. Financial assets

The following balances represent financial assets disclosures after factoring in expected credit loss (ECL):

	30 June 2024	30 June 2023
Due from Government of Ethiopia (a)	687,897,177,830	586,975,969,831
Loans to government banks (b)	134,953,595,130	138,669,694,348
Due from foreign institutions – commercial banks (c)	32,061,462,892	26,551,779,926
Due from foreign institutions – central banks (d)	47,483,737,622	27,228,439,137
Cash - foreign currencies* (e)	712,631,306	654,953,910
Funds held with IMF (f)	176,870,099	106,243,555
Loans to private commercial banks(g)	13,210,129,051	15,055,046,984
Total Gross amounts	916,495,603,930	795,242,127,690
Allowance for credit losses	30 June 2024	30 June 2023
Due from Government of Ethiopia (a)	(4,560,748,058)	(3,856,307,497)
Loans to government banks (b)	(894,740,328)	(911,030,450)
Due from foreign institutions – commercial banks (c)	(5,864,426)	(5,326,722)
Loans to private commercial banks(g)	(660,506)	(752,752)
Total impairment	(5,462,013,318)	(4,773,417,421)
Financial assets net of allowance for credit losses	911,033,590,612	790,468,710,269
Allowance for credit losses movement		
Balance as at 1 July	(4,773,417,421)	(3,110,130,602)
Charged to profit or loss	(688,595,897)	(1,663,286,819)
Balance as at 30 June	(5,462,013,318)	(4,773,417,421)

*These financial assets were not impaired.

For the rest of the financial assets that were impaired, the following disclosures denote the impairment of the same.



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9. Financial assets (continued)

(a) Due from Government of Ethiopia

	30 June 2024	30 June 2023
Direct advance ¹	242,000,000,000	130,000,000,000
Non-interest-bearing bond ²	3,638,562,667	4,378,313,269
Interest bearing bonds ³	430,806,916,373	430,478,888,156
IMF Loan to Ministry of finance ⁴	11,451,698,791	22,118,768,405
Less: allowance for credit losses	(4,560,748,058)	(3,856,307,497)
	683,336,429,771	583,119,662,333

¹NBE issues on a regular basis a perpetual direct advance to the government which bears interest at the rate of 2% per annum.

²NBE has issued a non-interest-bearing bond with a maturity date of 1 July 2034. The bond has been measured at the present value of all its future cash receipts discounted at an effective interest rate of 3%. The bank determined this to be the prevailing market rate of interest for similar bonds issued to the government. NBE has reclassified day one fair value gains and losses of non-interest-bearing bond financial assets in order to eliminate any accounting mismatch which would otherwise arise.

³NBE has issued a 2% annual interest bonds which mature on 03 October 2044. In addition, following decision by the Bank's board of directors in October 2022, the bank restructured the direct advance loan balance outstanding as at 07 October 2022 of Birr 236,500,000,000 to a 2% government bond which is payable in thirty equal semiannual installments as from 08 April 2033 which mature on 08 October 2047.

⁴Refer to note 18 for details on RFI loan from IMF to the government of Ethiopia.

NBE does not require collateral or guarantee to loan funds to the Government of Ethiopia.

(b) Loans to government banks

	30 June 2024	30 June 2023
Development Bank of Ethiopia priority sector loans ¹	11,494,465,755	15,233,673,680
Commercial Bank of Ethiopia bonds ²	93,180,441,507	93,163,109,757
Development Bank of Ethiopia Special Bond ¹	30,278,687,868	30,272,910,911
Less: allowance for credit losses	(894,740,328)	(911,030,450)
	134,058,854,802	137,758,663,898

¹NBE issues loans to DBE for priority sector investment projects and charges interest at the rate of 5%. These loans have loan tenure of 5 years. Birr 30.3 billion which was converted to 12 years special bond on June 05, 2023 following NBE repealed a policy for a DBE priority sectors loan financing. The bond shall bear interest at the rate of 7% per annum which shall be paid semi-annually.

²The Bank issued term bonds to the Commercial Bank of Ethiopia amounting to ETB 81.4 billion and ETB 9.0 billion, respectively. The principal amounts of these bonds shall become due within 10 years from the date of receipt by CBE. The interest on these bonds is paid semi-annually and bears 7% interest.

NBE does not require collateral or guarantee to loan funds to government banks.



9. Financial assets (continued)

(c) Due from foreign institutions – commercial banks

	<u>30 June 2024</u>	<u>30 June 2023</u>
Due from foreign institutions – commercial banks	32,061,462,892	26,551,779,926
Less: Impairment	<u>(5,864,426)</u>	<u>(5,326,722)</u>
	<u>32,055,598,466</u>	<u>26,546,453,204</u>

The balance due from commercial banks by NBE represents call, current and time deposit accounts held with the following foreign institutions: CITIBANK New York (USD); JP Morgan Chase (USD); National Westminster - London (GBP); Commerz bank AG Frankfurt (Euro & USD); Bank of Tokyo (YEN), Afreximbank(USD) , Eastern and Southern African Trade and Development Bank(USD) and Standard Chartered Bank – London (GBP).

(d) Due from foreign institutions – central banks

The Bank maintains call, current and time deposits with several central banks domiciled in Europe, USA and Asia. These central banks include: Federal Reserve Bank of New York (USD); Bank for International Settlements (BIS); Bank of England (GBP & USD); Deutsche Bundesbank (EURO); International Bank of Reconstruction and Development (USD) and Central Bank of The United Arab Emirate (USD & AED).

	<u>30 June 2024</u>	<u>30 June 2023</u>
Balances due from foreign entities – Central banks	47,483,737,622	27,228,439,137
Less: Impairment	<u>-</u>	<u>-</u>
	<u>47,483,737,622</u>	<u>27,228,439,137</u>

(e) Cash - foreign currencies

This relates to cash held by NBE in foreign currency denominations. The foreign currency balances are translated to Ethiopian Birr (ETB) at each reporting date using the mid- rate applicable on that date. As at 30 June 2024, NBE held foreign currency balances worth ETB 712,631,306 (2023: ETB 654,953,910).



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9. Financial assets (continued)

(f) Cash and cash equivalents

Cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including foreign currencies on hand, balances held with foreign institutions – commercial and central banks and funds held with IMF.

	For year ended 30 June 2024	For year ended 30 June 2023
<i>Cash and cash equivalents comprise:</i>		
Balances due from foreign entities – Commercial banks	32,055,598,466	26,546,453,204
Balances due from foreign entities – Central banks	47,483,737,622	27,228,439,137
Cash - foreign currencies	712,631,306	654,953,910
Funds held with IMF ²	176,870,099	106,243,555
	80,428,837,493	54,536,089,806
Less: Time Deposit with maturity period over three months ¹		
IBRD*	(2,930,459,469)	(2,787,002,910)
Eastern and Southern African Trade and Development Bank (TDB)	(18,313,568,606)	(16,701,866,380)
Afreximbank	(314,713,008)	(284,301,437)
	58,870,096,410	34,762,919,079

* IBRD - The International Bank for Reconstruction and Development

¹ The tenure of time deposits with IBRD, Eastern and Southern African Trade & Development Bank, and Afreximbank is one year. The interest rate for IBRD is based on offer acceptance and changed on a quarterly basis and for Afreximbank and TDB it is based on negotiation in accordance with the terms of the deal and fixed annually. The tenure of other time deposits ranges between one to three months.

² This is stock of IMF currency for NBE held with IMF. The account which is denominated in SDR is used to deposit funds to effect payments against IMF obligations such as loan repayments and charges. The SDR currency is derived from a basket of 5 currencies (USD, EURO, GBP, JPY and Yuan).

For further details on cash and cash equivalents, refer to notes 9 (c, d, e, and f) above.

(g) Loans to private commercial banks

In the financial period ended 30 June 2024, NBE extended one-month credit facilities to 18 local commercial Banks worth ETB 86,923,868,091 in total of which ETB 13,210,129,051 was outstanding as at 30 June 2024. The loans are aimed at promoting financial sector stability and temporarily support for the liquidity assistance to banks and attract an 18% interest rate. These loans are guaranteed by NBE bills and other government securities worth ETB 14,780,294,760.

	30 June 2024	30 June 2023
Loans to private commercial banks	13,210,129,050	15,055,046,984
Less: Impairment	(660,508)	(752,752)
	13,209,468,542	15,054,294,232



10. Equity Investment

The Bank holds the following investments in shares:

	30 June 2024	30 June 2023
African Export-Import Bank	971,392,047	782,539,660
Africa Re-insurance	158,689,405	131,246,386
Local Currency Investment-Ethswitch S.C	6,000	1,000
	<u>1,130,087,452</u>	<u>913,787,046</u>

On initial recognition the bank made an irrevocable election to present in other comprehensive income the changes in the fair value of all its investments in shares as these equity investments represent strategic long-term holdings not held for trading.

The Bank measures the fair value of its equity investments classified as fair value through OCI (FVOCI) using the Market Approach, in accordance with IFRS 13 Fair Value Measurement. To determine fair value, the bank uses a valuation technique that: is appropriate in the circumstances; for which sufficient data is available to measure fair value; maximizes use of relevant observable inputs and minimizes use of unobservable inputs. The investments have been classified within Level 2 of the fair value hierarchy, as the valuation relies on observable market information of comparable companies to the investee companies being valued, with adjustments for inputs that are not directly observable.

For the purpose of a valuation, a price to book multiple were selected based on observed multiples for peer companies and adjusted for specific factors such as company specific and liquidity discounts.

The changes in the fair values of the investment instruments were as follows:

	Amount in ETB
Opening balances – 1 July 2022	388,607,382
Fair value adjustments - African Export-Import Bank	155,260,124
Fair value adjustments - Africa Re-insurance	(9,961,174)
Local Currency Investment-Ethswitch S.C	1,000
Additional investment (381 share of African Export-Import Bank)	379,879,715
Closing balances – 30 June 2023	<u>913,787,046</u>
Fair value adjustments - African Export-Import Bank	158,134,033
Fair value adjustments - Africa Re-insurance	27,443,019
Additional Investment-Ethswitch S.C	5,000
Additional share acquisition by dividend payment (27 shares of African Export-Import Bank)	30,718,354
Closing balances – 30 June 2024	<u>1,130,087,452</u>



The African Export-Import Bank (Afreximbank) is a supranational institution, established on 27 October 1993. Afreximbank is a grouping of regional central banks and financial institutions designed to facilitate intra and extra African trade. During the year, the Bank acquired 27 shares from Afreximbank, this shares were bought using the 2022 dividend proceeds. The total holding in Afreximbank increased from 762 shares in 2023 to 789 shares in 2024, representing 0.36% of the total holdings.

The African Reinsurance Corporation (Africa Re) is the leading pan-African reinsurance company and the largest reinsurer in Africa in terms of net reinsurance written premiums.

As of 2024, the Bank's equity interest in African Reinsurance Corporation remained amounted to 9,200 shares with a nominal value of \$100 per share, representing 0.32% of the total holdings.

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11. Gold Commodity

Gold commodity comprises of raw gold or gold bullion which is sourced locally before it is refined and sold abroad. Gold commodity not sold at year end is considered as inventory and is measured at lower of cost and net realizable value.

The value of commodity gold is as follow;

	<u>30 June 2024</u>	<u>30 June 2023</u>
Opening balance	95,104,815	3,019,331,864
Purchases	7,028,957,174	12,620,023,356
Sales	(6,903,950,045)	(15,510,203,528)
Inventory write down*	(78,942,028)	(34,046,877)
Closing balance	<u>141,169,916</u>	<u>95,104,815</u>

* Refer to Note 8 (b) for details on this disclosure item

12. Related parties

(a) Parent and ultimate controlling party

The National Bank of Ethiopia was established in 1963 under order No. 30/1963 and is fully owned by the government of Ethiopia through the Ministry of Finance (MOF).

In the normal course of its operations, the Bank enters into transactions with related parties who include the following:

No	Related party	Nature of relationship	Terms of transaction
1	Key management personnel	Members of the management team at NBE	Normal business terms
2	Commercial Bank of Ethiopia (CBE)	Associate	Normal business terms
3	Development Bank of Ethiopia (DBE)	Associate	Normal business terms
4	Government of Ethiopia through The Ministry of Finance (MOF)	Owner	Normal business terms

(b) Key management personnel

The key management personnel of the National Bank of Ethiopia comprise of the following:

- i.) The Board which includes the Governor and Vice governor in charge of monetary stability cluster
- ii.) Vice-Governor – Financial Institutions Supervision
- iii.) Vice-Governor – Corporate Services



12. Related parties (continued)

Key management members received the following remuneration during the years ended 30 June 2024 and 30 June 2023:

	<u>30 June 2024</u>	<u>30 June 2023</u>
Short-term employee benefits	7,082,353	5,375,831
Other long-term benefits	202,714	256,958
Post-employment benefits	4,426,241	3,138,114
	<u>11,711,308</u>	<u>8,770,903</u>

Compensation of the Bank's key management personnel includes all short- and long-term benefits as well as consideration of their post-employment benefits. Some of the key management personnel, who are not part of NBE staff such as some of the Board members, are only entitled to monthly board fee and annual bonus. These amounts are also included within salaries and related benefits note (Note 8 (c)).

(c) Loans to key management personnel

In accordance with the Bank's policy, NBE issues interest-free loans to key management personnel whose collateral is personal guarantees from NBE members of staff.

At the end of each reporting period, the Bank performs an impairment assessment on the outstanding balances and provides for expected credit losses. The impairment loss has been included in the sum of impairment losses of all staff loan balances for the periods ended 30 June 2024 and 30 June 2023. The loans to key management and the impairing arising thereof for these periods were as follows:

	<u>30 June 2024</u>	<u>30 June 2023</u>
Gross loans to key management (governor and vice-governors)	296,660	474,656
Impairment	(715)	(2,159)
Net loans to key management (governor and vice-governors)	<u>295,945</u>	<u>472,497</u>

(d) Other related parties transactions

The Bank entered into related party transactions whose terms were not equivalent to those that prevail in arm's length transactions. These transactions include loans, deposits and foreign currency transactions.

The volumes of the related party transactions, outstanding balances at the end of the year and the related expenses and incomes for the year are as follows:



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12. Related parties (continued)

(d) Other related parties transactions (continued)

i.) Transactions with Commercial Bank of Ethiopia:

	30 June 2024	30 June 2023
CBE Term Bonds ¹	93,180,441,507	93,163,109,757
Commercial Bank of Ethiopia A/R (ETB) ²	12,274,225,019	14,061,842,855
	<u>105,454,666,526</u>	<u>107,224,952,612</u>

The above amounts are the gross carrying amounts before impairment.

¹The interest earned on the CBE Term Bonds was ETB 6,343,420,608 (2023: ETB 6,978,143,654). The impairment loss on CBE Term bond was ETB 617,784,941 (2023: ETB 612,061,851).

²The balance relates to advances provided to CBE for the settlement of Letter of Credit commitments in connection with the Government.

ii.) Transactions with Development Bank of Ethiopia:

	30 June 2024	30 June 2023
DBE Priority loan	11,494,465,755	15,233,673,680
DBE Special Bond	30,278,687,868	30,272,910,911
	<u>41,773,153,623</u>	<u>45,506,584,591</u>

The above amounts are the gross carrying amounts before impairment.

The interest earned on the DBE priority loan and Special Bond was ETB 2,748,846,112 (2023: ETB 1,882,589,794). The impairment loss on DBE priority loan and Special Bond was ETB 276,955,387 (2023: ETB 298,968,599).



National Bank of Ethiopia

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13. Property and equipment

2024	ETB	Balance at 30 June 2023	Additions	Disposals	Reclassifications	Adjustments	Balance at 30 June 2024
<i>Cost</i>							
Buildings		1,328,433,978	-	-	-	-	1,328,433,978
Office and other equipment		472,766,806	60,523,468	(14,175,046)	-	-	519,115,227
Office furniture and fittings		33,917,082	2,832,141	(787,450)	-	-	35,961,773
Motor vehicles		186,541,139	17,726,368	(4,519,989)	-	-	199,747,518
Work in progress		267,544,256	609,463,310	-	-	-	877,007,566
		2,289,203,261	690,545,287	(19,482,485)	-	-	2,960,266,062
<i>Depreciation</i>							
Building		(348,315,182)	(49,816,274)	-	-	-	(398,131,456)
Office and other equipment		(398,855,179)	(27,467,416)	14,022,387	-	-	(412,300,210)
Office furniture and fittings		(25,194,591)	(3,470,144)	775,166	-	-	(27,889,569)
Motor vehicles		(81,974,829)	(19,681,975)	3,389,991	-	-	(98,266,812)
		(854,339,781)	(100,435,809)	18,187,544	-	-	(936,588,047)
Net carrying amount	ETB	1,434,863,480	590,109,477	(1,294,941)	-	-	2,023,678,015

- Property, Plant, and Equipment (PPE) with a total purchase price of Birr 375,575,967 are fully depreciated and have a residual value of Birr 16,213,505, yet they are still in use.

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13. Property and equipment (continued)

2023	ETB	Balance at 30 June 2022	Additions	Disposals	Reclassifications	Adjustments	Balance at 30 June 2023
<i>Cost</i>							
Buildings		1,328,433,978	-	-	-	-	1,328,433,978
Office and other equipment		442,310,950	30,763,097	(307,241)	-	-	472,766,806
Office furniture and fittings		33,415,841	632,211	(130,969)	-	-	33,917,082
Motor vehicles		141,376,648	45,164,490	-	-	-	186,541,139
Work in progress*		143,677,661	124,264,495	-	-	(397,900)	267,544,256
		2,089,215,078	200,824,293	(438,210)	-	(397,900)	2,289,203,261
<i>Depreciation</i>							
Building		(298,498,908)	(49,816,274)	-	-	-	(348,315,182)
Office and other equipment		(372,809,933)	(26,313,006)	267,760	-	-	(398,855,179)
Office furniture and fittings		(21,843,651)	(3,474,081)	123,140	-	-	(25,194,591)
Motor vehicles		(68,784,650)	(13,190,179)	-	-	-	(81,974,829)
		(761,937,142)	(92,793,539)	390,900	-	-	(854,339,781)
Net carrying amount	ETB	1,327,277,936	108,030,754	(47,310)	-	(397,900)	1,434,863,480

The total value of Property, Plant, and Equipment (PPE) with a purchase price of Birr 394,580,276 is fully depreciated and has a residual value of Birr 17,484,954, yet these items remain in use.

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14. Intangible assets

		Software
<i>Cost</i>		
Balance at 30 June 2023	ETB	94,522,849
Additions / transfers from CWIP		-
Balance at 30 June 2024*		94,522,849
<i>Amortization and impairment</i>		
Balance at 30 June 2023		(93,288,336)
Additions		(806,870)
Balance at 30 June 2024		(94,095,206)
Net carrying amount	ETB	427,643
		Software
<i>Cost</i>		
Balance at 30 June 2022	ETB	94,522,849
Additions / transfers from CWIP		-
Balance at 30 June 2023		94,522,849
<i>Amortization and impairment</i>		
Balance at 30 June 2022		(91,959,743)
Additions		(1,328,592)
Balance at 30 June 2023		(93,288,336)
Net carrying amount	ETB	1,234,513

Intangible assets relate to software that includes banking and other related software's. In the financial period ended 30 June 2024, NBE not acquired new software. There were no idle assets and changes relating to the useful life of intangible assets as at 30 June 2024 and 30 June 2023.

*Aggregate value of Intangible assets relate to software amounting Birr 90,488,498 are fully amortized were still in use.

15. Other assets

	ETB	30 June 2024	30 June 2023
Advances to CBE for gold purchases		2,139,916,479	1,779,638,723
Sundry receivables from CBE ¹		12,274,225,019	14,061,842,855
Commemorative souvenirs in gold and silver		8,124,719	8,793,036
Loans to employees (a)		159,726,290	78,517,846
Staff advances (b)		4,890,072	2,176,239
Office and other consumables (c)		30,584,193	21,456,810
Uncleared effects		5,502,032	6,753,807
Sundry receivables ²		3,659,000,240	2,942,640,940
Miscellaneous*		(17,131,667)	(17,263,880)
		18,264,837,377	18,884,556,376

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15. Other assets (continued)

*The balances under the miscellaneous account relate to CMD unadjusted notes in circulation and outstanding Claim on Commercial Banks.

¹Refer to note 12(d) for details on this disclosure item.

² The balance under this disclosure item relates to advances paid to suppliers in connection with the Bank's various projects.

(a) Loans to employees

The Bank extends interest free loans, which are therefore at a lower rate compared to the prevailing market rates and bear annual interest of 17.6%, to its entire staff in accordance with the Bank's policy. The loans are repayable within five years and are secured by a guarantor. The bank does not perform a fair valuation of these loans since the tenure/duration of these loans is short-term in nature and the credit exposure to the bank is minimal.

The Bank performs an impairment test on a continuous basis and provides an allowance for impairment losses at the reporting date.

Loans to employees for the two periods were as follows:

	30 June 2024	30 June 2023
Gross Loans to employees	160,298,913	79,331,202
Cumulative impairment losses	(572,624)	(813,356)
Net Loans to employees	159,726,289	78,517,846

Movement of impairment losses for staff loan accounts	30 June 2024	30 June 2023
Balance as at 1 July	813,356	696,401
Charged to profit or loss	(240,732)	116,955
Balance as at 30 June	572,624	813,356

(b) Staff advances

The following table shows the staff advances breakdown:

	30 June 2024	30 June 2023
Gross staff advances	8,362,197	2,988,383
Cumulative Impairment losses	(3,472,125)	(812,144)
Net staff advances	4,890,072	2,176,239

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15. Other assets (continued)

(b) Staff advances (continued)

Movement of impairment losses for staff advances	30 June 2024	30 June 2023
Balance as at 1 July	(812,144)	(744,516)
Charged to profit or loss	(2,659,981)	(67,628)
Balance as at 30 June	(3,472,125)	(812,144)

(c) Office and other consumables

The breakdown of office and other consumables items is as shown below:

<i>Office and other consumables</i>	30 June 2024	30 June 2023
Gross carrying amount	30,584,193	21,364,742
Office and other consumables – adjustments	-	92,068
Net carrying amount	30,584,193	21,456,810

The Bank's office and other consumables comprise of spare parts, stationary items, uniforms, stocks of facilities for office equipment, buildings, sorting and shredding machine, cleaning and sanitary materials, fuel and lubricant, tyres and inner tubes. These office and other consumables are not meant for resale and are therefore measured at cost.

16. Right of use assets

The Bank leases some buildings within Ethiopia. Information about leases for which the Bank is a lessee is presented below:

Right-of-use assets:

	30 June 2024	30 June 2023
Cost		
Balance at the beginning of the year	4,065,741	2,759,827
Additions	-	1,305,914
Remeasurement adjustment	4,062,894	-
Balance as at 30 June	8,128,635	4,065,741
Depreciation		
Balance as at 1 July	(1,318,390)	(919,944)
Charge for the year	(1,175,635)	(398,446)
Balance at 30 June	(2,494,025)	(1,318,390)
Net carrying value	5,634,610	2,747,351

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16. Right of use assets (continued)

Lease liabilities:

	30 June 2024	30 June 2023
Balance at beginning of the year	3,090,450	2,116,398
Additions	-	1,305,914
Interest expense	376,937	140,956
Payments made during the year	(1,333,277)	(472,818)
Remeasurement adjustment	3,759,782	-
Net carrying value	5,893,892	3,090,450

Maturity analysis:

	30 June 2024	30 June 2023
Less than 1 year	1,183,985	799,112
1 – 2 years	720,000	771,005
3 – 5 years	2,160,000	741,060
More than 5 years	3,652,221	1,543,937
Total	7,716,206	3,855,114

-NBE calculated lease related assets and liabilities per its accounting policy disclosed on Note 3(e). As a lender of last resort, the Bank is not subject to conventional borrowing patterns of a commercial bank. In the event that the Bank had to borrow funds equivalent to the value of the right of use asset, the Bank would be financed by the Government through issuance of a bond. The Bank used an incremental borrowing rate that is equivalent to the Grand Renaissance bond issued by the government. The Grand Renaissance bond was issued at a rate of 6%. The Bank adopted this rate as its incremental borrowing rate for purposes of computing its lease liabilities. The Bank had no short-term lease commitments in period ended 30 June 2024 therefore no lease expense was recognized in statement of profit or loss and other comprehensive income.

-During the year, the Bank remeasured certain lease liabilities due to change in contractual lease payments. The remeasurement resulted in an increase in lease liabilities and a corresponding adjustment to the right-of-use assets.



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17. Deposits due to local financial institutions, government, and government institutions

Deposits due to financial institutions and the Government were as follows:

	30 June 2024	30 June 2023
Domestic currency deposits		
Deposits from banks ¹	216,109,019,397	224,233,889,027
Deposits from insurance companies ²	17,726,182	4,409,903
Government and governmental agencies ³	42,867,358,352	42,277,388,265
	258,994,103,931	266,515,687,195
Foreign currency deposits		
Government and governmental agencies	93,255,434,532	93,414,504,170
Foreign Currency Reserve Accounts-Local Banks	59,295,234	-
	93,314,729,766	93,414,504,170
Deposits from banks and government	352,308,833,697	359,930,191,365

¹Banks maintain deposit accounts with the NBE to facilitate monetary policy operations and ensure regulatory compliance. Reserve accounts are maintained to meet statutory reserve requirements and support the implementation of monetary policy, particularly through the management of reserve money targets aimed at controlling inflation. All commercial banks are required to maintain a reserve balance equivalent to 5% of their net deposit liabilities at all times, and a monthly average reserve balance of 7% of their net deposit liabilities. Payment and settlement accounts are used to process daily transactions, including clearing and settlement of funds transfers, and support the smooth functioning of the payment system. Issue accounts are used by the bank to manage currency issuance and withdrawals, tracking the flow of notes and coins between the central bank and commercial banks. These deposit accounts are typically non-interest-bearing and maintained to ensure operational efficiency, financial stability, and adherence to monetary policy frameworks.

²All insurance companies are required to deposit 5% of their annual net earned premium with NBE. The amounts of deposits with NBE are adjusted on an annual basis depending on the growth in an insurance company's net earned premium. These deposits do not earn any interest and neither does NBE reinvest this money.

³The Government and Government agencies deposit money with NBE. These deposits are denominated in both domestic and foreign currencies with domestic deposits earning interest at the rate of 2% pa. The obligation arising from NBE holding these deposits is measured at cost i.e. the actual value of the deposit. The finance cost is recognized as an expense in the statement of profit or loss over the period NBE holds the deposit. The interest payments to Ministry of Finance (MOF) are done monthly.

A deposit from banks is made up of the following:

	30 June 2024	30 June 2023
Payment and Settlement accounts	49,064,294,096	78,903,764,410
Reserve accounts	148,187,989,652	128,631,413,807
Issue accounts	18,856,735,649	16,698,710,810
	216,109,019,397	224,233,889,027

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18. Balance with /due to International Monetary Fund (IMF)

	30 June 2024	30 June 2023
	ETB	ETB
(a) Assets:		
Holdings of Special drawing rights (SDR)	175,145,512	105,122,579
Accr. Int. Receivable - Special Drawing Rights	1,336,566	765,818
Remuneration Fee – IMF	388,021	355,158
	176,870,099	106,243,555
 IMF Quota Subscription	 22,557,124,177	 21,941,217,675
	22,733,994,276	22,047,461,230
 (b) Liabilities:	 30 June 2024	 30 June 2023
Local currency liability	ETB	ETB
IMF No1 Account	26,116,679,870	25,403,582,185
IMF No2 Account	5,503,785	5,353,529
Securities Account-Promissory Notes Payable	13,435,920,372	24,513,315,025
	39,558,104,027	49,922,250,739
 Foreign Currency Liabilities to IMF		
ECF-Loan Disbursement-IMF	10,066,994,288	9,798,364,524
Allocation of special drawing rights (SDR)- Principal	31,347,340,068	30,510,861,143
Accrued charges on SDR allocation	212,779,905	194,721,233
Account Payable -GRA changes IMF	153,057,183	230,815,939
	41,780,171,444	40,734,762,839
	81,338,275,471	90,657,013,578

The movements in IMF quota subscription during the year:

	30 June 2024	30 June 2023
Beginning balance	21,941,217,675	29,921,124,958
Current Fair Value adjustment	615,906,502	1,164,021,619
Reclassification adjustment*	-	(9,143,928,902)
Total	22,557,124,177	21,941,217,675

*The downward adjustment to the IMF quota Subscription for the comparative period is due to misclassification of the IMF currency holding valuation adjustment for proportion of loan received by government of Ethiopia/MoF to CVA account.

NBE holds funds it has received from international financial institutions as either loans or direct bank deposits that it is obliged to repay back as per the membership agreements. The obligation is measured at amortized cost.

Holdings of Special drawing rights (SDR) which is deposit denominated in SDR is used to effect payments against IMF obligations such as loan repayments and charges. The SDR currency is derived from a basket of 5 currencies (USD, EURO, GBP, JPY and Yuan).



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18. Balance with /due to International Monetary Fund (IMF)(continued)

Ethiopia has been a member of the International Monetary Fund (IMF) since 1945. The Bank acts as the fiscal agent that conducts the financial transaction with the IMF and designated as the depository for IMF's currency holdings. The Ethiopia's quota in IMF stood at SDR 300.7 million (2023; SDR 300.7 million), which represents 4,459 votes' equivalent to 0.09% of voting rights. The quota is determined upon admission to the IMF and is increased periodically under general quotas reviews. The Ethiopia's quota in IMF is its membership subscription which is granted mainly by the issue of promissory notes in favor of the IMF and partly by foreign currency payments by the Government of Ethiopia. Being in line with strategic investment criteria, Ethiopia's quota in the IMF was designated as measured at FVOCI. The variation of the quota recorded during the reporting period represents the revaluation of the value of the quota in SDR at the exchange rate of Ethiopian Birr as determined by IMF at 30 April, 2024.

IMF currency holdings are held in the form of either promissory notes which are payable on demand and non-interest bearing & non-negotiable or in the No. 1 and No. 2 Accounts, which are deposit accounts of the IMF with the Bank. Its valuation is done on a quarterly basis with IMF requirements for these specific Accounts. The amounts included in the Local currency liability also include the loans received by the Bank from the IMF. The loans are denominated in Special Drawing Rights (SDR), while measured in the equivalent of Ethiopian Birr at the end of the reporting period.

Borrowings from and repayments to the IMF are denominated in Special Drawing Rights (SDRs).

As of 30 June 2024, the Bank's outstanding balance of loans due to IMF is as follows:

- EFF commitments - SDR 82.69 million (30, June 2023 - SDR 90.21 million)
- ECF commitment-SDR 133.6 million (30, June 2023 - SDR 133.6 million)
- SDR allocations - SDR 416.1 million (30, June 2023 - SDR 416.1 million)

The Extended Fund Facility (EFF) represents the loans granted to the IMF members to finance the balance of payments deficit. IMF granted a loan under the EFF amounting to SDR 90.21 million on December 18, 2019, for a 10-year term, including a 4.5-year grace period. The interest rate on this loan is floating, determined on weekly basis and includes a margin set by the IMF.

The Extended Credit Facility (ECF, previously PRGF) represents the loans granted to the countries that meet the eligibility criteria approved by the IMF under concessional financing to support economic growth and poverty reduction. The IMF granted loan under ECF facility amounting to SDR 133.6 million on December 16, 2019 for a 10-year term and with a 5.5-year grace period. Based on the decision of the IMF Executive Board, the ECF loan bears no interest.

The Rapid Financing Instrument (RFI) represents the loans granted to the countries that meet the eligibility criteria approved by the IMF for Direct budget financing. The IMF granted RFI loans to Ethiopia amounting to SDR 300.7million on April 30, 2020 for a 5-year term and with a 3.25-year grace period. The interest rate on this loan is market-determined Special Drawing Rights (SDR) interest rate-which has a minimum floor of 5 basis points and a margin (currently 100 basis points), together known as the basic rate of charge as set by the IMF.



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18. Balance with /due to International Monetary Fund (IMF) (continued)

To present Ethiopia's complete financial position to the IMF, the table below outlines the amounts of financing funds received by Ethiopia from the IMF:

Loans and other financing from the IMF	Balance as 30 June 2023	Reimbursements	Receipts	Balance as 30 June 2024
	SDR' in millions	SDR' in millions	SDR' in millions	SDR' in millions
National Bank of Ethiopia	90.21	7.52	-	82.69
Ministry of Finance	-	-	-	-
EFF	90.2	7.52	-	82.69
National Bank of Ethiopia	133.64	-	-	133.6
Ministry of Finance	-	-	-	-
ECF	133.6	-	-	133.6
National Bank of Ethiopia	-	-	-	-
Ministry of Finance	300.7	150.35	-	150.35
RFI	300.7	150.35	-	150.35
National Bank of Ethiopia	416.1	-	-	416.1
Ministry of Finance	-	-	-	-
SDR allocations	416.1	-	-	416.1

SDR allocations represent the general reserve allocations in SDR made by the IMF in August 2009 and the special allocations distributed by the IMF in September 2009 under Amendment IV to the IMF Statute.

At the same time, on 2 August 2021, the Board of Governors of the IMF approved a resolution on a new procedure for allocating special drawing rights to member countries, in proportion to the size of Ethiopia's share in the IMF held at the date of the decision. On 23 August 2021, SDR 288.2 million were allocated and transferred to Government of Ethiopia, the allocation rate being about 95.84% of the size of the Quota.

19. Due to International Financial institutions

Deposits due to international financial institutions were as follows:

	30 June 2024	30 June 2023
International Bank for Reconstruction and Development (IBRD)	34,977,247	7,057,660
International Development Association	705,369	2,640,301
Multilateral Investment Guarantee Agency	156,782	156,781
	35,839,398	9,854,742



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20. Due to other institutions

	<u>30 June 2024</u>	<u>30 June 2023</u>
<i>Deposits from foreign institutions</i>		
Foreign currency deposits due to International institutions	257,699,053	250,510,001
Time deposits due to Saudi Arabia ¹	58,787,223,651	55,146,907,191
Time deposit due to Abu Dhabi ²	<u>173,801,420,366</u>	<u>54,871,872,275</u>
	<u>232,846,343,070</u>	<u>110,269,289,467</u>

¹Saudi Arabia deposited a time deposit worth USD 1billion with NBE in November 2015 for a period of 6 years at an interest rate of 3%. NBE received an additional time deposit of USD 500 Million in period ended 30 June 2019 after repaid same amount from November 2017 - November 2019 as per the repayment contract. The two parties agreed to a new repayment plan. NBE did not offer any collateral for the time deposit.

²NBE received a time deposit of amount USD 1 billion from Abu Dhabi Fund in period ended 30 June 2019 at a fixed interest rate of 3% per annum payable semi- annually. Additionally, in October 2023, the Bank received a new time deposit of USD 2 billion from Abu Dhabi Fund for a term of one year, bearing a fixed interest rate of 4% per annum, payable semi-annually.

21. Currency in circulation

	<u>30 June 2024</u>	<u>30 June 2023</u>
Notes	257,467,545,704	254,510,097,077
Coins	1,368,299,053	1,345,533,103
	<u>258,835,844,757</u>	<u>255,855,630,180</u>

-NBE issues notes and coins on behalf of the government to the country to run the economy; monitor the inflation rates and maintain economic stability. These are non-interest-bearing liabilities and are due on demand.

22. Provisions

	<u>Bonuses</u>	<u>Legal</u>	<u>Total</u>
Balances at 30 June 2022	34,056,318	2,005,587	36,061,905
Increases (decrease) recorded in profit or loss	38,196,259	1,217,859	39,414,118
Paid during the year	(34,056,318)	-	(34,056,318)
Balances at 30 June 2023	38,196,259	3,223,446	41,419,704
Increases (decrease) recorded in profit or loss	42,036,804	(794,413)	41,242,391
Provisions used during the year	(38,196,259)	-	(38,196,259)
Balances at 30 June 2024	<u>42,036,804</u>	<u>2,429,033</u>	<u>44,465,837</u>



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22. Provisions (continued)

Bonus represent short-term benefits arising from past services provided by employees and are expected to be paid within the next 12 months. Legal provisions represent various claims that are pending outcome at the courts which the Bank's legal team has determined that Bank is more than probable to lose. The Bank has created a provision for this amount to ensure the Bank is covered when the legal claims are decided against the Bank. During the financial year ended 30 June 2024, the Bank was engaged with a determined exposure related to legal matters amounted to Birr 57,516. Furthermore, a previously recognized provision of Birr 851,929 related to an ongoing legal case was reversed during the year, as the case was resolved in favor of the Bank. The reversal of this provision has been duly recorded in the statement of profit or loss for the year.

23. Government grants

(a) Land grant

NBE was awarded five (5) parcels of land by the Federal government on which the Bank constructed buildings for its own use. Below are the details of the land awarded by Federal government:

Location	Sub-city	Landholding certificate issue date	Size (metres squared)	Lease term
Addis Ababa	Akaki Kaliti	28 February 2000	165,067	Refer to comment below ²
Addis Ababa	Lideta	17 July 2011	7,669	
Addis Ababa	Lideta	12 January 1999	5,862	
Addis Ababa	Lideta ¹	01 July 1978	-	
Addis Ababa	Kirkos	04 December 2018	4,869	

¹ The bank awaits a revised land holding certificate which will determine the correct sizes of the parcel of land

² At the time of award of these parcels of land, there were no lease terms defined as they were indicated as old possessions in the certificate of ownership. Further the bank has not been making any lease payments on these properties

The Bank was awarded additional six (6) parcels of land by the regional governments and chartered cities which were awarded free of charge. The Bank settled displacement cost and annual government land use rates related to the land awarded. The land was donated to NBE in order to enhance the Banks' ability to provide central banking services to institutions in various regions and cities. The right to use additional land in Kombolcha (Amhara region) commenced on 9 February 2016 and is still in progress. There are no unfulfilled conditions or contingencies attached to this government grants.



23. Government grants (continued)

(a) Land grant (continued)

Below are the details of land awarded by the regional governments:

Regional government	Location	Landholding certificate issue date	Size (metres squared)	Lease term
Diredawa	Dire dawa	06 July 2017	12,000	99 years
Amhara	Bahir Dar City	20 October 2015	12,000	70 years
SNNP	Hawasa	05 August 2016	10,855	99 years
SNNP	Wolata Sodo ¹	29 October 2015	12,000	Refer to comment ¹ below
Tigray	Mekele ¹	20 October 2015	8,807	
Amhara	Kombolcha ²	09 February 2016	12,000	Refer to comment ² below

¹ No lease term defined for these two (2) parcels of land. The certificate of ownership for these two parcels of land indicates these as old possessions.

² The bank has received a temporary documentation for this parcel of land and currently awaits the official land holding certificate that should define the lease term.

The bank received all six (6) parcels of land free of any lease payments from the regional governments and is not expected to make any lease payments even on the parcels of land with a defined lease term.

The Bank has incurred the following costs in fulfilling the land grant conditions and contingencies.

Regional government	Location	Displacement costs ETB
Diredawa	Dire dawa	2,822,639
SNNP	Wolata Sodo	8,059,041
SNNP	Hawasa	195,498
Amhara	Kombolcha	2,094,363

The above displacement costs have been recorded under capital work in progress (CWIP). The costs will be capitalized under buildings when the construction is finalized for the same.

(b) Monetary donation

Monetary grants refer to donations received in the form of money. The Bank received a monetary donation for the purchase of twenty laptops from Rural Financial Intermediation Programme III (RUFIP) on 02 Oct 2023.

The laptops were purchased for use by the Microfinance Supervision Directorate to enhance efficiency in provision of services to Microfinance institutions. The Bank adopted government grant accounting for asset-based grants and recognizes the laptops at cost under property and equipment. The laptops have been classified under property and equipment.



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23. Government grants (continued)

(c) Non-monetary donation

Non-monetary grants refer to donations received in kind. The Bank did not receive any non-monetary donations during the financial year ended 30 June 2024.

There are no unfulfilled conditions or contingencies attached to these donations.

(d) Deferred revenue

Cost	ETB	30 June 2024	30 June 2023
Balance as at 1 July		16,061,708	16,061,708
Additions		2,782,6099	-
Balance at 30 June		18,844,317	16,061,708
 <i>Amortization</i>	 ETB		
Balance as at 1 July		(7,182,862)	(4,022,669)
Additions		(3,268,622)	(3,160,193)
Balance at 30 June		(10,451,484)	(7,182,862)
Net balance		8,392,833	8,878,846

24. Due to the Ministry of Finance

	30 June 2024	30 June 2023
Balance as at 1 July	11,120,875,954	5,374,906,270
Less: Dividends paid during the year	-	(1,500,000,000)
Less: Transfer to General Reserve ¹	(11,120,875,954)	-
	-	3,874,906,270
Add: 80% of Operating surplus for the year	-	7,245,969,684
Balance as at 30 June	-	11,120,875,954

¹In line with the Board's decision, the Bank transferred the accumulated dividend payable to the Ministry of Finance to the General Reserve, with the objective of strengthening the Bank's capital position. The Bank is owned by the Government through the Ministry of Finance. It is expected to remit 80% profits earned during the year as dividends to the Ministry subject to having fulfilled the required threshold for its General reserves (Note 27).



25. Employee benefits

(a) Movements in the present value of defined benefit obligations (DBO)

	<u>30 June 2024</u>	<u>30 June 2023</u>
Defined Benefit Obligations (DBO) at beginning of the year	394,772,324	196,314,924
Current service costs	24,035,328	15,160,982
Interest cost	58,974,514	26,777,356
Past service cost	-	-
Remeasurements generated during the period	(1,067,714)	22,749,470
Payments/Settlements in the year	(17,702,588)	(38,648,427)
Included in profit or loss during the period	64,239,540	26,039,380
Actuarial losses/ (gains) recognized in other comprehensive income	(50,478,770)	172,418,020
Defined Benefit Obligations (DBO at the end of the year)	<u>408,533,094</u>	<u>394,772,324</u>

This defined benefit plan exposes the Bank to actuarial risks, such as longevity risk, currency risk, interest risk and market risk.

(b) Actuarial losses/ (gains) recognized in other comprehensive income

	<u>30 June 2024</u>	<u>30 June 2023</u>
Cumulative amount at 1 July	(119,382,448)	53,035,572
Recognized during the year	50,478,770	(172,418,020)
Actuarial losses/(gains)	<u>(68,903,678)</u>	<u>(119,382,448)</u>

(c) Actuarial assumptions

The principal actuarial assumptions at the reporting date are detailed below:

	<u>30 June 2024</u>	<u>30 June 2023</u>
Discount rate	14.75%	14.82%
Salary increase rate	15.75%	15.70%
Long term inflation rate	-	12.80%
Long term medical inflation rate	12.75%	13.75%
Funeral Benefit Escalation rate	10.75%	-

The assumed discount rates are derived from rates available on government bonds for which the timing and amounts of payments match the timing and the amounts of our projected post-employment benefits pay-outs.



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25. Employee benefits (continued)**(c) Actuarial assumptions (continued)**

Reasonably possible changes at the reporting date, in any of the actuarial assumptions and assuming that all the other variables remain constant, would have affected the defined benefit obligations as of 30 June 2024 by the amounts shown below:

Sensitivity analysis:

	30 June 2024		30 June 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)	67,221,001	(57,827,925)	(193,661,436.61)	(190,906,207.87)
Salary increase rate (1.00% movement)	39,972,814	(33,618,546)	11,016,193.97	(9,393,369.24)

The above sensitivity analysis has been determined based on reasonably possible changes on the actuarial assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

26. Other liabilities

Other liabilities as of the reporting dates are as follows:

	30 June 2024	30 June 2023
Accounts payable	274,012,840	810,962,366
Sundry creditors	93,539,547	144,109,334
Reconciling items*	23,000,000,000	-
	23,367,552,387	955,071,700

*The balance under Reconciling items as of June 30, 2024, related to pending settlements for fund transfers to banks on behalf of various government agencies. These amounts were subsequently cleared after the reporting date.





27. Capital and other reserves

(a) Capital

Capital is defined in the NBE proclamation No. 591/2008 and has been set at ETB 500 million (2022: ETB 500 M) as per parliamentary mandate. Any changes in the Capital are determined through review of economic policy issues and the need to manage macro-economic policy issues and maintain market stability.

Capital is meant to act as a risk management tool and covers the Bank against any risk and also prevents insolvency. The Bank is wholly owned by the Government of the Federal Democratic Republic of Ethiopia.

(b) General reserve

The General Reserve is a statutory reserve and is defined in the NBE proclamation No. 591/2008. The Balance of this reserve is dependent on the Capital amount. The proclamation defines that 20% (twenty percent) of the net profit shall be paid each financial year into the General reserve fund until the fund equals the paid-up capital of the National Bank. The remaining 80% (eighty percent) shall be credited to the account of the Ministry of Finance (MOF).

Where the General reserve fund equals the paid-up capital of the Bank, the total amount of the net profit shall be credited each financial year to the account of the Ministry of Finance (MOF). Net losses of the National Bank shall be debited to the General reserve fund. If at any time, as a result of net losses sustained by the Bank, the General reserve fund is less than the paid-up capital, the fund is replenished as per proclamation guidance until it equals the paid-up capital.

The General Reserve has been below the current Capital account balance of ETB 500 Million. Therefore, further transfers to this reserve are required. The Board of directors have decided to transfer the accumulated dividend payable to the Ministry of Finance to the General Reserve, with the objective of strengthening the Bank's capital position.

(c) International reserve valuation

This reserve was set up to absorb foreign currency gains and losses during translation. The NBE proclamation and parliamentary directives have not set any limits or thresholds for this reserve.

The balance of this reserve account is not available for distribution since it relates to unrealized effects from foreign currency translations. In accordance with the newly enacted NBE Proclamation No. 1359/2025, Article 8.4(a), the Bank will resume the transfer of such unrealized gains or losses to this reserve starting from 2024/25 Financial year.

(d) Retained earnings

This reserve acts as a temporary reserve. The proclamation states that 20% of annual profits be transferred to the General reserve till it match the Capital. After this limit has been reached, all profits earned during the year are transferred to the Ministry of Finance (MOF) as dividends.

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27. Capital and other reserves (continued)

(e) Fair value reserve

This reserve comprises the cumulative net change in the fair value changes of investment securities and IMF quota. All unrealized gains and losses are recognized in other comprehensive income and credited to the fair value reserve until the investment is derecognized or impaired. This reserve is not available for distribution.

(f) Defined benefit reserve

This reserve represents the net effect of actuarial gains and losses recognized in other comprehensive income. These gains and losses arise from adjustments in the assumptions used for the actuarial valuation of the defined benefit obligations and is not recycled to profit or loss in future periods. This reserve is not available for distribution.

(g) Other reserve

This reserve arises from the IFRS transition adjustments. This reserve is not available for distribution.

28. Financial risk review

The Bank is involved in policy-oriented activities including targeted inflationary monetary policy using monetary controlling instruments. With this regard, the Bank's risk management framework differs from the risk management frameworks for commercial banks because of the difference in their perspective objectives and the nature of assets and liabilities. The Bank's overall risk management program focuses on the Bank's role of maintaining price and exchange rate stability and supporting sustainable economic growth.

The Bank is exposed to a wide array of risks such as foreign currency liquidity, credit, foreign exchange rate, interest rate and gold price movement risks. Financial risk management requires identifying sources of risks, measuring of risks, and designing and implementing appropriate risk management tools, techniques and structure.

The Financial risks have been measured using foreign exchange liquidity gap, interest sensitive asset-liability gap, single foreign currency asset-liability open positions, and credit risk exposure measurement techniques. The major sources of Bank's financial risks are mismatches of assets and liabilities, counter party failure to repay the balances, changes in foreign exchange and interest rate as well as movement in gold prices.



28. Financial risk review (continued)

The responsibility for risk management is decentralized and is carried out by the different directorates with the Board of Directors providing oversight role. A Risk management team is responsible for advising the management on the monitoring and management of all risks that the Bank faces. The Internal Audit and Risk Management Directorate (IAMRD) is responsible for the development and regular update of the Risk Management Framework. The Directorate regularly reviews and monitors the implementation and effectiveness of the risk management process, including the development of an appropriate risk management culture across the Bank.

The main financial risks to which the Bank is exposed include:

- a.) Financial risks include:
 - i. Credit risk
 - ii. Market risks including: Interest rate risk; Gold commodity price risk and Foreign exchange risk
- b.) Liquidity risk
- c.) Non-financial risks include:
 - Operational risk
 - Human resource risk
 - Reputational risk
 - Cyber security risk assessment



i.) Credit risk

Credit risk is the risk of loss arising from the failure of a borrower, issuer, counterparty or customer to meet its financial obligation to the Bank. Credit risk could result from complete or partial failure of the counterparties to fulfill their contractual financial obligations with the Bank in accordance with agreed terms or from change in credit quality.

Credit risk exposures arise from investment securities, balances due from banking institutions, funds held with IMF, loans, and advances as well as other assets. The Bank has no significant concentrations of credit risk **except** for the securities relating to Government of Ethiopia.

Management of credit risk is through a choice of depository banks. The Bank's choice of depository banks is confined to top international banks that meet the set eligibility criteria of financial soundness on long-term credit rating (A), short-term credit rating (F1), composite rating and capital adequacy.

The amount that best represents the Bank's maximum exposure to credit risk is per the statement of financial position.

The Bank assesses the credit quality of these assets. None of the balances have had their terms renegotiated as a result of non-performance. Management monitors the credit exposure of staff on a continuous basis, taking into account their financial position, past experience and other factors.

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28. Financial risk review (continued)

a.) Financial risks (continued)

i.) Credit risk (continued)

Credit quality analysis

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

30 June 2024

Staging

	Stage 1	Stage 2	Stage 3	Total
Financial assets				
Balances due from foreign entities – commercial banks	32,061,462,892	-	-	32,061,462,892
Balances due from foreign entities – Central banks	47,483,737,622	-	-	47,483,737,622
Cash - foreign currencies	712,631,306	-	-	712,631,306
Funds held with IMF	176,870,099	-	-	176,870,099
Loans to government banks	134,953,595,130	-	-	134,953,595,130
Loans to private commercial banks	13,210,129,048	-	-	13,210,129,048
Other assets – Staff loans	160,112,213	-	186,701	160,298,913
Other assets – Staff advances	4,853,910	77,803	3,460,238	8,391,951
Due from Government of Ethiopia	687,897,177,830	-	-	687,897,177,830
Total gross exposure	916,660,570,050	77,803	3,646,938	916,664,294,791
Loss allowance	(5,462,410,942)	(188)	(3,646,938)	(5,466,058,068)
Carrying amount	911,198,159,108	77,615	-	911,198,236,723

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28. Financial risk review (continued)

a.) Financial risks (continued)

i.) Credit risk (continued)

Credit quality analysis

30 June 2023

	Staging			Total
	Stage 1	Stage 2	Stage 3	
Financial assets				
Balances due from foreign entities – commercial banks	26,551,779,926	-	-	26,551,779,926
Balances due from foreign entities – Central banks	27,228,439,137	-	-	27,228,439,137
Cash - foreign currencies	654,953,910	-	-	654,953,910
Funds held with IMF	106,243,555	-	-	106,243,555
Loans to government banks	138,669,694,348	-	-	138,669,694,348
Loans to private commercial banks	15,055,046,984	-	-	15,055,046,984
Other assets – Staff loans	78,876,575	-	454,627	79,331,202
Other assets – Staff advances	2,100,417	121,750	802,038	3,024,205
Due from Government of Ethiopia	586,975,969,831	-	-	586,975,969,831
Total gross exposure	795,323,104,683	121,750	1,256,664	795,324,483,097

Loss allowance

Carrying amount

(4,773,785,703)

(554)

(1,256,664)

(4,775,042,921)

790,549,318,980

121,196

-

790,549,440,176

Impairment of loans is recognized - on an individual or collective basis - in three stages under IFRS 9. Stage 1 refers to default events that are possible within the next 12 months from loan origination. Stage 2 refers to significant increase in credit risk since initial recognition. Stage 3 refers to an increase in a loan's credit risk to the point where it is considered credit impaired. Further explanations on the approaches to staging are included in Note 3 (b).

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**28. Financial risk review (continued)****a.) Financial risks (continued)****i.) Credit risk (continued)*****Expected Credit Loss allowance movement***

The following table explains the changes in the loss allowance between the previous period and the current reporting period due to change in credit risk factors

a. Loss allowance` - Balances with Foreign banks**Loss allowance as at 01 July 2023**

Movement with impact in the statement of profit or loss

New financial asset originated or purchased

Financial asset that have been derecognised/settled

Change in risk parameters (LGD/PD)

Transfer between stages

Total net P&L charge during the year**Loss allowance as at 30 June 2024**

	Stage 1		Stage 2		Stage 3		
	12 month ECL	Life time ECL	Life time ECL	Life time ECL	Life time ECL	Life time ECL	Total
	ETB	ETB	ETB	ETB	ETB	ETB	ETB
	5,326,722	-	-	-	-	-	5,326,722
	657,011						657,011
	(235,914)						(235,914)
	116,607						116,607
	-						-
	537,705	-	-	-	-	-	537,705
	5,864,427	-	-	-	-	-	5,864,427

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28. Financial risk review (continued)

a.) Financial risks (continued)

i. Credit risk (continued)

Expected Credit Loss allowance movement (continued)

b. Loss allowance`-Loans and advances

Loss allowance as at 01 July 2023

Movement with impact in the statement of profit or loss
New financial asset originated or purchased

Financial asset that have been derecognised/settled

Change in risk parameters (LGD/PD)
Transfer between stages

Total net P&L charge during the year Loss allowance as at 30 June 2024

c. Total Loss allowance as at 30 June 2024 (a+b)

	Stage 1 12 month ECL ETB	Stage 2 Life time ECL ETB	Stage 3 Life time ECL ETB	Total ETB
	4,768,458,981	554	1,256,664	4,769,716,199
	745,388,501		6,380	745,394,881
	(100,809,302)	(105)	(643)	(100,810,050)
	43,508,335	(261)	2,384,538	45,892,612
	-	-	-	-
	688,087,534	(366)	2,390,274	690,477,442
	5,456,546,515	188	3,646,938	5,460,193,641
	5,462,410,942	188	3,646,938	5,466,058,068

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**28. Financial risk review (continued)****a.) Financial risks (continued)****i. Credit risk (continued)**

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to the relevant financial assets is as follows:

a. Gross carrying amount - balance with foreign**Commercial banks**

Gross carrying amount as at 01 July 2023

Movement with impact in the Statement of Financial**Position Changes in the gross carrying****amount**

New financial asset originated or purchased

Financial asset that have been derecognised/settled

Change in risk parameters

Transfer between stages

Gross carrying amount as at 30 June 2024

	Stage 1		Stage 2		Stage 3		
	12 month ECL	Life time ECL	Life time ECL	Life time ECL	Life time ECL	Life time ECL	Total
	ETB	ETB	ETB	ETB	ETB	ETB	ETB
	26,551,779,926	-	-	-	-	-	26,551,779,926
	8,596,405,225	-	-	-	-	-	8,596,405,225
	(3,086,722,259)	-	-	-	-	-	(3,086,722,259)
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	32,061,462,892	-	-	-	-	-	32,061,462,892

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28. Financial risk review (continued)

a.) Financial risks (continued)

i. Credit risk (continued)

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to the relevant financial assets is as follows:

b. Gross carrying amount - balance with Central banks (including fund held with IMF)

Gross carrying amount as at 01 July 2023

Movement with impact in the Statement of Financial

Position Changes in the gross carrying

amount

New financial asset originated or purchased

Financial asset that have been derecognised/settled

Change in risk parameters

Transfer between stages

Gross carrying amount as at 30 June 2024

	Stage 1		Stage 2		Stage 3		
	12 month ECL	ETB	Life time ECL	ETB	Life time ECL	ETB	Total ETB
Gross carrying amount as at 01 July 2023	27,334,682,693		-		-		27,334,682,693
New financial asset originated or purchased	24,395,055,518		-		-		24,395,055,518
Financial asset that have been derecognised/settled	(4,069,130,490)		-		-		(4,069,130,490)
Change in risk parameters	-		-		-		-
Transfer between stages	-		-		-		-
Gross carrying amount as at 30 June 2024	47,660,607,721		-		-		47,660,607,721



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28. Financial risk review (continued)**a.) Financial risks (continued)****i. Credit risk (continued)**

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to the relevant financial assets is as follows:

c. Gross carrying amount - Loans and advances

Gross carrying amount as at 01 July 2023

Movement with impact in the Statement of Financial**Position Changes in the gross carrying****amount**

New financial asset originated or purchased

Financial asset that have been derecognised/settled

Change in risk parameters

Transfer between stages

Gross carrying amount as at 30 June 2024**d. Total Gross carrying amount as at 30 June 2024**

	Stage 1 12 month ECL ETB	Stage 2 Life time ECL ETB	Stage 3 Life time ECL ETB	Total ETB
	740,781,688,155	121,750	1,256,664	740,783,066,569
	118,412,913,052	-	2,658,200	118,415,571,252
	(22,968,733,073)	(43,947)	(267,926)	(22,969,044,946)
	-	-	-	-
	-	-	-	-
	836,225,868,134	77,803	3,646,938	836,229,592,875
	915,947,938,747	77,803	3,646,938	915,951,663,489



28. Financial risk review (continued)

a.) Financial risks (continued)

i.) Credit risk (continued)

Credit Risk Exposure

Credit Risk Exposure by Credit Rating

The table below shows the credit ratings by rating agencies for the different counterparties that the Bank engages with and denotes the credit quality of financial assets traded with these entities.

No	List of Correspondent Banks – Current Accounts Balances	Type of Institution	Credit Ratings as of 30 June 2024		
			Fitch	S&P	Moody's
1	Federal Reserve Bank	Central Bank	AAA	AA+	Aaa
2	BIS Basel	Central Bank	AAA	AAA	Aaa
3	Bank of England	Central Bank	AA-	AA	Aa3
4	Deutsche Bundesbank	Central Bank	A-	A-	A1
5	Banca D'Italia	Central Bank	BBB	BBB	Baa2
6	Banque Nati De Belgique	Central Bank	AA-	AA-	A2
7	Commerzbank	Commercial Bank	BBB	A-	A1+ve
8	Citibank New York	Commercial Bank	AA-	A+	Aa3
9	Bank of Tokyo	Commercial Bank	A-	A	A1
10	JP Morgan Chase Bank	Commercial Bank	AA-	A+	Aa3
11	National Westminster	Commercial Bank	A	BBB+	A3
12	Standard Chartered Bank, London	Commercial Bank	A+	A+	A1
13	Nordea Bank	Commercial Bank	AA-	AA-	A2
14	Central Bank of The United Arab Emirates	Central Bank	AA-	AA	A2
15	Eastern and Southern Africa Trade and Development Bank	Commercial Bank	BB+	BB+	Baa3
16	Afreximbank	Commercial Bank	BBB	BB+	Baa1



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28. Financial risk review (continued)

a.) Financial risks (continued)

i.) Credit risk (continued)

Credit Risk Exposure

Credit Risk Exposure by Credit Rating

Total assets of the Bank exposed to credit risk as of 30 June 2024 with its comparative figures are presented in the table below according to the classification of assets (classification according to external credit rating is done based on credit ratings published by Standard and Poor's).

Description	30-Jun-24		30-Jun-23	
	ETB	Share (%)	ETB	Share (%)
Central Banks				
AAA To A-	47,483,737,572.77	5.18	27,224,003,403	3.43
BBB+ To BBB	49.29		4,435,735	-
Foreign Commercial Banks				
AAA To A-	12,637,481,390	1.38	8,823,692,532	1.11
BBB+ To BB+	19,423,981,501.93	2.12	17,728,087,394	2.23
Due from Government of Ethiopia				
NR*	687,897,177,830	75.10	586,975,969,831	73.86
Loans to Government Banks	134,953,595,130	14.73	138,669,694,348	17.45
NR*				
Loans to Private Commercial Banks				
NR*	13,210,129,051	1.44	15,055,046,984	1.89
Fund held with IMF				
NR*	176,870,099	0.02	106,243,555	0.01
Other Asset				
NR*	168,690,864	0.02	82,355,407	0.01
	915,951,663,489	100	794,669,529,188	100



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28. Financial risk review (continued)

a.) Financial risks (continued)

i.) Credit risk (continued)

Concentrations of credit risk

The Bank monitors concentrations of credit risk by geographic location and by counterparty type. An analysis of concentrations of credit risk is shown below.

Concentration by geographical location is based on the country of domicile of the issuer of the security. Concentration by counterparty type is based on the nature of the institution such as foreign governments, central banks and supranational institutions.

An analysis of the bank's financial assets by geographical concentration as at 30 June 2024 is as follows:

Description	Ethiopia ETB	USA ETB	UK ETB	Germany ETB	Other European Countries ETB	Africa ETB	Other Countries ETB	Total ETB
Assets								
Balances due from foreign entities - commercial banks	-	5,565,563,665	819,760,852	1,197,048,169	5,761,537,986	18,633,410,850	84,141,371	32,061,462,892
Balances due from foreign entities - Central banks	-	41,515,090,875	5,801,461,037	46,391,538	87,990,357	-	32,803,815	47,483,737,622
Funds held with IMF	-	176,870,099	-	-	-	-	-	176,870,099
Loans to government banks	134,953,595,130	-	-	-	-	-	-	134,953,595,130
Loans to private commercial banks	13,210,129,051	-	-	-	-	-	-	13,210,129,051
Other assets	168,690,864	-	-	-	-	-	-	168,690,864
Due from Government of Ethiopia	687,897,177,830	-	-	-	-	-	-	687,897,177,830
Total Financial assets at 30 June 2024	836,229,592,875	47,257,524,639	6,621,221,889	1,243,439,707	5,849,528,342	18,633,410,850	116,945,187	915,951,663,489

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28. Financial risk review (continued)**a.) Financial risks (continued)****i.) Credit risk (continued)*****Concentrations of credit risk***

An analysis of the bank's financial assets by geographical concentration as at 30 June 2023 is as follow:

Description	Ethiopia		USA		UK		Germany		Other European Countries		Africa		Other Countries		Total	
	ETB		ETB		ETB		ETB		ETB		ETB		ETB		ETB	
Balances due from foreign entities - commercial banks			7,494,361,982		1,298,513,208		741,918,432		205,861		16,986,167,817		30,612,625		26,551,779,926	
Balances due from foreign entities - Central banks			-		1,390,715,892		4,435,687		79,441,764				43,646,371		27,228,439,137	
Funds held with IMF			106,243,555												106,243,555	
Loans to government banks			138,669,694,348												138,669,694,348	
Loans to private commercial banks			15,054,294,232												15,055,046,984	
Other Assets			82,355,407												82,355,407	
Due from Government of Ethiopia			586,975,969,831												586,975,969,831	
Total Financial assets at 30 June 2023			740,782,313,818		2,689,229,100		746,354,119		79,647,625		16,986,167,817		74,258,996		794,669,529,188	



28. Financial risk review (continued)

a.) Financial risks (continued)

i.) Credit risk (continued)

a.) Amounts arising from ECL

Inputs, assumptions and techniques used for estimating impairment

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 Bank assesses significant increase in credit risk at portfolio level, of which the definition varies based on the asset type and contractual obligation of the counterparty.

If there is evidence that there is no longer a significant increase in credit risk relative to initial recognition, then the loss allowance on an instrument returns to being measured as 12-month ECL.

Some qualitative indicators of an increase in credit risk, such as delinquency or forbearance, may be indicative of an increased risk of default that persists after the indicator itself has ceased to exist. In these cases, the Bank determines a probation period during which the financial asset is required to demonstrate good behavior to provide evidence that its credit risk has declined sufficiently.

When contractual terms of a loan have been modified, evidence that the criteria for recognizing lifetime ECL are no longer met includes a history of up-to-date payment performance against the modified contractual terms.

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

- The criteria are capable of identifying significant increases in credit risk before an exposure is In default;
- The average time between the identification of a significant increase in credit risk and default appears reasonable;
- there is no unwarranted volatility in loss allowance from transfers between 12-month PD (Stage 1) and lifetime PD (Stage 2).



28. Financial risk review (continued)

a.) Financial risks (continued)

i.) Credit risk (continued)

a.) Amounts arising from ECL (continued)

Inputs, assumptions and techniques used for estimating impairment (Continued)

Definition of default

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

- The borrower is unlikely to pay its credit obligations to the Bank in full, without recourse by the Bank to actions such as realizing security (if any is held);
- A counterparty goes into delinquency, liquidation or forbearance;
- For short – term loans, the borrower is in arrears beyond the contractual maturity date; or
- it is becoming probable that the borrower will restructure the asset as a result of bankruptcy due to the borrower's inability to pay its credit obligations.

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

- Qualitative: e.g. breaches of covenant and liquidation;
- Quantitative: e.g. overdue status and non-payment on another obligation of the same issuer to the Bank due to credit distress; and
- based on data sourced internally and obtained from external sources.

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

Incorporation of forward-looking information

The Bank incorporates forward-looking information into both the assessment of whether the credit risk of exposures has increased significantly since its initial recognition and the measurement of ECL. Internal information considered in forward-looking ECL includes macroeconomic data and forecasts by NBE's Economic Modeling and Statistical Analysis Directorate. This is in addition to default rate based on historical transactional data for local currency that the Bank has identified and documented as key drivers of credit risk and credit losses for each portfolio of financial instruments using an analysis of historical data.

To determine the ECL, the Bank formulates three economic scenarios: a base case which is the median scenario and two other scenarios, one upside and one downside scenario. The base case scenario is provides a measure of the predictive power of the model and is based on the macroeconomic model's information value output. The upside and downside scenarios are based on a combination of a percentage error factor as well as simulated optimistic and pessimistic macroeconomic projections based on a measure of historical macroeconomic volatilities. The Bank also applies qualitative management adjustments to the three scenarios to obtain a weighted input based on economic outlook.



28. Financial risk review (continued)

a.) Financial risks (continued)

i.) Credit risk (continued)

a.) Amounts arising from ECL (continued)

Inputs, assumptions and techniques used for estimating impairment (Continued)

Incorporation of forward-looking information (Continued)

The Bank has analyzed the volatility arising from the economic impact of the global challenges, geopolitical & domestic Political instability and applied additional scenario analysis as well as stress tests to the macroeconomic overlay model. This includes application of stress tests on the downside scenario macroeconomic projections as well as qualitative adjustments to the base, upside and downside scenario weights. The Bank is continuously monitoring the economic impact of global challenges on its credit risk profile as well as the Forward - looking Expected credit loss estimates and will update its IFRS 9 Forward looking estimates as and when significant changes in the overall macroeconomic environment are experienced.

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

Financial year ended	Macro-Economic Factors					
	GDP	Fiscal/Balance of payment	Exchange rate	Money supply	Debt	Inflation
30 June 2024	- EXPENDITURE: Imports of goods and services, ETBbn	-FISCAL: Current Expenditures, ETBbn			-Government domestic debt, ETBbn	-Consumer price index, 2010 = 100, ave
30 June 2023	- EXPENDITURE: Imports of goods and services, ETBbn	-			-Government domestic debt, ETBbn	-Consumer price index, 2010 = 100, ave

The macroeconomic data used as at 30 June 2024 included the following key indicators for Ethiopia for the year 2024 to 2025:

Macro-Economic Factor	30 June 2024	30 June 2025
GDP EXPENDITURE: Imports of goods and services, ETBbn	1,382.1	1,674.4
-FISCAL: Current Expenditures, ETBbn	652.6	802.1
INFLATION: Consumer price index, 2010 = 100, ave	427.2	540.8
DEBT: Government domestic debt, ETBbn	2,120.1	2,754.6

Predicted relationships between the key macroeconomic indicators and historical transactional data of 12 – month default rates have been developed based on analyzing annual historical data over the past 13 years.

The following are probability weightings applied in the forward - looking scenario analysis as at June 2024

	Upside	Median (Central)	Downside
30 June 2024	10%	70%	20%



28. Financial risk review (continued)

a.) Financial risks (continued)

i.) Credit risk (continued)

a.) Amounts arising from ECL (continued)

Inputs, assumptions and techniques used for estimating impairment (Continued)

Modified financial assets

The contractual terms of a financial asset may be modified for a number of reasons, including changing market conditions, customer retention and other factors not related to a current or potential credit deterioration of the customer. An existing facility whose terms have been modified may be derecognized and the renegotiated loan recognized as a new facility at fair value in accordance with the accounting policy set out in Note 3 (a (IV)).

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:

- The rationale for modification; with
- The Bank's assessment of available and supportable information with regards to the counterparty's credit risk profile prior to and after modification.

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

The Bank may renegotiate loans to banks in financial difficulties (referred to as 'forbearance activities') to maximize collection opportunities and minimize the risk of default. Under the Bank's forbearance policy, loan forbearance is granted on a selective basis if the debtor is currently in default on its debt or if there is a high risk of default, there is evidence that the debtor made all reasonable efforts to pay under the original contractual terms and the debtor is expected to be able to meet the revised terms.

The revised terms usually include extending the maturity, changing the timing of interest payments and amending the terms of covenants.

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

Generally, forbearance is a qualitative indicator of a significant increase in credit risk and an expectation of forbearance may constitute evidence that an exposure is credit-impaired (see Note 3 (a (viii))). A Counterparty needs to demonstrate consistently good payment behavior over a period of time before the exposure is no longer considered to be credit-impaired/in default or the PD is considered to have decreased such that the loss allowance reverts to being measured at an amount equal to Stage 1.



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For the year ended 30 June 2024
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28. Financial risk review (continued)

a.) Financial risks (continued)

i.) Credit risk (continued)

a.) Amounts arising from ECL (continued)

Inputs, assumptions and techniques used for estimating impairment (Continued)

Measurement of ECL

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

- Probability of default (PD);
- Loss given default (LGD); and
- Exposure at default (EAD).

Probability of Default (“PD”) –is an estimate of the likelihood of default over a given time horizon. Credit risk grades/ratings are a primary input into the determination of the term structure of PD for exposures. The Bank employs statistical models to analyze the data collected and assess performance and default of its credit risk exposures analyzed by counterparty as well as by credit risk grading/ratings.

The methodology for determining PDs for domestic private commercial banks has been assumed as a minimum PD floor as domestic banks are not rated by credit rating agencies and exposure to local banks were very short term and fully collateralized by government securities.

For the assets denominated in foreign currency, the Bank uses 12-month PDs for sovereign and non-sovereign issuances, estimated based on the probability of default estimation of Standard and Poor’s (S&P) 12-month transition matrices which indicate a possibility of bankruptcy over 12 months for issuers per each respective rating category.

For exposures to the Ethiopian Government and Government-owned Banks in domestic currency, the estimated PD considers the historical default rate of transactional data and detailed assessments of the ability of the Government to fulfill its contractual cash flow obligations which considers also the macroeconomic indicators over the assessment period.

LGD is the magnitude of the likely loss if there is a default. The Bank primarily estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD is measured at segment level. For segments with no previous default experience, the Bank applies a minimum LGD approach, benchmarking against the Basel internal ratings-based measurement approach.

EAD represents the expected exposure in the event of a default. The Bank derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract and arising from amortization. The EAD of a financial asset is its gross carrying amount at the time of default.



28. Financial risk review (continued)

a.) Financial risks (continued)

i.) Credit risk (continued)

a.) Amounts arising from ECL (continued)

Inputs, assumptions and techniques used for estimating impairment (Continued)

Measurement of ECL (continued)

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.

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.

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 primarily include risk assessment of the Bank's counterparties.

The groupings are subject to regular review to ensure that exposures within a particular group remain appropriately homogeneous. For portfolios in respect of which the Bank has limited historical data, external benchmark information is used to supplement the internally available data.

The portfolios for which internal and external benchmark information represents a significant input into measurement of ECL are as follows:

Segment	Exposure ETB	PD	LGD
Government	687,897,177,830	Historical default rate of transactional data's	Basel
Government banks	134,953,595,130	Historical default rate of transactional data's	Basel
Foreign deposits	79,545,200,514	S&P default studies	Basel
Local commercial banks	13,210,129,051	Basel	Basel

No	List of Active Depository Banks	Type of Institution	Credit Ratings as of 30 June 2024		
			Fitch	S&P	Moody's
1	Commercial Bank of Ethiopia	Commercial Bank	NR	NR	NR



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For the year ended 30 June 2024
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28. Financial risk review (continued)

a.) Financial risks (continued)

ii.) Market risk

‘Market risk’ is the risk that changes in market prices – e.g. interest rates, equity prices, foreign exchange rates and credit spreads – will affect the Bank’s income or the value of its holdings of financial instruments. The objective of the Bank’s market risk management is to manage and control market risk exposures within acceptable parameters to ensure the Bank’s solvency while optimizing the return on risk.

Market risks arise from open positions in interest rate, currency and equity prices, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, foreign exchange rates and equity prices.

Equity price risk

Equity price risk refers to the potential loss in fair value resulting from adverse changes in the fair value of stocks that the Bank has invested in. Equity price risk is subject to regular monitoring but is not currently significant in relation to the Bank’s overall results and financial position.

Interest rate risk

Interest rate risk is the exposure of the Bank’s financial assets and liabilities to adverse movements in interest rates. If unexpected changes arise in interest rates, there is a possibility of loss due to sensitivity of the Bank’s assets and liabilities to rate variability.

The main source of the Bank’s interest rate risk is re-pricing risk. Bank’s interest-bearing assets and liabilities may be re-priced at different times and rates. The Bank’s foreign currency reserve may be exposed to foreign currency interest rate risk when the adjustment of the rates earned and paid on different instruments are re-priced. When interest rates change, these differences can change the cash flows and spread between foreign assets and foreign liabilities of similar maturities or re-pricing frequencies.

The Bank measures its interest rate exposure using a maturity/re-pricing schedule that distributes interest-sensitive assets and liabilities into “time-bands” according to their maturity or time remaining to their next re-pricing. The size of the gap for a given time band (assets less liabilities that re-price or mature within that time band) gives an indication of the Bank’s re-pricing risk exposure.

The Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits for interest rate fluctuations. The Foreign Exchange Monitoring and Reserve Management (FEMRMD) Directorate is the monitoring body for compliance within these limits. These day-to-day activities include monitoring changes in the Bank’s interest rate exposures, which include the impact of the Bank’s outstanding or forecast debt obligations.



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For the year ended 30 June 2024

(In Ethiopian Birr)



28. Financial risk review (continued)

a.) Financial risks (continued)

ii.) Market risk (continued)

Interest rate risk (continued)

The following is a summary of the Bank's interest rate risk gap position on financial instruments. The interest rate re-pricing gap table analyses the full-term structure of interest rate mismatches within the Bank's balance sheet based on either (i) the next re-pricing date or the maturity date if floating rate or (ii) the maturity date if fixed rate.

30 June 2024	1 – 3 months ETB	3 – 12 months ETB	1 – 5 years ETB	Over 5 years ETB	Non-interest- bearing ETB	Total ETB
Financial assets						
Due from Government of Ethiopia	-	2,041,971,372	246,985,253,467	430,670,642,265	3,638,562,667	683,336,429,771
Loans to government banks	-	3,258,187,170	10,305,259,672	120,495,407,960		134,058,854,802
Loans to private commercial banks	-	13,209,468,542				13,209,468,542
Due from foreign institutions - commercial Banks	13,427,316,852	18,628,281,614	-	-	-	32,055,598,466
Due from foreign institutions - central Banks	44,553,278,153	2,930,459,469	-	-	-	47,483,737,622
Funds held with IMF	-	-	176,870,099	-		176,870,099
Other assets – Uncleared effects	-				6,753,807	6,753,807
Other assets - Loans to employees	-	159,726,289				159,726,289
Other assets - Staff advances	-	4,919,826				4,919,826
Total financial assets	57,980,595,005	40,233,014,282	257,467,383,238	551,166,050,225	3,645,316,474	910,492,359,224
Financial liabilities						
Deposits from banks & government	-	42,867,358,352	-	-	309,441,475,345	352,308,833,697
Due to International Monetary Fund (IMF)	-	81,338,275,471				81,338,275,471
Funds due to international financial institutions	-	35,839,398			-	35,839,398
Due to other institutions	-	2,393,543,070	190,123,560,000	40,329,240,000	-	232,846,343,070
Total financial liabilities	-	126,635,016,291	190,123,560,000	40,329,240,000	309,441,475,345	666,529,291,636
Interest rate risk sensitivity gap	-	(28,421,407,004)	67,343,823,238	510,836,810,225	(305,796,158,871)	243,963,067,588

National Bank of Ethiopia

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For the year ended 30 June 2024

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28. Financial risk review (continued)

a.) Financial risks (continued)

ii.) Market risk (continued)

Interest rate risk (continued)

30 June 2023	1 – 3 months ETB	3 – 12 months ETB	1 – 5 years ETB	Over 5 years ETB	Non-interest- bearing ETB	Total ETB
Financial assets						
Due from Government of Ethiopia	-	1,713,943,156	145,499,189,949	431,528,215,960	4,378,313,269	583,119,662,333
Loans to government banks	-	6,974,286,388	10,288,969,550	120,495,407,960		137,758,663,898
Loans to private commercial banks	-	15,054,294,232				15,054,294,232
Due from foreign institutions - commercial Banks	9,565,168,730	16,981,284,474		-		26,546,453,204
Due from foreign institutions - central Banks	24,441,436,227	2,787,002,910		-		27,228,439,137
Funds held with IMF	-	-	106,243,555	-		106,243,555
Other assets – Uncleared effects	-				6,753,807	6,753,807
Other assets - Loans to employees	-	78,517,846				78,517,846
Other assets - Staff advances	-	2,212,061				2,212,061
Total financial assets	34,006,604,957	43,591,541,067	155,894,403,054	552,023,623,920	4,385,067,076	789,901,240,073
Financial liabilities						
Deposits from banks and government	-	42,277,388,265	-	-	317,652,803,100	359,930,191,365
Due to International Monetary Fund (IMF)		90,657,013,578				90,657,013,578
Funds due to international financial institutions	-	9,854,742			-	9,854,742
Due to other institutions	-	534,689,467	62,411,553,750	47,323,046,250	-	110,269,289,467
Total financial liabilities	-	133,478,946,052	62,411,553,750	47,323,046,250	317,652,803,100	560,866,349,152
Interest rate risk sensitivity gap	34,006,604,957	(89,887,404,985)	93,482,849,304	504,700,577,670	(313,267,736,024)	229,034,890,922

National Bank of Ethiopia

Notes to the Financial Statements

For the year ended 30 June 2024

(In Ethiopian Birr)



28. Financial risk review (continued)

a.) Financial risks (continued)

ii.) Market risk (continued)

Interest rate risk sensitivity analysis

The Bank takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase or decrease as a result of such changes which may cause either an increase or decrease in profit or loss. The impact on financial assets and liabilities of an increase or decrease in interest rates by 0.5 percent would be as follows:

30 June 2024	Effect on Profit/Loss		Effect on Equity	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Financial Instruments				
Financial assets				
Loans to employees	844,474	(844,474)	844,474	(844,474)
Due from Government of Ethiopia	3,385,812,082	(3,385,812,082)	3,385,812,082	(3,385,812,082)
Loans to government institutions	674,767,976	(674,767,976)	674,767,976	(674,767,976)
Due from foreign institutions - central Banks	238,303,039	(238,303,038)	238,303,039	(238,303,038)
Loans to private commercial banks	66,050,645	(66,050,645)	66,050,645	(66,050,645)
Due from foreign institutions - commercial Banks	160,307,314	(160,307,314)	160,307,314	(160,307,314)
Total assets (ETB)	4,526,085,530	(4,526,085,530)	4,526,085,530	(4,526,085,530)
Financial liabilities				
Due to local financial institutions, Government and governmental agencies	(214,336,792)	214,336,792	(214,336,792)	214,336,792
Due to other institutions	(1,164,231,715)	1,164,231,715	(1,164,231,715)	1,164,231,715
Total liabilities (ETB)	(1,378,568,507)	1,378,568,507	(1,378,568,507)	1,378,568,507
Net interest (increase)/ decrease	3,147,517,023	(3,147,517,023)	3,147,517,023	(3,147,517,023)
Impact on profits	3,147,517,023	(3,147,517,023)	3,147,517,023	(3,147,517,023)

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Notes to the Financial Statements

For the year ended 30 June 2024

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28. Financial risk review (continued)

a.) Financial risks (continued)

ii.) Market risk (continued)

Interest rate risk sensitivity analysis (continued)

30 June 2023

Financial Instruments

Financial assets

Loans to employees

Due from Government of Ethiopia

Loans to government institutions

Due from foreign institutions - central Banks

Loans to private commercial banks

Due from foreign institutions - commercial

Banks

Total assets (ETB)

Financial liabilities

Due to local financial institutions, Government

and governmental agencies

Due to other institutions

Total liabilities (ETB)

Net interest (increase)/ decrease

Impact on profits



Effect on Equity

0.5% increase 0.5% decrease

411,777	(411,777)
2,828,527,441	(2,828,527,441)
693,348,472	(693,348,472)
136,673,413	(136,673,413)
75,275,235	(75,275,235)
132,758,900	(132,758,900)

3,866,995,238 (3,866,995,238)

(211,386,941) 211,386,941

(551,346,447) 551,346,447

(762,733,388) 762,733,388

3,104,261,850 (3,104,261,850)

3,104,261,850 (3,104,261,850)

Effect on Profit/Loss

0.5% increase 0.5% decrease

411,777	(411,777)
2,828,527,441	(2,828,527,441)
693,348,472	(693,348,472)
136,673,413	(136,673,413)
75,275,235	(75,275,235)
132,758,900	(132,758,900)

3,866,995,238 (3,866,995,238)

(211,386,941) 211,386,941

(551,346,447) 551,346,447

(762,733,388) 762,733,388

3,104,261,850 (3,104,261,850)

3,104,261,850 (3,104,261,850)

National Bank of Ethiopia

Notes to the Financial Statements

For the year ended 30 June 2024

(In Ethiopian Birr)

28. Financial risk review (continued)

a.) Financial risks (continued)

ii.) Market risk (continued)

Foreign Exchange rate risk

Foreign exchange rate fluctuation risk is the risk of adverse movements in exchange rates that will result in a decrease in value of foreign exchange assets or an increase in the value of foreign currency liabilities. Foreign exchange fluctuations expose the Bank to changes in the amounts of foreign assets and liabilities held by the Bank. The Bank measures its foreign exchange risk using a single foreign currency open position based on balance sheet amounts in spot markets. It is a risk of volatility due to a mismatch and adverse exchange rate movements during a period in which it has an open balance sheet position in an individual foreign currency.

The mid-exchange rate of major currencies against the Ethiopian Birr at each year end was as follows;

Currency	30 June 2024	30 June 2023
US dollar (USD)	57.61	54.87
Great Britain Pound (GBP)	72.83	69.46
EURO	61.62	60.00
Special drawing rights (SDR)	75.33	73.32
Ounce of Gold (XAU)	133,560.49	104,828
Norwegian Krone (NOK)	5.40	5.10
Japanese Yen (JPY)	0.36	0.38

National Bank of Ethiopia

Notes to the Financial Statements

For the year ended 30 June 2024

(In Ethiopian Birr)



28. Financial risk review (continued)

a.) Financial risks (continued)

ii.) Market risk (continued)

Foreign Exchange risk (continued)

The table below summarizes the Bank's exposure to foreign currency exchange rate risk as at 30 June 2024. Included in the table are the Bank's financial instruments categorized by currency:

	USD	GBP	EUR	SDR	XAU	NOK	JYP	Others	Total
At 30 June 2024	ETB	ETB	ETB	ETB	ETB	ETB	ETB	ETB	ETB
Assets									
Due from foreign institutions - commercial Banks	30,597,096,594	819,760,852	550,701,366	-	1,068	217,986	84,141,371	9,543,655	32,061,462,892
Due from foreign institutions - central Banks	47,436,592,381		46,391,587	-	-	-	-	753,654	47,483,737,622
Funds held with IMF	-	-	-	176,870,099	-	-	-	-	176,870,099
Cash on hand -Foreign currencies	458,923,764	59,737,459	57,028,875	-	-	10,268,550	-	126,672,658	712,631,306
Total financial assets	78,492,612,739	879,498,311	654,121,828	176,870,099	1,068	10,486,536	84,141,371	136,969,967	80,434,701,919
Liabilities									
Deposits from banks and government	(88,534,785,393)	(11,669,531)	(4,747,616,201)	-	-	(18,919,866)	-	56,740	(93,313,047,731)
Due to International Monetary Fund (IMF)	-	-	-	(41,780,171,445)	-	-	-	-	(41,780,171,445)
Due to other institutions	(232,588,644,018)	-	(246,490,667)	-	-	-	-	(11,208,385)	(232,846,343,070)
Total financial liabilities	(321,123,429,411)	(11,669,531)	(4,994,106,868)	(41,780,171,445)	-	(18,919,866)	-	(11,265,126)	(367,939,562,247)
Net position	(242,630,816,672)	867,828,780	(4,339,985,040)	(41,603,301,346)	1,068	(8,433,330)	84,141,371	125,704,841	(287,510,724,754)

National Bank of Ethiopia

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For the year ended 30 June 2024

(In Ethiopian Birr)



28. Financial risk review (continued)

a.) Financial risks (continued)

ii.) Market risk (continued)

Foreign Exchange risk (continued)

	USD	GBP	EUR	SDR	XAU	NOK	JYP	Others	Total
	ETB	ETB	ETB	ETB	ETB	ETB	ETB	ETB	ETB
At 30 June 2023									
Assets									
Due from foreign institutions - commercial Banks	25,115,221,031	1,298,513,208	107,228,346	-	839	205,861	30,612,625	(1,938)	26,551,779,972
Due from foreign institutions - central Banks	25,825,466,753	1,390,715,892	4,435,735	-	-	-	-	7,820,757	27,228,439,137
Funds held with IMF	-	-	-	106,243,555	-	-	-	-	106,243,555
Cash on hand -Foreign currencies	582,684,856	15,769,404	33,684,972	-	-	2,551,950	-	20,262,728	654,953,910
Total financial assets	51,523,372,640	2,704,998,504	145,349,053	106,243,555	839	2,757,811	30,612,625	28,081,547	54,541,416,574
Liabilities									
Deposits from banks and government	(87,210,292,692)	(7,335,300)	(6,185,482,169)	-	-	(11,175,877)	-	(198,132)	(93,414,504,170)
Due to International Monetary Fund (IMF)	-	-	-	(40,734,762,839)	-	-	-	-	(40,734,762,839)
Due to other institutions	(110,018,779,466)	-	(240,032,494)	-	-	-	-	(10,477,507)	(110,269,289,467)
Total financial liabilities	(197,229,072,158)	(7,355,300)	(6,425,514,663)	(40,734,762,839)	-	(11,175,877)	-	(10,675,639)	(244,418,556,476)
Net position	(145,705,699,518)	2,697,643,204	(6,280,165,610)	(40,628,519,284)	839	(8,418,066)	30,612,625	17,405,908	(189,877,139,902)



National Bank of Ethiopia

Notes to the Financial Statements

For the year ended 30 June 2024

(In Ethiopian Birr)

28. Financial risk review (continued)

a.) Financial risks (continued)

ii.) Market risk (continued)

The table below shows the result of a sensitivity analysis demonstrating the effect of the ETB weakening/strengthening by 10% against all the major currencies with all other variables held constant on the profit or loss and equity. A negative amount in the table reflects a potential net reduction in profit or loss and equity while a positive amount reflects a net potential increase. An equivalent decrease in each of the currencies below against the ETB would have resulted in an equivalent but opposite impact:

Financial Instruments	Effect on Profit/Loss		Effect on Equity	
	10% increase (Weakening)	10% decrease (Strengthening)	10% increase (Weakening)	10% decrease (Strengthening)
30 June 2024				
Financial assets	8,030,336,775	(8,030,336,776)	8,030,336,775	(8,030,336,776)
Financial liabilities	(13,546,914,435)	13,546,914,435	(13,546,914,435)	13,546,914,435
Net Impact (ETB)	(5,516,577,660)	5,516,577,659	(5,516,577,660)	5,516,577,659

Financial Instruments	Effect on Profit/Loss		Effect on Equity	
	10% increase (Weakening)	10% decrease (Strengthening)	10% increase (Weakening)	10% decrease (Strengthening)
30 June 2023				
Financial assets	5,454,141,652	(5,454,141,652)	5,454,141,652	(5,454,141,652)
Financial liabilities	(24,441,855,648)	24,441,855,648	(24,441,855,648)	24,441,855,648
Net Impact (ETB)	(18,987,713,996)	18,987,713,996	(18,987,713,996)	18,987,713,996

Gold commodity price risk

Gold commodity price risk is the risk that gold commodity prices will change adversely. It refers to uncertainties of future market values and size of the future income, caused by fluctuations in the prices of gold commodities. The Bank as part of its operations is responsible for purchase and sale of gold commodities. Gold by nature is subject to price fluctuation risk. The average gold per ounce for the last 1 year and the effect of a 10% change in the same on profit/loss and equity are shown below:

Period	Average price of gold/Ounce	Effect on Profit/Loss		Effect on Equity	
		10% increase	10% decrease	10% increase	10% decrease
	ETB				
30 June 2024	133,560.49	13,356	(13,356)	13,356	(13,356)
30 June 2023	104,307.32	10,431	(10,431)	10,431	(10,431)

28. Financial risk review (continued)

b.) Liquidity risk

Liquidity risk is the risk of encountering difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset in a timely manner at reasonable prices. Some liabilities in the Bank's books have no fixed maturity including Currency in circulation and Domestic currency deposits from banks, insurance companies and Government and governmental agencies.

Liquidity risk represents the potential loss to the Bank if it is unable to settle its financial obligations as they fall due and is represented through a maturity mismatch assessment between foreign exchange assets and liabilities.

This risk emanates from the nature of banking business, from the macro factors that are exogenous to the Bank, as well as from financing and operational policies that are internal to the Bank.

In Ethiopian Birr, there is no liquidity risk as the Bank is able to create Birr liquidity through its market operations.

For foreign currency, in addition to holding appropriate cash balances, the Bank manages liquidity through holding a portfolio of liquid foreign exchange reserves.

The Foreign Exchange Monitoring and Reserve Management Directorate (FEMRMD) monitors and reviews information on the Bank's liquidity developments and reports risk exposures and funding needs to the Executive Management on a regular basis. The FEMRMD mitigates its foreign currency liquidity risk by conducting detailed analysis of the maturities of foreign currency asset-liability gap size. The Bank sets limits, where appropriate, on liquidity metrics and employs monitoring and controlling of liquidity risk exposures for each maturity ladder.

The table below analyses the Bank's financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.



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28. Financial risk review (continued)

b.) Liquidity risk (continued)

At 30 June 2024	Up to 12 months	1 - 5 years	Over 5 years	Total
Assets				
Due from Government of Ethiopia	2,041,971,372	250,623,816,134	430,670,642,265	683,336,429,772
Loans to government Banks	3,258,187,170	10,305,259,672	120,495,407,960	134,058,854,802
Loans to private commercial Banks	13,209,468,542	-	-	13,209,468,542
Due from foreign institutions - commercial Banks	32,055,598,466			32,055,598,466
Due from foreign institutions - central Banks	47,483,737,622			47,483,737,622
Funds held with IMF	-	176,870,099		176,870,099
Other assets - Loans to employees	159,726,289			159,726,289
Other assets - Staff advances	4,919,826			4,919,826
Total financial assets	98,213,609,287	261,105,945,905	551,166,050,225	910,485,605,417
Liabilities				
Deposits from local financial institutions, government and government institutions	(352,308,833,697)			(352,308,833,697)
Due to International Monetary Fund (IMF)	(81,338,275,471)			(81,338,275,471)
Funds due to international financial institutions	(35,839,398)			(35,839,398)
Due to other institutions	(2,393,543,070)	(190,123,560,000)	(40,329,240,000)	(232,846,343,070)
Due to the Ministry of Finance	-			-
Other liabilities	(23,367,552,387)			(23,367,552,387)
Total financial liabilities	(459,444,044,023)	(190,123,560,000)	(40,329,240,000)	(689,896,844,023)
Net maturity difference	(361,230,434,736)	70,982,385,905	510,836,810,225	220,588,761,394

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28. Financial risk review (continued)

b.) Liquidity risk (continued)

At 30 June 2023	Up to 12 months	1 - 5 years	Over 5 years	Total
Assets				
Due from Government of Ethiopia	1,713,943,156	149,877,503,218	431,528,215,960	583,119,662,333
Loans to government Banks	6,974,286,388	10,288,969,550	120,495,407,960	137,758,663,898
Loans to private commercial Banks	15,054,294,232	-	-	15,054,294,232
Due from foreign institutions - commercial Banks	26,546,453,204			26,546,453,204
Due from foreign institutions - central Banks	27,228,439,137			27,228,439,137
Funds held with IMF	-	106,243,555		106,243,555
Other assets - Loans to employees	78,517,846			78,517,864
Other assets - Staff advances	2,212,061			2,212,061
Total financial assets	77,598,146,023	160,272,716,323	552,023,623,920	789,894,486,266
Liabilities				
Deposits from local financial institutions, government and government institutions	(359,930,191,365)			(359,930,191,365)
Due to International Monetary Fund (IMF)	(90,657,013,578)			(90,657,013,578)
Funds due to international financial institutions	(9,854,742)			(9,854,742)
Due to other institutions	(534,689,467)	(62,411,553,750)	(47,323,046,250)	(110,269,289,467)
Due to the Ministry of Finance	(11,120,875,954)			(11,120,875,954)
Other liabilities	(955,071,700)			(955,071,700)
Total financial liabilities	(463,207,696,806)	(62,411,553,750)	(47,323,046,250)	(572,942,296,806)
Net maturity difference	(385,609,550,783)	97,861,162,573	504,700,577,670	216,952,189,460

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28. Financial risk review (continued)

c.) Non-financial risks

i.) Strategic risk

Strategic risk might arise from the deviation of monetary policy target, which may adversely affect the economy and the effectiveness of financial institutions in following set policies and directives, its monetary policy operations and supervisory activities and governance of financial institutions that determine stability of the financial sector.

The Bank manages its strategic risk by undertaking effective monetary policy which include; monitoring the country's exchange rate policy, conducting periodic economic studies, forecasting the balance of payments, money supply, prices and other relevant statistical indicators of the Ethiopian economy. These measures are useful in the analysis, formulation and determination of its monetary, saving and exchange policies.

Further, the Bank undertakes prudential onsite and offsite inspection and monitoring of the financial sector on a continuous basis that is aimed at ensuring the soundness of the country's financial system.

ii.) Operational risk

Operational risk is the financial and non-financial risk to the Bank that could result in financial loss, reputational damage or inability to achieve business objectives. This could arise from human errors, failure of internal processes, people and systems or from external events. Operational risks to the Bank includes: legal, security, business disruption, project management, human resource, IT systems and general business practices and fraud risks.

The Bank has made continuous efforts to minimize losses from operational risks by establishing effective internal control systems which prevent or detect all errors and situations which might cause losses through failure of people or processes. The work units of the Bank perform their activities based on their respective policies and procedures and take their own roles and responsibilities to manage operational risks emanating from their activities on their day to day business operations.

iii.) Cyber security risk

The Bank is exposed to cyber security risk. This is the inherent risk arising from technologies, processes and practices designed to protect the Bank's information assets, that is, computers, networks, programs and data from unauthorized access.



28. Financial risk review (continued)

c.) Non-financial risks (continued)

iii.) Cyber security risk (continued)

The Bank performs an assessment of this risk at two different levels of management to identify the potential risk and manage proactively to ensure the Bank's information security is safeguarded. At strategic management level, creating security policies dealing with people issues and evaluating threats and risks. Tactical management level deals with how the security systems are developed and implemented to meet policy requirements.

iv.) Reputational risk

This is the risk associated with the real or perceived loss of credibility and effectiveness as a result of negative publicity arising from a failure to comply with applicable laws or in managing risks, lack of fulfillment of roles and objectives or other external events.

It can be viewed as secondary since the reputational damage is usually caused by a loss or failure in the following areas: strategic; finance or operational risk.

The Bank has the responsibility to stabilize the value of money, the soundness and efficiency of the financial system and the issue of currency (Bank notes and coins). All of these matters have direct impact on all citizens; therefore, how the Bank communicates to the public is of critical importance to maintaining its credibility and in the successful fulfillment of its responsibilities.

In managing reputational risk, the Bank communicates to the public by crafting a consistent message regarding its role and policies and ensures that this message is effectively communicated to the public.

v.) Custodial risk on statutory deposits

The Bank is a custodian of government bonds and securities that are pledged by insurance companies as statutory deposits pursuant to the provisions of insurance business proclamation No. 746/2012. The Bank has a responsibility to keep the bond certificates safe to avoid any financial losses. As at 30 June 2024, the Bank held in its custody government bonds and securities worth ETB 1,839,671,050. These securities are recorded as off-balance sheet items.

To mitigate the risk, the Bank records and keeps all copies of statutory deposits certificates in its custody in secure vaults.



29. Fair value of financial instrument

a. Valuation models

The Bank measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

- *Level 1:* Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- *Level 2:* Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- *Level 3:* Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs that are not observable and the unobservable inputs have a significant effect on the instrument'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 techniques include net present value and discounted cash flow models, comparison with similar instruments for which observable market prices exist.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date. The fair value of a liability reflects the effect of non-performance risk.

The following sets out the Bank's basis of establishing fair values of financial instruments:

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

Loans and advances to government, government institutions and staff are net of allowance for impairment. The estimated fair value of the loans represents the discounted amount of future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value hence their fair values approximate their carrying amounts.

Estimated fair value of fixed interest-bearing deposits and bonds without quoted market prices is based on discounting cash flows using the prevailing market rates for debts with similar maturities and interest rates, hence their fair value approximates their carrying amounts.



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29. Fair value of financial instruments (continued)

b. Accounting classifications

The table below shows 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 cash and cash equivalents, receivables and payables, whose carrying amounts are a reasonable approximation of fair value, or for lease liabilities. The tables below include both instruments measured at fair value and those that are not.

30 June 2024	Carrying amounts				Fair value			
	Amortised cost	FV - OCI	FVTPL	Total carrying amounts	Level 1	Level 2	Level 3	Total
	ETB	ETB	ETB	ETB	ETB	ETB	ETB	ETB
Financial Instruments measured at fair value								
Financial assets								
Equity Investment and IMF quota	-	23,687,211,629	-	23,687,211,629	-	23,687,211,629	-	23,687,211,629
Financial Instruments not measured at fair value								
Financial Assets:								
Due from Government of Ethiopia	683,336,429,771	-	-	683,336,429,771	-	-	683,336,429,771	683,336,429,771
Loans to government banks	134,058,854,802	-	-	134,058,854,802	-	-	134,058,854,802	134,058,854,802
Loans to private commercial banks	13,209,468,542	-	-	13,209,468,542	-	-	13,209,468,542	13,209,468,542
Due from foreign institutions - commercial banks	32,055,598,466	-	-	32,055,598,466	-	-	32,055,598,466	32,055,598,466
Due from foreign institutions - central Banks	47,483,737,622	-	-	47,483,737,622	-	-	47,483,737,622	47,483,737,622
Funds held with IMF	176,870,099	-	-	176,870,099	-	-	176,870,099	176,870,099
Other assets - Loans to employees	159,726,289	-	-	159,726,289	-	-	159,726,289	159,726,289
Other assets - Staff advances	4,919,826	-	-	4,919,826	-	-	4,919,826	4,919,826
Total financial assets	910,485,605,417	23,687,211,629	-	934,172,817,046	-	23,687,211,629	934,172,817,046	934,172,817,046
Liabilities:								
Deposits from local financial institutions, government and government entities	352,308,833,697	-	-	352,308,833,697	-	-	352,308,833,697	352,308,833,697
Due to International Monetary Fund (IMF)	81,338,275,471	-	-	81,338,275,471	-	-	81,338,275,471	81,338,275,471
Funds due to international financial institutions	35,839,398	-	-	35,839,398	-	-	35,839,398	35,839,398
Due to other institutions	232,846,343,070	-	-	232,846,343,070	-	-	232,846,343,070	232,846,343,070
Due to the Ministry of Finance	-	-	-	-	-	-	-	-
Total financial liabilities	666,529,291,636	-	-	666,529,291,636	-	-	666,529,291,636	666,529,291,636



29. Fair value of financial instruments (continued)

b. Accounting classifications (continued)

30 June 2023	Carrying amounts					Fair value			
	Amortised cost	FV - OCI	FVTPL	Total carrying amounts		Level 1	Level 2	Level 3	Total
	ETB	ETB	ETB	ETB		ETB	ETB	ETB	ETB
Financial Instruments measured at fair value									
Financial assets									
Equity Investment and IMF quota	-	22,855,004,721	-	22,855,004,721		-	22,855,004,721	-	22,855,004,721
Financial Instruments not measured at fair value									
Financial Assets:									
Due from Government of Ethiopia	583,119,662,333	-	-	583,119,662,333		-	-	583,119,662,333	583,119,662,333
Loans to government banks	137,758,663,898	-	-	137,758,663,898		-	-	137,758,663,898	137,758,663,898
Loans to private commercial banks	15,054,294,232	-	-	15,054,294,232		-	-	15,054,294,232	15,054,294,232
Due from foreign institutions - commercial banks	26,546,453,204	-	-	26,546,453,204		-	-	26,546,453,204	26,546,453,204
Due from foreign institutions - central Banks	27,228,439,137	-	-	27,228,439,137		-	-	27,228,439,137	27,228,439,137
Funds held with IMF	106,243,555	-	-	106,243,555		-	-	106,243,555	106,243,555
Other assets - Loans to employees	78,517,846	-	-	78,517,846		-	-	78,517,846	78,517,846
Other assets - Staff advances	2,212,061	-	-	2,212,061		-	-	2,212,061	2,212,061
Total financial assets	789,894,486,266	22,855,004,721	-	812,749,490,987		-	22,855,004,721	789,894,486,266	812,749,490,987
Liabilities									
Deposits from local financial institutions, government and government entities	359,930,191,365	-	-	359,930,191,365		-	-	359,930,191,365	359,930,191,365
Due to International Monetary Fund (IMF)	90,657,013,578	-	-	90,657,013,578		-	-	90,657,013,578	90,657,013,578
Funds due to international financial institutions	9,854,742	-	-	9,854,742		-	-	9,854,742	9,854,742
Due to other institutions	110,269,289,467	-	-	110,269,289,467		-	-	110,269,289,467	110,269,289,467
Due to the Ministry of Finance	11,120,875,954	-	-	11,120,875,954		-	-	11,120,875,954	11,120,875,954
Total financial liabilities	571,987,225,106	-	-	571,987,225,106		-	-	571,987,225,106	571,987,225,106

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29. Fair value of financial instruments (continued)

c. Level 3 reconciliation

The following table shows reconciliation from the beginning balance to the ending balance for fair value measurements in level 3 of the fair value hierarchy

30 June 2024	Due from Government of Ethiopia	Loans to government banks	Loans to private commercial banks	Due from foreign institutions - commercial banks	Due from foreign institutions - central Banks	Funds held with IMF	Other assets - Loans to employees	Other assets - Staff advances	Total financial assets
	ETB	ETB	ETB	ETB	ETB	ETB	ETB	ETB	ETB
Financial Assets									
Balance as 1 July 2023	583,119,662,333	137,758,663,898	15,054,294,232	26,546,453,204	27,228,439,137	106,243,555	78,517,846	2,212,061	789,394,486,266
Total gains and losses in P&L	-	-	-	-	-	-	-	-	-
in OCI	11,511,674,310	9,108,556,842	2,756,291,538	1,938,790,657	1,980,700,993	12,810,070	240,732	(2,659,981)	27,306,405,161
Amounts loaned out	-	-	4,566,644,767	6,907,391,770	19,886,844,581	58,171,632	80,967,711	5,367,746	31,505,388,207
Advance repaid in									
Settlements	(871,100,000)	(6,326,088,838)	(9,167,761,995)	(3,337,037,165)	(1,612,247,089)	(355,158)			(21,314,590,265)
Conversions	89,576,193,128	(6,482,277,080)							83,093,916,048
Transfer into level 3	-	-	-	-	-	-	-	-	-
Balance as at 30th June 2024	683,336,429,771	134,058,854,802	13,209,468,542	32,055,598,466	47,483,737,622	176,870,099	159,726,289	4,919,826	910,485,605,417

30 June 2024	Deposits from local financial institutions, government and government entities	Due to International Monetary Fund (IMF)	Funds due to international financial institutions	Due to other institutions	Due to the Ministry of Finance	Total financial liabilities
	ETB	ETB	ETB	ETB	ETB	ETB
Financial Liabilities						
Balance as 1 July 2023	359,930,191,365	90,657,013,578	9,854,742	110,269,289,467	11,120,875,954	571,987,225,106
Total gains and losses in P&L	-	-	-	-	-	-
in OCI	974,918,084	1,630,337,782	-	6,667,709,384	-	9,272,965,250
Amounts loaned out	13,316,279	-	27,919,587	115,909,344,219	-	115,950,580,085
Amounts repaid in advance						
Settlements	(8,609,592,031)	(10,949,075,889)	(1,934,931)	-	-	(19,560,602,851)
Conversions						
Transfer into level 3	-	-	-	-	(11,120,875,954)	(11,120,875,954)
Balance as at 30th June 2024	352,308,833,697	81,338,275,471	35,839,398	232,846,343,070	-	666,529,291,636

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29. Fair value of financial instruments (continued)

c. Level 3 reconciliation (continued)

30 June 2023	Due from Government of Ethiopia		Loans to government banks		Loans to private commercial banks		Due from foreign institutions - commercial banks		Due from foreign institutions - central Banks		Funds held with IMF		Other assets - Loans to employees		Other assets - Staff advances		Total financial assets	
	ETB		ETB		ETB		ETB		ETB		ETB		ETB		ETB		ETB	
Financial Assets																		
Balance as 1 July 2022	370,965,586,883		158,362,399,494		1,368,705,247		34,377,378,326		41,188,035,227		322,687,964		66,142,517		815,410		606,651,751,068	
Total gains and losses	-		-		-		-		-		-		-		-		-	
in P&L	8,289,607,301		8,879,228,766		1,472,271,494		1,351,193,699		1,050,811,448		6,130,748		(116,955)		(67,628)		21,049,058,873	
in OCI																		
Amounts loaned out	-		-		12,644,956,047		223,814,100		7,711,002,170		-		12,492,284		1,464,280		20,593,728,881	
Amounts repaid in advance																		
Settlements	(435,550,000)		(27,590,399,684)		431,638,556)		(9,405,932,921)		(22,721,409,708)		(222,575,157)						(60,807,506,026)	
Conversions	204,300,018,149		(1,892,564,678)				-		-		-		-		-		202,407,453,471	
Transfer into level 3	-		-		-		-		-		-		-		-		-	
Balance as at 30th June 2023	583,119,662,333		137,758,663,898		15,054,294,232		26,546,453,204		27,228,439,137		106,243,555		78,517,846		2,212,061		789,894,486,266	

30 June 2023	Deposits from local financial institutions, government and government entities		Due to International Monetary Fund (IMF)		Funds due to international financial institutions		Due to other institutions		Due to the Ministry of Finance		Total financial liabilities	
	ETB		ETB		ETB		ETB		ETB		ETB	
Financial Liabilities												
Balance as 1 July 2022	252,869,157,723		85,770,695,862		2,819,354		105,008,898,212		5,374,906,270		449,026,477,421	
Total gains and losses	-		-		-		-		-		-	
in P&L	970,345,491		1,080,205,602		-		3,292,282,140		-		5,342,833,233	
in OCI												
Amounts loaned out	106,105,722,625		3,806,112,114		7,035,388		1,968,109,115		-		111,886,979,242	
Amounts repaid in advance												
Settlements	(15,034,474)				-		-		(1,500,000,000)		(1,515,034,474)	
Conversions	-		-		-		-		7,245,969,684		7,245,969,684	
Transfer into level 3	-		-		-		-		-		-	
Balance as at 30th June 2023	359,930,191,365		90,657,013,578		9,854,742		110,269,289,467		11,120,875,954		571,987,225,106	

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29. Fair value of financial instruments (continued)

c. Level 3 reconciliation (continued)

Total gains or losses for the year in the above table are presented in the statement of profit or loss and the OCI as follows:

30 June 2024	Due from Government of Ethiopia	Loans to government banks	Loans to private commercial banks	Due from foreign institutions - commercial banks	Due from foreign institutions - central Banks	Funds held with IMF	Other assets - Loans to employees	Other assets - Staff advances	Total financial assets
	ETB		ETB	ETB	ETB	ETB	ETB	ETB	ETB
Financial Assets									
Total gains and losses recognised in the P&L	11,511,674,310	9,108,556,842	2,756,291,538	1,938,790,657	1,980,700,993	12,810,070	240,732	(2,659,981)	27,306,405,161
Net trading income	-	-	-	-	-	-	-	-	-
Net trading income from other financial instruments carried at fair value	-	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-	-
Total gains and losses recognised in the OCI	-	-	-	-	-	-	-	-	-
Fair Value reserve (debt instruments) - net change in fair value	-	-	-	-	-	-	-	-	-
Fair Value reserve (equity instruments) - net change in fair value	-	-	-	-	-	-	-	-	-
Profit or loss - attributable to the change in unrealised gains and losses relating to assets and liabilities held at the end of the year:	-	-	-	-	-	-	-	-	-
Net trading income	12,084,765,473	9,092,266,720	2,756,199,292	1,939,328,361	1,980,700,993	12,810,070	-	-	27,866,070,909

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29. Fair value of financial instruments (continued)

c. Level 3 reconciliation (continued)

30 June 2024	Deposits from local financial institutions, government and government entities	Due to International Monetary Fund (IMF)		Funds due to international financial institutions		Due to other institutions		Due to the Ministry of Finance		Total financial liabilities	
	ETB	ETB	ETB	ETB	ETB	ETB	ETB	ETB	ETB	ETB	ETB
Financial Liabilities											
Total gains and losses recognised in the P&L	974,918,084	1,630,337,782	-	-	6,667,709,384	-	-	-	-	9,272,965,249	-
Net trading income	-	-	-	-	-	-	-	-	-	-	-
Net trading income from other financial instruments carried at fair value	-	-	-	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-	-	-	-
Total gains and losses recognised in the OCI	-	-	-	-	-	-	-	-	-	-	-
Fair Value reserve (debt instruments) - net change in fair value	-	-	-	-	-	-	-	-	-	-	-
Fair Value reserve (equity instruments) - net change in fair value	-	-	-	-	-	-	-	-	-	-	-
Profit or loss - attributable to the change in unrealised gains and losses relating to assets and liabilities held at the end of the year:	-	-	-	-	-	-	-	-	-	-	-
Net trading income	974,918,084	1,630,337,782	-	-	6,667,709,384	-	-	-	-	9,272,965,249	-

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29. Fair value of financial instruments (continued)

c. Level 3 reconciliation (continued)

30 June 2023	Due from Government of Ethiopia	Loans to government banks	Loans to private commercial banks	Due from foreign institutions - commercial banks	Due from foreign institutions - central Banks	Funds held with IMF	Other assets - Loans to employees	Other assets - Staff advances	Total financial assets
	ETB		ETB	ETB	ETB	ETB	ETB	ETB	ETB
Financial Assets									
Total gains and losses recognised in the P&L	8,289,607,301	8,879,228,766	1,472,271,494	1,351,193,699	1,050,811,448	6,130,748	(116,955)	(67,628)	21,049,058,873
Net trading income	-	-	-	-	-	-	-	-	-
Net trading income from other financial instruments carried at fair value	-	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-	-
Total gains and losses recognised in the OCI	-	-	-	-	-	-	-	-	-
Fair Value reserve (debt instruments) - net change in fair value	-	-	-	-	-	-	-	-	-
Fair Value reserve (equity instruments) - net change in fair value	-	-	-	-	-	-	-	-	-
Profit or loss - attributable to the change in unrealised gains and losses relating to assets and liabilities held at the end of the year:									
Net trading income	9,830,257,804	8,861,577,203	1,472,955,807	1,350,587,653	1,050,811,448	6,130,748	-	-	22,572,320,663

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29. Fair value of financial instruments (continued)

c. Level 3 reconciliation (continued)

30 June 2023	Deposits from local financial institutions, government entities	Due to International Monetary Fund (IMF)		Funds due to international financial institutions		Due to other institutions		Due to the Ministry of Finance		Total financial liabilities	
	ETB	ETB	ETB	ETB	ETB	ETB	ETB	ETB	ETB	ETB	ETB
Financial Liabilities											
Total gains and losses recognised in the P&L	970,345,491	1,080,205,602	-	-	3,292,282,140	-	-	-	-	5,342,833,233	-
Net trading income	-	-	-	-	-	-	-	-	-	-	-
Net trading income from other financial instruments carried at fair value	-	-	-	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-	-	-	-
Total gains and losses recognised in the OCI	-	-	-	-	-	-	-	-	-	-	-
Fair Value reserve (debt instruments) - net change in fair value	-	-	-	-	-	-	-	-	-	-	-
Fair Value reserve (equity instruments) - net change in fair value	-	-	-	-	-	-	-	-	-	-	-
Profit or loss - attributable to the change in unrealised gains and losses relating to assets and liabilities held at the end of the year:	-	-	-	-	-	-	-	-	-	-	-
Net trading income	970,345,491	1,080,205,602	-	-	3,292,282,140	-	-	-	-	5,342,833,233	-



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30. Commitments

A commitment is an enforceable, legally binding agreement to make a payment in the future for the purchase of goods or services. These amounts are not recorded in the statement of financial position since the Bank has not yet received the goods or services from the suppliers. The amounts below are what the Bank has committed to pay as at 30 June 2024 based on current expected contract prices.

<i>Commitments</i>	30 June 2024	30 June 2023
Office and other equipment	23,413,338	-
Office and other consumables	-	644,346
Work in progress*	15,889,290,109	540,350,189
Professional consultancy services	266,899,543	16,181,592
Motor Vehicles	-	13,837,600
Total capital commitments	16,179,602,990	571,013,727

*The Work in progress comprises mostly the expected payment in contract price for the issue holding branches construction of building for currency distribution ongoing in different regional states.

These capital commitments will be funded from internal resources.

31. Events after the reporting period

- The bank announces the launch of a new monetary policy framework on 09 July 2024 to implement a directive cited as: Open Market Operations and Standing Facilities Directive No. MFAD/OMO&SFs/001/2021 which was issued on 2 August 2021 for this purposes. Under the new policy framework, NBE will use its policy interest rate to be known as the National Bank Rate or NBR(15%) as the primary means of signalling its policy stance and influencing broader monetary and credit conditions. The NBR will be raised or lowered depending on prevailing inflationary and monetary conditions. Establishing open market operations and standing facilities as instruments with an aim to effectively manage liquidity in the financial system for purposes of conducting monetary policy. The directive is applicable to financial transactions between the National Bank and Banks operating in Ethiopia that maintains reserve requirements with National Bank for the purpose of open market operations and standing facilities. It seeks to absorb or inject liquidity from and into the financial system and states that all transactions conducted using these Open Market Operations and Standing Facilities shall be in Ethiopian Birr. The directive allows the National Bank to conduct any of the following open market operations: main or standard operations, fine-tuning or non-standard operations; or structural operations. The National Bank may further use any of the following instruments for its open-market operations: repo or reserve repo transactions, granting collateralized loans, outright transactions, issuing NBE certificates or conducting deposit-taking operations. The new monetary policy framework aims to ensure the NBE through its powers and duties can regulate and determine the supply and availability of money and credit as well as the applicable interest rates for the purpose of maintaining price and financial stability that is conducive to the balanced growth of the Ethiopian economy.

National Bank of Ethiopia
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31. Events after the reporting period (continued)

2. The Bank set forth a reform of the foreign exchange regime on 29 July 2024 following Ethiopia's economic reform program. The reform introduces a competitive, market-based determination of the exchange rate and addresses a long-standing distortion within the Ethiopian economy. The implementation of the reform will be guided by a new Foreign Exchange Directive (FXD/01/2024) issued on 29 July 2024.

All foreign exchange directives and circulars hitherto issued by the National Bank are hereby repealed and replaced by this Directive.

The foreign exchange reforms being announced involve significant new policy changes in the following areas:

- a) A shift to a market-based exchange regime, whereby banks are henceforth allowed to buy and sell foreign currencies from/to their clients and among themselves at freely negotiated rates, and with the NBE making only limited interventions to support the market in its early days and if justified by disorderly market conditions.
- b) The end of surrender requirements to the NBE, allowing foreign exchange to be retained by exporters and commercial banks and thus substantially boosting FX supplies to the private sector.
- c) The removal of import restrictions that previously prohibited 38 product categories and the broader liberalization of the foreign exchange market for the imports of goods and services, while capital account outflows remain restricted as before.
- d) The improvement of retention rules allowing exporters to retain 50% of their foreign exchange proceeds against 40% previously.
- e) The complete removal of rules governing banks' allocation of foreign exchange that was based on a waiting list system for different categories of imports.
- f) The introduction of non-bank foreign exchange bureaus that are henceforth free to engage in the buying and selling of foreign currency cash notes at market rates.
- g) The removal of restrictions on franco valuta imports, to be implemented shortly through an upcoming regulation.
- h) The simplification of rules governing foreign currency accounts, especially those currently held by foreign institutions, FDI companies, and the Diaspora.
- i) The allowance for residents to open foreign currency accounts, based on remittance inflows, transfers from abroad, FX-based salary or rental income, and for other specified cases, as well as the ability to use such foreign currency accounts for foreign service payments.
- j) The removal of interest rate ceilings that previously applied to private sector companies or banks when borrowing from abroad.
- k) The opening of Ethiopia's securities market to foreign investors, with the terms and conditions to be specified further in the near future.



31. Events after the reporting period(continued)

- l) The granting of special foreign exchange privileges to companies within Special Economic Zones, including the ability to retain 100% of their foreign exchange earnings.
- m) The relaxation of various rules on the amount of foreign currency cash notes travellers may carry when travelling into or out of Ethiopia.

A new reform of the foreign exchange regime is a more open and competitive foreign exchange market which can attract substantial foreign exchange inflows, ensure efficient resource allocation, and foster greater transparency in foreign exchange transaction activity. The reforms are consistent with longstanding Government intentions outlined in key policy documents, which recognized that Ethiopia should eventually move towards a market-based foreign exchange system as its economy grows in complexity and evolves over time.

3. The bank has also issued the following Proclamations and directives after the reporting period. A reliable estimate of their financial effect cannot be made as at the issuance of these financial statements.

(3.1) Subsequent to the reporting date of 30 June 2024, the Government enacted Proclamation No. 1359/2025 on 04 February 2025, replacing the prior National Bank of Ethiopia Proclamation No. 591/2008. The new law introduces revised governance and financial framework for the Bank, including a new profit distribution mechanism and capital structure. Key impacts include:

- Internal audit: Internal audit now reports functionally to the Board via an Audit Committee and administratively to the Governor.
- Capital Structure: Authorized capital has been increased to Birr 20 billion, and a minimum paid-up capital requirement of Birr 10 billion has been introduced.
- Profit Distribution Framework: The proclamation establishes a revised profit distribution mechanism, designed to ensure fiscal discipline and financial sustainability. Key provisions include:
 - **Unrealized gains or losses** (such as from foreign currency revaluation) shall be transferred to a **Revaluation Reserve** and are **not distributable**.
 - Net profits, excluding unrealized gains, shall be transferred to the General Reserve Fund until the fund reaches a level equal to 5% of the Bank's monetary liabilities. No profit distributions to the Ministry of Finance may occur until this threshold is fully met.
 - Distributable profits shall be determined **only after fully covering operational expenses** and meeting minimum capital and reserve thresholds.

These legislative developments are expected to influence the Bank's future governance, capital planning, and financial result distribution. However, as they were enacted after the reporting date, they are disclosed as non-adjusting events under IAS 10 and have no impact on the financial results for the year ended 30 June 2024.



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31. Events after the reporting period(continued)

(3.2) The Banking Business Proclamation No. 1360/2025, issued on 12 March 2025, aims to modernize and strengthen the legal and regulatory framework governing banking institutions in Ethiopia. Its objectives include enhancing the stability and soundness of the financial sector, promoting financial inclusion, ensuring effective supervision and resolution of banks, and enabling the entry of qualified foreign banks through subsidiaries, branches, or share acquisitions. This new legislation replaces Banking Proclamation No. 592/2008 and its amendment (No. 1159/2019).

(3.3) A directive cited as: Interbank Money Market as amended No. MFAD/IBM/03/2024 was issued on 24 July 2024 with an aim to deepen interbank money market to enhance the intermediation process in the market through which commercial banks manage their funding and liquidity by borrowing and lending from and to each other and also supplement efficiency of price based monetary policy framework for the purpose of maintaining price and financial stability that is conducive to the balanced growth of the Ethiopian economy. The directive allows the National Bank to regulate Interbank Money market operations, fine for non-standard operations. This directive serves to ensure the NBE through its powers and duties can regulate and determine the supply and availability of money and credit as well as supervise payment, clearing and settlement system. The directive is applicable to all commercial banks operating in Ethiopia. A Directive No. IBM/02/98 is hereby repealed and replaced by this directive.

(3.4) A directive cited as: Emergency Liquidity Assistance Directive No NBE/ELA/001/2024 was issued on 15 October 2024 to provide temporary liquidity to solvent banks facing liquidity strains in a strict manner of solvency, collateralization, and supervisory oversight to ensure transparency and accountability. The directive enables National Bank of Ethiopia to mitigate the risk of temporary illiquidity in one or more banks that could otherwise lead to broader banking business instability. The directive is applicable to all commercial banks operating in Ethiopia.



STATISTICAL ANNEXES

Table 1: GDP By Economic Activity at Constant Prices

Sectors/Year		2010		2011		2012		2013		2014		2015		2016	
		2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24							
Agriculture, Hunting and Forestry	Crop	599,331.4	622,220.3	648,711.8	684,775.8	726,412.8	771,163.0	824,259.4							
	Animal Farming and Hunting	392,291.8	404,049.6	422,966.5	446,919.4	477,801.1	511,777.5	551,862.1							
	Forestry	154,038.0	163,279.5	168,722.4	178,571.3	186,759.1	195,057.3	205,367.7							
Fishing	53,001.7	54,891.1	57,022.9	59,285.2	61,852.6	64,328.3	67,029.7								
Mining and Quarrying	1,546.7	1,581.8	1,625.9	1,653.4	2,015.5	2,794.3	3,621.0								
Manufacturing	3,402.8	2,658.9	5,089.3	10,960.7	11,624.5	10,796.1	12,779.1								
Large and Medium Scale Manufacturing	117,410.7	127,986.7	137,601.5	144,618.9	151,583.9	162,125.7	175,745.9								
Small Scale and Cottage Industries	77,966.5	87,691.9	96,268.6	102,266.2	108,223.9	117,266.1	129,228.4								
Electricity and Water	39,444.2	40,294.7	41,332.9	42,352.7	43,360.1	44,859.6	46,517.6								
Construction	11,929.0	14,115.4	15,136.4	16,522.3	17,593.6	19,826.3	23,400.1								
Whole Sale and Retail Trade	331,691.4	381,443.8	419,078.0	446,721.7	468,435.8	501,490.4	546,459.8								
Hotels and Restaurants	241,936.3	268,037.0	285,293.1	303,204.7	327,260.0	352,241.8	379,833.4								
Transport and Communications	44,335.3	48,143.8	49,220.4	50,484.9	54,536.5	60,146.9	65,644.1								
Financial Intermediation	241,936.3	104,436.2	105,646.1	113,090.7	124,120.5	139,047.5	154,861.1								
Real Estate, Renting and Business Activities	44,335.3	57,368.6	65,274.3	71,158.1	78,636.2	86,092.9	91,275.5								
Public Administration and Defense	74,364.3	79,942.0	87,510.2	95,299.7	103,829.9	113,274.2	123,259.3								
Education	76,754.1	83,662.0	85,612.2	89,770.1	93,768.3	97,515.9	102,314.6								
Health and Social Work	42,520.8	44,221.6	44,784.1	45,694.9	46,432.3	47,583.1	48,786.2								
Other Community , Social & Personal Services	18,153.4	20,747.2	23,414.2	26,554.3	29,413.0	32,650.5	36,311.2								
Private Households with Employed Persons	20,178.0	21,454.2	21,995.5	22,426.8	22,890.2	23,400.6	24,072.7								
Total	17,276.0	17,707.4	18,115.5	18,515.9	18,939.5	19,329.1	19,726.7								
Less : FISIM	1,739,254.9	1,895,726.7	2,014,108.6	2,141,452.8	2,277,492.4	2,439,478.1	2,632,350.2								
Gross Value Added at Constant Basic Prices	19,763.6	21,037.4	24,520.9	27,214.5	28,829.5	29,556.7	28,397.3								
Taxes on Products	1,719,491.3	1,874,689.3	1,989,587.7	2,114,238.3	2,248,662.8	2,409,921.4	2,603,952.9								
GDP at Constant Market Prices	114,575.2	112,468.2	119,592.3	113,931.8	98,085.2	91,585.7	80,572.4								
	1,834,066.5	1,987,157.5	2,109,180.1	2,228,170.1	2,346,748.0	2,501,507.2	2,684,525.2								

Source: MoPD

Table 2: Growth Rate of GDP By Economic Activity at Constant Prices

Table 2: Growth Rate of GDP By Economic Activity at Constant Prices										(In Percent)								
Industry/Year	2008		2009		2010		2011		2012		2013		2014		2015		2016	
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24									
Agriculture, Hunting and Forestry	2.3	6.7	3.5	3.8	4.3	5.6	6.1	6.2	6.9									
Crop	3.4	8.2	4.7	3	4.7	5.7	6.9	7.1	7.8									
Animal Farming and Hunting	-1.5	4.2	0.6	6	3.3	5.8	4.6	4.4	5.3									
Forestry	2.2	3.6	3.5	3.8	3.9	4.0	4.3	4.0	4.2									
Fishing	0.1	0.5	11.3	2.3	2.8	1.7	21.9	38.6	29.6									
Mining and Quarrying	-3.3	-29.8	-20.8	-21.9	91.4	115.4	6.1	-7.1	18.4									
Manufacturing	18.4	24.7	5.5	7.7	7.5	5.1	4.8	7.0	8.4									
Large and Medium Scale Manufacturing	22.9	19.2	6.0	10	9.8	6.2	5.8	8.4	10.2									
Small Scale and Cottage Industries	2.5	36.9	4.6	3	2.6	2.5	2.4	3.5	3.7									
Electricity and Water	15.0	4.9	3.3	4	7.2	9.2	6.5	12.7	18.0									
Construction	25.0	20.7	15.7	15	9.9	6.6	4.9	7.1	9.0									
Whole Sale and Retail Trade	8.2	6.5	12.3	11.7	6.4	6.3	7.9	7.6	7.8									
Hotels and Restaurants	15.6	0.1	6.5	9	2.2	2.6	8.0	10.3	9.1									
Transport and Communications	13.7	15.1	6.4	21	1.2	7.0	9.8	12.0	11.4									
Financial Intermediation	9.6	18.3	10.7	10.1	10.2	9.0	10.5	9.5	6.0									
Real Estate, Renting and Business Activities	3.7	4.4	6.2	7.5	9.5	8.9	9.0	9.1	8.8									
Public Administration and Defense	7.4	13.2	8.9	9	2.3	4.9	4.5	4.0	4.9									
Education	8.8	-3.2	3.6	4	1.8	2.0	1.6	2.5	2.5									
Health and Social Work	10.8	7.0	8.3	14.3	12.9	13.4	10.8	11.0	11.2									
Other Community , Social & Personal Services	3.0	4.5	5.1	6.3	2.5	2.0	2.1	2.2	2.9									
Private Households with Employed Persons	4.3	3.5	3.9	2.5	2.3	2.2	2.3	2.1	2.1									
Total	8.0	10.2	7.8	8.9	6.2	6.3	6.4	7.1	7.9									
Less : FISIM	16.9	17.6	16.0	7	14.2	11.0	5.9	2.5	-3.9									
Gross Value Added at Constant Basic Prices	8.0	10.1	7.7	9.0	6.1	6.3	6.4	7.2	8.1									
Taxes on Products	3.1	1.6	-5.0	-1.8	6.3	-4.7	-13.9	-6.6	-12.0									
GDP at Constant Market Prices	7.6	9.5	6.8	8.3	6.1	5.6	5.3	6.6	7.3									

Source: MoPD

Table 3: GDP by Economic Activity at Current Prices

Table 3: GDP by Economic Activity at Current Prices									
Industry/Year	2010	2011	2012	2013	2014	2015	2016		
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24		
Agriculture, Hunting and Forestry	684,644	910,589.1	1,196,254.2	1,626,284.1	2,312,286.2	3,114,215.0	4,087,852.8		
Crop	427,193	587,216.0	797,015.6	1,122,637.7	1,639,822.3	2,189,185.1	2,880,082.2		
Animal Farming and Hunting	191,867	247,337.3	303,074.1	385,788.3	523,066.6	731,290.9	949,484.2		
Forestry	65,584	76,035.8	96,164.4	117,858.2	149,397.2	193,738.9	258,286.3		
Fishing	2,351	3,020.6	3,747.5	5,034.3	5,351.5	7,481.6	10,084.5		
Mining and Quarrying	4,053	3,368.1	9,643.4	30,909.1	34,587.9	29,329.9	50,066.7		
Manufacturing	128,200	150,530.5	178,972.3	199,934.1	261,122.9	390,709.0	517,803.5		
Large and Medium Scale Manufacturing	84,791	104,723.1	125,757.6	141,915.1	185,656.5	285,203.1	381,197.6		
Small Scale and Cottage Industries	43,410	45,807.5	53,214.7	58,019.0	75,466.4	105,505.9	136,605.9		
Electricity and Water	15,026	18,726.4	23,826.9	30,434.9	34,860.6	53,134.9	64,312.8		
Construction	452,978	495,283.1	567,201.4	687,236.9	1,068,150.2	1,662,566.4	2,355,789.2		
Whole Sale and Retail Trade	275,513	360,656.3	444,506.1	554,457.8	801,596.4	1,129,865.3	1,604,889.0		
Hotels and Restaurants	53,441	66,596.7	79,304.1	95,766.7	129,976.7	195,338.3	271,055.2		
Transport and Communications	82,947	99,884.4	140,312.7	183,481.3	251,762.7	314,877.2	381,487.4		
Financial Intermediation	69,359	85,044.1	102,994.4	122,893.7	180,666.7	238,373.1	331,181.7		
Real Estate, Renting and Business Activities	79,553	106,157.2	154,804.2	228,594.8	404,030.6	715,651.7	1,032,988.6		
Public Administration and Defense	94,614	103,262.3	120,235.7	159,154.9	188,988.2	260,507.3	307,964.0		
Education	75,776	85,738.9	94,199.3	116,406.3	127,857.9	164,357.3	214,067.8		
Health and Social Work	24,100	27,328.0	34,927.8	40,104.3	47,995.9	60,118.6	72,311.6		
Other Community , Social & Personal Services	23,634	28,140.8	33,305.6	39,400.7	49,977.4	66,077.1	87,645.1		
Private Households with Employed Persons	25,428	31,181.0	38,264.3	45,764.8	67,753.0	80,607.1	112,313.4		
Total	2,091,618	2,575,507.5	3,222,499.9	4,165,858.8	5,966,964.9	8,483,209.8	11,501,813.4		
Less : FISIM	26,829	31,884.3	39,104.0	46,801.9	67,289.5	79,436.0	102,399.8		
Gross Value Added at Constant Basic Prices	2,064,789	2,543,623.2	3,183,395.8	4,119,057.0	5,899,675.3	8,403,773.7	11,399,413.6		
Taxes on Products	137,583	152,599.6	191,351.1	221,967.3	257,339.9	319,343.1	352,724.5		
GDP at Current Market Prices	2,202,373	2,696,222.7	3,374,746.9	4,341,024.2	6,157,015.2	8,723,116.8	11,752,138.1		

Source: MoPD

Table 4: Growth Rates of GDP by Economic Activity at Current Prices (%)

Sectors/Year	2009	2010	2011	2012	2013	2014	2015	2016
	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Agriculture, Hunting and Forestry	13.7	11.0	33.0	32.6	35.9	42.2	34.7	31.3
Crop	13.6	8.6	37.5	35.7	40.9	46.1	33.5	31.6
Animal Farming and Hunting	12.1	16.5	28.9	27.0	27.3	35.6	39.8	29.8
Forestry	18.9	11.6	16.2	26.5	22.6	26.8	29.7	33.3
Fishing	63.5	4.1	28.5	24.1	34.3	6.3	39.8	34.8
Mining and Quarrying	-20.9	-16.3	-16.9	186.3	220.5	11.9	(15.2)	70.7
Manufacturing	27.0	13.1	17.4	18.9	11.7	30.6	49.6	32.5
Large and Medium Scale Manufacturing	21.2	13.4	20.2	20.1	12.8	30.8	53.6	33.7
Small Scale and Cottage Industries	40.1	12.4	3.0	16.2	9.0	30.1	39.8	29.5
Electricity and Water	24.5	9.6	20.7	27.2	27.7	14.5	52.4	21.0
Construction	26.4	50.9	9.3	14.5	21.2	55.4	55.6	41.7
Whole Sale and Retail Trade	11.3	22.4	32.4	23.2	24.7	44.6	41.0	42.0
Hotels and Restaurants	8.0	19.0	25.1	19.1	20.8	35.7	50.3	38.8
Transport and Communications	10.2	6.8	20.4	40.5	30.8	37.2	25.1	21.2
Financial Intermediation	30.3	33.9	22.6	12.2	19.3	47.0	31.9	38.9
Real Estate, Renting and Business Activities	5.6	12.4	33.4	45.8	47.7	76.7	77.1	44.3
Public Administration and Defense	29.8	17.1	9.1	16.4	32.4	18.7	37.8	18.2
Education	44.2	24.0	13.1	11.3	23.6	9.8	28.5	30.2
Health and Social Work	19.8	28.4	13.4	27.8	14.8	19.7	25.3	20.3
Other Community , Social & Personal Services	12.0	14.9	19.1	18.4	18.3	26.8	32.2	32.6
Private Households with Employed Persons	23.7	27.9	22.6	22.7	19.6	48.0	19.0	39.3
Total	17.7	21.4	23.3	25.3	29.3	43.2	42.2	35.6
Less : FISIM	30.3	42.2	22.0	13.8	19.7	43.8	18.1	28.9
Gross Value Added at Current Basic Prices	17.6	21.2	23.3	25.4	29.4	43.2	42.4	35.6
Taxes on Products	12.9	6.9	10.9	25.4	16.0	15.9	24.1	10.5
GDP at Current Market Prices	16.9	20.2	22.4	25.2	28.6	41.8	41.7	34.7

Source: MoPD

Table 5: Summary of External Public Debt

(In Millions of Birr)

	2016/17 (2009)	2017/18 (2010)	2018/19 (2011)	2019/20 (2012)	2020/21 (2013)	2021/22 (2014)	2022/23 (2015)	2023/24 (2016)
EXTERNAL DEBT								
Disbursed (gross)*	539,568.8	703,675.6	782,908.8	1,008,444.2	1,287,609.8	1,453,387.7	1,542,242.5	1,648,933.4
Undisbursed	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a
DRAWINGS (flow)	66,379.3	92,796.0	79,206.1	106,602.6	56,382.3	68,094.1	86,280.4	77,806.7
REPAYMENTS (1)	-19,479.7	-30,619.4	-40,234.6	-44,671.8	-56,162.5	-81,216.9	-73,332.5	-55,332.7
DEBT SERVICING (2)	29,345.3	42,480.4	58,214.7	64,117.0	75,920.0	105,700.3	96,485.1	71,842.9
Principal	19,479.7	30,619.4	40,234.6	44,671.8	56,162.5	81,216.9	73,332.5	55,332.7
Interest (3)	9,865.6	11,861.0	17,980.1	19,445.1	19,757.5	24,483.4	23,152.6	16,510.1
DEBT SERVICE TO EXPORT OF GOODS RATIO	45.0	57.4	77.8	68.5	54.1	53.1	50.0	33.8
EXTERNAL DEBT TO GDP (%)**	29.4	32.0	29.1	29.9	29.7	23.6	17.7	14.0
EXPORT OF GOODS	65,167.1	74,044.8	74,807.7	93,641.5	140,326.9	199,197.1	193,112.4	212,581.9
GDP (Current Market Price)	1,832,786.0	2,200,120.6	2,690,751.4	3,374,746.9	4,341,024.2	6,157,015.2	8,723,116.8	11,752,138.1

Source: Ministry of Finance and Economic Development

*Excludes State defence Credits and Ruble denominated debt.

(1)-on cash basis; includes repayments of Trust Fund Loans , and repurchases from IMF.

(2)-on accrual basis; includes repayments of Trust Fund Loans, and repurchases from IMF.

(3) - Includes IMF charges and interest.

**Revised based on rebased GDP series

NB: USD to birr conversion is made by using annual average exchange rate.

Table 6: Balance of Payments

Table 6: Balance of Payments								
	(In Millions of Birr)							
G.C.	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
EFY	(2009)	(2010)	(2011)	(2012)	(2013)	(2014)	(2015)	(2016)
TRADE BALANCE	-289,030.5	-324,244.9	-349,149.7	-341,436.0	-417,133.0	-681,230.9	-720,612.8	-819,423.1
Export(f.o.b)	65,167.1	74,044.8	74,806.8	93,641.5	140,326.9	199,197.1	193,112.4	212,581.9
Coffee	19,795.6	21,905.1	21,436.5	26,824.8	35,480.3	69,485.1	71,409.4	80,069.0
Other Exports	45,371.5	52,139.7	53,370.3	66,816.7	104,846.6	129,712.0	121,703.0	132,512.9
Imports (c.i.f.)	-354,197.6	-398,289.7	-423,956.5	-435,077.5	-557,459.9	-880,428.0	-913,725.2	-1,032,005.0
Fuel	-40,876.9	-60,553.0	-72,961.5	-65,445.6	-75,723.5	-168,062.9	-211,347.1	-201,952.8
Other Imports	-313,320.8	-337,736.7	-350,995.0	-369,632.0	-481,736.4	-712,365.1	-702,378.1	-830,052.2
Net Services	-12,588.8	-5,221.1	-15,833.5	-6,862.8	516.4	31,043.4	50,623.7	71,521.6
Travel	-951.7	7,146.7	6,225.9	10,431.2	26,800.9	22,577.5	28,054.5	28,148.9
Other Transportation	8,569.4	13,494.3	18,091.2	27,972.4	28,743.3	53,574.7	72,162.4	90,188.7
Government(n.i.e.)	8,625.2	5,641.9	7,935.0	1,878.4	6,314.9	9,019.8	11,089.2	7,070.4
Investment Income	-11,214.0	-11,410.1	-16,925.9	-19,203.0	-22,380.5	-27,861.8	-23,923.3	-18,601.4
Other Services	-17,617.7	-20,094.0	-31,159.7	-27,942.0	-38,962.2	-26,266.9	-36,759.2	-35,285.0
Net Goods & Services	-301,619.3	-329,466.0	-364,983.2	-348,298.9	-416,616.7	-650,187.5	-669,989.2	-747,901.5
Private Transfers (net)	122,945.6	158,601.1	167,629.9	162,534.4	238,717.8	345,119.4	362,744.8	347,587.2
Current Account Balance	-178,673.7	-170,864.9	-197,353.3	-185,764.5	-177,898.8	-305,068.1	-307,244.3	-400,314.3
Public Transfers (net)	32,014.6	32,678.7	58,540.8	47,797.8	53,408.5	55,185.3	58,256.0	69,192.8
Non Monetary Capital (net)	154,325.0	161,503.2	135,289.6	135,603.6	147,709.5	132,280.7	189,008.6	231,030.0
Public long-term (net)*	57,928.2	68,083.1	46,595.6	64,463.4	6,465.0	-22,774.0	13,692.7	27,127.0
Short-term	2,913.8	-3,792.1	4,099.0	-4,682.9	-13,081.3	-5,601.1	-7,339.7	-14,674.2
FDI	93,483.1	97,212.3	84,595.0	75,823.1	154,325.7	160,655.8	182,655.5	218,577.2
Net errors and Omissions	7,096.2	-28,580.3	-22,894.2	-23,758.0	-11,564.6	13,189.8	19,908	24,657
Overall Balance	14,762.1	-5,263.3	-26,417.1	-26,121.1	11,654.6	-104,412.4	-40,071.4	-75,434.2
Financing :	-14,762.1	5,263.3	26,417.1	26,121.1	-11,654.6	104,412.4	40,071.4	75,434.2
Monetary Authorities (Reserves), net	-14,762.1	5,263.3	26,417.1	26,121.1	-11,654.6	104,412.4	40,071.4	75,434.2
Arrears Change	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Debt Relief	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cancellation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rescheduling	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: NBE Staff Compilation

*Includes other public sector long-term loan and private loan

NB: USD to birr conversion is made by using annual average exchange rate.

Table 7: Value of Major Exports

Commodity	2018/19 (2011)	2019/20 (2012)	2020/21 (2013)	2021/22 (2014)	2022/23 (2015)	2023/24 (2016)
Coffee	21,490,708.9	27,044,310.5	36,367,828.0	70,175,272.0	71,425,122.0	80,334,996.8
Oilseeds	10,921,323.8	11,012,982.9	13,180,233.0	12,896,678.4	13,781,966.4	18,713,973.4
Leather and Leather products	3,285,473.7	2,208,391.3	1,425,336.1	1,609,850.6	1,315,467.5	1,109,860.8
Pulses	7,659,551.2	7,422,895.7	9,243,279.1	10,711,389.3	17,370,062.4	19,245,078.7
Meat Products	2,484,948.7	2,107,034.0	2,964,430.2	5,329,508.5	4,345,071.3	3,952,463.7
Fruits & Vegetables	1,709,468.5	1,834,795.4	2,730,982.1	4,272,817.6	4,921,869.7	3,634,417.8
Wheat					1,701,716.9	1,931,028.3
Sugar	106,710.5	45,089.5	7,832.9	614.7	15,127.5	-
Gold	775,705.7	6,572,639.3	25,378,419.0	26,464,048.5	10,491,436.8	22,939,880.7
Oil Cakes	-	-	-	-	-	-
Live Animals	1,287,954.6	1,671,076.6	1,758,839.4	1,437,406.1	931,096.6	2,439,267.3
Chat	8,511,121.5	10,116,170.9	15,808,881.6	18,910,324.2	13,154,557.3	9,186,207.9
Petroleum Products	-	-	-	-	-	-
Bee's Wax	67,657.8	65,655.6	69,226.8	58,907.4	58,881.0	78,207.0
Tantaleum	274,291.8	155,490.6	179,801.6	464,712.4	902,447.4	400,449.6
Cotton	8,572.2	8,218.7	-	-	-	-
Text. & Text. Prdts	4,296,263.5	5,235,336.0	5,725,100.5	8,529,908.7	7,911,617.6	6,718,196.9
Cereals and Flour	81,940.5	117,441.6	758,212.7	1,642,831.6	1,738,883.7	1,170,169.2
Natural Gum	144,922.8	157,838.7	137,246.6	107,704.1	55,155.3	141,890.9
Civet	-	-	-	-	-	-
Hop	-	-	-	-	-	-
Animal Fodder	-	-	-	-	-	-
Natural Honey	13,468.4	16,439.3	3,036.6	10,592.0	11,932.7	11,378.5
Marble	-	-	-	-	-	-
Flower	7,228,221.9	13,208,479.3	18,461,631.4	26,445,082.3	30,210,536.2	26,309,918.4
Beverage	114,745.8	111,398.5	191,924.6	223,891.9	270,324.6	207,914.3
Spices	381,907.9	432,708.0	620,629.5	807,366.2	559,747.4	449,071.1
Others	4,087,463.4	4,820,745.8	6,688,537.9	9,896,132.5	11,999,651.7	14,140,831.9
Others	16,631,798.2	24,264,096.5	32,766,121.4	48,128,221.7	53,660,296.8	49,549,820.6
RE-exports						
Total	74,932,423.0	94,365,138.3	141,701,409.6	199,995,038.97	193,172,672.28	213,115,202.95

Source: Ethiopian Customs Commission

Table 8: Quantity of Major Exports

Commodity	2018/19 (2011)	2019/20 (2012)	2020/21 (2013)	2021/22 (2014)	2022/23 (2015)	2023/24 (2016)
Coffee	230,931.42	271,111.52	248,653.58	303,235.24	241,700.46	298,973.93
Oilseeds	260,001.58	236,504.53	245,479.33	172,139.72	150,286.63	191,172.23
Leather and Leather products	5,590.40	3,551.27	2,290.59	2,239.29	1,695.73	1,634.15
Pulses	462,821.56	354,010.48	280,603.44	213,873.61	396,224.76	425,986.37
Meat Products	17,719.23	12,819.96	14,631.78	19,012.08	11,527.96	11,064.75
Fruits & Vegetables	175,619.64	191,183.11	221,695.57	222,650.42	177,240.33	184,837.51
Wheat					62,478.90	61,380.00
Sugar	43,706.24	17,515.03	2,511.84	10.00	19.99	-
Gold	0.82	3.32	9.56	8.68	3.46	4.22
Oil Cakes	-	-	-	-	-	-
Live Animals	24,346.65	29,395.64	26,262.97	17,266.04	7,873.21	51,993.54
Chat	53,565.91	57,136.13	71,209.90	56,331.21	31,310.12	15,842.71
Petroleum Products	-	-	-	-	-	-
Bee's Wax	283.18	258.01	229.00	158.02	139.22	182.00
Tantalem	386.20	76.08	66.77	161.47	1,534.87	643.19
Cotton	252.91	80.00	-	-	-	-
Text. & Text. Prdts	19,888.80	22,798.39	24,045.62	35,234.52	31,382.08	30,808.02
Cereals and Flour	3,579.95	4,670.14	25,144.37	38,367.58	39,005.50	27,952.16
Natural Gum	1,111.41	1,384.59	769.68	472.71	308.66	741.04
Civet	-	-	-	-	-	-
Hop	-	-	-	-	-	-
Animal Fodder	-	-	-	-	-	-
Natural Honey	134.43	152.14	15.61	53.91	37.78	15.68
Marble	-	-	-	-	-	-
Flower	57,849.31	94,389.84	101,578.88	114,253.02	112,989.70	95,422.48
Beverage	4,404.93	4,430.26	5,310.98	5,439.07	4,502.34	3,602.80
Spices	11,589.88	12,499.67	12,823.23	8,667.63	6,429.37	8,841.78

Source: Ethiopian Customs Commission

Table 9: Value of Major Imports**

Period	Food & Live Animals	Beverages	Tobacco	Petroleum Crude	Petroleum Prod.***	Chemicals	Fertilizers	Medical & Pharm. Prod	Soap & Polish	Rubber Prod.	Paper & Paper Manf..
1979/80	72,251	1,161	10,745	244,973	94,411	113,242	81,458	68,816	14,318	35,221	22,762
1980/81	88,901	2,470	15,860	287,469	57,853	85,478	3,963	40,901	18,941	38,531	33,352
1981/82	135,534	1,446	21,853	329,322	32,131	89,453	16,211	48,163	26,521	44,430	24,946
1982/83	174,476	1,663	17,017	360,414	36,578	136,636	28,969	38,918	24,246	35,719	16,886
1983/84	168,465	6,449	13,382	325,649	52,739	107,212	26,272	51,615	15,666	38,976	26,071
1984/85	345,020	1,805	12,827	281,751	36,174	76,716	36,103	41,980	6,174	41,477	11,762
1985/86	530,599	4,962	2,835	220,261	32,273	87,935	44,685	58,513	6,883	45,569	34,944
1986/87	320,380	6,157	6,261	163,341	62,483	115,166	29,929	68,638	10,572	60,018	23,909
1987/88	246,454	7,858	11,788	181,842	34,728	110,729	72,521	50,280	10,804	51,106	29,796
1988/89	294,652	21,877	560	175,339	37,512	142,131	69,846	58,440	9,079	46,798	28,094
1989/90	106,320	25,972	6,432	188,581	36,500	124,181	71,893	64,550	19,374	33,342	39,840
1990/91	263,350	16,163	3,564	185,376	25,050	85,072	79,548	36,305	26,013	41,867	27,775
1991/92	14,402	6,291	1,105	92,246	100,907	42,580	150	48,294	14,433	35,740	11,760
1992/93	497,536	20,867	4,845	444,282	376,808	135,269	13,106	131,578	37,490	73,278	30,565
1993/94	574,094	8,581	20,271	406,531	331,036	228,155	89,678	187,200	58,522	156,585	61,251
1994/95	906,743	13,305	10,580	522,564	471,350	179,614	343,947	193,305	30,818	184,843	53,780
1995/96	575,263	21,210	7,241	445,953	485,912	161,265	330,578	165,785	64,023	279,453	81,700
1996/97	37,222	8,590	93	76,900	1,427,200	47,021	173,813	77,317	55,593	188,170	78,351
1997/98	72,853	35,583	18,402	166,469	2,099,046	99,001	51,224	142,163	81,408	274,938	169,841
1998/99	568,422	37,405	26,393	2,281	1,306,707	142,008	377,582	315,940	100,718	345,274	199,440
1999/00	766,560	34,647	27,129	31	2,012,189	140,912	336,379	246,179	92,105	273,429	163,924
2000/01	641,597	34,628	28,561	0	2,151,326	153,782	126,860	293,784	140,236	408,838	217,050
2001/02	1,365,581	35,886	48,550	0	2,202,554	145,066	560,257	358,994	128,513	340,956	269,684
2002/03	1,697,566	33,509	35,614	0	2,463,917	165,902	462,662	352,193	145,207	376,787	218,152
2003/04	1,981,297	36,937	37,348	0	2,608,285	201,668	923,523	636,324	173,378	417,410	329,915
2004/05	1,566,093	52,090	52,034	0	5,736,666	250,951	1,055,294	671,524	240,863	536,827	434,417
2005/06	2,139,779	45,715	77,860	0	7,422,807	348,264	1,180,768	1,212,655	337,445	730,113	517,374
2006/07	1,799,700	68,204	74,841	0	7,524,664	399,852	933,867	1,410,844	328,116	838,145	565,483
2007/08	2,499,134	97,080	115,642	0	15,076,123	488,539	2,828,101	1,848,363	377,282	1,030,557	770,591
2008/09	7,251,053	89,171	104,398	0	17,219,182	677,521	3,008,355	2,771,689	552,503	1,422,155	819,639
2009/10	7,713,047	142,346	177,543	0	18,891,592	888,064	3,221,932	3,936,222	530,093	2,220,337	1,188,178
2010/11	3,966,149	167,354	230,682	0	22,299,884	1,118,884	5,665,269	5,054,381	685,949	2,515,039	1,137,791
2011/12	12,692,391	206,514	270,210	0	35,868,583	1,357,151	10,503,430	6,488,435	1,128,549	3,373,729	1,843,948
2012/13	11,635,650	261,691	193,101	0	26,565,255	2,092,402	5,332,244	7,159,253	907,442	4,030,338	2,064,095
2013/14	23,799,879	650,943	311,530	0	47,621,419	5,444,249	7,645,486	12,765,541	1,240,505	5,413,565	3,432,174
2014/15	30,357,773	741,101	361,694	0	39,838,009	5,978,499	10,163,376	13,831,268	1,491,622	5,027,503	3,272,983
2015/16	46,130,164	931,151	283,716	0	27,005,614	6,942,664	9,178,606	15,632,270	1,840,643	4,995,974	4,090,489
2016/17	36,937,090	1,021,284	335,255	0	39,143,280	7,049,394	8,357,496	16,839,378	1,881,779	5,675,631	4,563,315
2017/18	51,976,047	1,132,806	386,609	0	58,666,275	8,430,429	13,004,532	16,783,904	2,356,939	5,546,483	4,351,026
2018/19	47,707,851	911,322	538,742	0	69,942,603	10,157,084	14,224,840	25,225,831	2,534,964	6,046,906	5,517,578
2019/20	52,460,677	937,131	546,101	0	62,056,891	14,814,422	17,459,167	23,177,786	2,752,421	6,987,059	6,546,569
2020/21	115,413,573	1,025,316	226,742	0	72,597,464	15,834,849	23,105,655	28,787,494	3,547,952	7,116,242	4,414,868
2021/22	224,546,575	1,311,170	307,030	0	165,014,806	21,187,517	56,609,111	53,251,625	5,065,774	9,701,019	7,018,001
2022/23	169,395,504	1,401,202	387,024	0	203,796,295	25,763,430	48,809,161	42,049,276	5,018,930	10,245,933	10,989,265
2023/24	129,034,178	1,087,518	461,446	0	197,454,873	33,413,457	72,990,928	42,446,864	7,068,662	10,039,344	14,403,037

Table 9 Continued:

Period	Textiles	Clothings	Glass & Glass Ware	Metal & Metal Manfcs.	Machinery & Aircraft	Road Motor Vehicles	Electrical Materials	Grain*	Telecomm. Appara.	Others	GRAND TOTAL
1979/80	57,367	6,832	5,559	104,162	202,231	135,789	44,976	40,179	13,346	103,238	1,432,858
1980/81	59,820	4,315	7,480	100,111	213,390	165,328	35,137	44,374	20,114	104,820	1,384,234
1981/82	71,538	6,077	3,464	76,848	227,599	259,372	43,613	76,919	29,186	153,954	1,641,661
1982/83	55,213	5,557	4,986	145,946	234,440	164,765	81,786	118,846	19,765	168,965	1,752,945
1983/84	58,643	3,810	6,563	162,901	519,770	210,621	97,873	114,595	23,204	149,124	2,065,005
1984/85	69,041	7,709	4,195	143,378	225,132	179,589	56,143	257,865	30,419	163,038	1,770,433
1985/86	79,186	3,476	3,690	166,878	274,699	287,134	76,691	382,447	45,754	194,498	2,201,265
1986/87	58,479	4,558	5,742	156,406	327,659	339,324	102,472	280,296	74,507	300,945	2,236,946
1987/88	69,510	2,673	4,563	174,624	465,211	369,944	81,220	177,566	88,323	210,677	2,274,651
1988/89	62,156	8,319	2,761	172,831	335,284	279,220	83,705	228,633	59,141	222,608	2,110,353
1989/90	55,404	2,742	6,937	212,696	304,650	189,288	101,802	72,882	49,759	183,856	1,824,119
1990/91	44,920	14,488	5,180	153,769	562,457	249,844	58,889	202,106	48,189	202,486	2,130,305
1991/92	73,571	14,705	3,517	49,487	189,544	177,203	42,756	1,019	32,882	859,324	1,810,897
1992/93	130,409	15,514	9,035	172,058	699,420	402,403	97,670	418,157	47,669	278,915	3,618,718
1993/94	186,946	34,117	14,809	496,052	367,949	825,890	192,150	483,624	25,562	474,589	4,739,967
1994/95	229,950	54,033	24,368	563,219	710,882	1,015,951	286,193	586,760	20,677	730,152	6,546,274
1995/96	308,065	76,391	32,944	709,985	854,155	1,393,422	328,577	506,124	51,400	1,334,922	7,708,246
1996/97	414,162	69,542	40,789	973,897	1,414,978	1,117,480	636,728	8,328	17,108	1,650,244	8,505,200
1997/98	396,757	114,866	41,452	969,100	1,099,417	795,978	776,492	18,160	14,950	1,918,519	9,338,459
1998/99	473,804	230,897	69,704	1,416,817	1,375,843	1,390,946	1,032,004	340,647	42,305	2,257,514	11,702,004
1999/00	433,134	279,885	58,403	919,528	1,351,512	1,548,459	938,299	646,316	32,656	1,783,302	11,438,661
2000/01	461,188	345,433	88,056	1,188,971	1,480,393	1,456,285	782,018	461,335	66,419	2,248,531	12,313,956
2001/02	471,499	467,110	72,787	1,359,231	1,667,774	1,435,245	893,039	1,246,119	101,456	2,561,107	14,485,289
2002/03	599,604	478,039	78,075	1,311,504	1,963,002	1,817,630	1,059,754	1,580,973	111,634	2,696,596	16,067,348
2003/04	606,295	601,949	104,362	2,012,945	2,397,183	2,124,501	2,447,540	1,573,618	502,494	4,162,333	22,295,690
2004/05	774,285	836,015	125,294	3,476,768	4,553,244	2,811,972	3,062,726	1,334,778	344,108	4,853,003	31,434,174
2005/06	1,066,381	1,291,287	145,048	4,157,675	5,305,516	4,183,804	2,978,793	1,621,232	365,874	4,547,398	38,053,554
2006/07	808,907	1,523,051	163,834	4,460,322	7,036,854	6,062,546	2,968,701	1,323,878	329,270	7,829,188	45,126,388
2007/08	986,145	1,198,037	243,667	7,051,109	7,118,469	4,279,547	4,404,967	1,902,765	243,818	12,489,650	63,146,822
2008/09	1,023,983	1,124,962	235,344	7,990,303	8,713,241	4,859,888	5,866,530	6,285,857	51,369	16,251,182	80,032,470
2009/10	1,476,236	2,433,694	267,320	11,618,002	12,278,627	8,503,493	7,728,010	6,190,933	102,036	23,358,711	106,675,484
2010/11	1,982,717	2,430,231	334,932	10,778,367	16,015,252	13,180,603	7,195,551	2,739,632	73,258	38,806,942	133,639,235
2011/12	2,892,344	4,418,310	522,024	19,678,247	20,529,023	17,831,730	8,696,845	10,436,910	80,038	42,824,531	191,006,032
2012/13	2,744,224	4,449,522	722,828	21,688,480	28,035,377	20,493,273	11,912,689	9,865,215	96,583	58,096,034	208,490,479
2013/14	3,816,304	7,518,452	1,078,169	30,632,913	37,788,049	25,240,309	14,834,215	9,221,445	9,338,872	23,274,978	261,847,552
2014/15	5,281,382	9,232,020	1,294,893	46,295,279	49,814,950	28,117,143	31,139,945	12,922,543	20,942,619	27,756,897	330,938,955
2015/16	4,915,012	11,425,975	1,454,583	47,654,788	61,867,497	30,925,871	23,695,862	22,888,268	21,260,461	32,785,280	353,016,619
2016/17	5,025,821	11,811,265	1,633,228	42,438,362	68,598,137	33,248,531	26,617,503	13,359,345	13,839,893	29,254,491	354,271,135
2017/18	4,868,804	14,346,572	1,811,641	38,679,936	73,281,243	31,088,474	24,436,467	21,755,870	7,109,710	38,909,858	397,167,756
2018/19	5,864,104	10,255,808	2,023,487	41,701,871	84,119,270	22,066,397	24,750,276	18,579,014	6,831,057	43,128,440	423,548,429
2019/20	8,113,212	10,003,402	2,572,077	48,808,346	70,717,290	28,759,387	21,929,987	27,430,475	7,724,018	45,824,410	432,189,352
2020/21	12,306,287	13,663,675	2,150,339	47,843,331	79,822,336	37,111,884	28,337,123	46,304,682	15,471,996	50,584,022	559,341,145
2021/22	16,878,751	12,391,137	3,112,041	53,040,562	72,902,784	54,660,015	34,904,262	88,848,225	17,314,918	74,802,391	884,019,490
2022/23	21,772,351	16,034,678	3,134,407	55,240,875	90,556,225	61,480,687	39,665,731	56,057,124	24,639,008	82,603,708	912,983,688
2023/24	23,033,249	15,486,339	3,511,605	70,188,048	183,946,693	61,037,438	56,970,215	42,567,573	22,745,093	87,437,728	1,032,756,715

* Included in "Food & Live Animals".

** Revisions have been made to the value of major imports for recent years

Source: Ethiopian Customs Commission

Table 10: Volume of Major Imports**

Period	Food & Live Animals	Beverages	Tobacco	Petroleum Crude	Petroleum Prod.	Chemicals	Fertilizers	Medical & Pharm. Prod	Soap & Polish	Rubber Prod.
1979/80	128,453.0	389.0	896.0	671,245.0	94,652.0	33,264.0	125,845.0	1,580.0	9,753.0	6,871.0
1980/81	124,219.0	478.0	1,443.0	690,482.0	56,602.0	34,286.0	6,845.0	2,849.0	11,764.0	6,724.0
1981/82	178,264.0	661.0	1,033.0	713,236.0	18,409.0	713,236.0	29,393.0	2,887.0	17,283.0	8,567.0
1982/83	259,465.0	393.0	1,032.0	778,898.0	20,796.0	40,440.0	41,651.0	1,796.0	15,253.0	7,712.0
1983/84	289,533.0	1,035.0	1,104.0	785,158.0	55,168.0	47,274.0	36,078.0	2,829.0	8,378.0	9,170.0
1984/85	601,897.0	429.0	886.0	718,827.0	19,615.0	38,060.0	72,828.0	2,736.0	4,240.0	8,899.0
1985/86	846,775.0	1,077.0	117.0	727,531.0	16,176.0	43,618.0	108,079.0	3,925.0	5,314.0	15,244.0
1986/87	599,912.0	1,074.0	604.0	813,554.0	20,463.0	45,782.0	39,217.0	4,326.0	17,705.0	11,330.0
1987/88	565,624.0	920.0	2,389.0	73,226.0	19,007.0	41,520.0	162,777.0	3,784.0	13,093.0	10,325.0
1988/89	551,147.0	507.0	19.0	769,438.0	20,510.0	39,050.0	112,897.0	5,888.0	5,438.0	9,157.0
1989/90	128,060.0	2,058.0	1,167.0	776,307.0	34,604.0	46,591.0	131,988.0	5,352.0	16,685.0	5,725.0
1990/91	401,515.0	1,720.1	779.6	494,081.0	12,724.0	27,984.0	91,966.0	11,647.0	19,185.0	6,484.0
1991/92	12,828.0	388.3	76.3	302,583.0	146,439.0	8,782.0	125.0	1,946.0	14,713.0	4,367.0
1992/93	440,582.2	610.5	256.3	740,043.1	332,905.0	22,856.8	10,308.4	2,587.2	20,773.6	6,888.9
1993/94	411,187.6	312.4	1,145.8	688,343.9	276,575.7	34,665.9	100,566.2	2,760.2	18,365.7	8,047.4
1994/95	622,468.5	478.7	696.0	674,312.5	471,183.5	22,459.1	218,133.1	4,037.9	9,498.4	10,009.4
1995/96	322,279.3	1,589.7	489.6	417,100.0	333,631.8	33,876.5	115,377.2	2,109.7	17,644.6	14,374.7
1996/97	13,068.9	1,175.9	232.7	34,924.2	914,285.0	15,796.1	101,305.4	3,662.9	30,290.4	23,098.5
1997/98	30,835.0	1,666.7	350.6	159,816.5	1,857,647.0	16,769.7	36,225.9	2,167.7	18,148.7	14,799.5
1998/99	225,025.9	3,170.5	693.2	3,006.8	1,064,451.0	121,440.1	175,442.2	6,260.4	23,958.4	15,148.1
1999/00	391,278.7	2,618.3	933.1	-	1,094,883.2	34,236.7	73,847.8	3,125.8	18,317.2	53,466.7
2000/01	420,439.3	1,746.6	1,006.0	-	950,043.7	30,294.1	79,524.9	2,820.2	28,859.6	22,398.6
2001/02	738,091.7	1,079.4	1,784.2	-	944,921.6	18,907.8	302,409.4	4,136.9	25,648.9	17,583.4
2002/03	645,141.6	1,252.6	724.4	-	1,460,960.0	19,577.6	252,258.6	3,502.5	27,847.2	18,395.7
2003/04	691,588.7	1,433.2	738.4	-	1,033,738.3	23,114.6	382,673.3	8,119.1	33,670.2	21,253.7
2004/05	576,638.2	1,806.5	919.7	-	1,823,335.6	29,232.2	352,064.6	4,580.7	42,352.6	26,637.1
2005/06	819,011.5	1,306.9	2,045.4	-	1,229,077.8	46,714.6	396,794.8	6,993.8	59,404.1	72,211.5
2006/07	597,407.9	2,222.9	1,565.8	-	1,454,121.6	42,222.5	272,802.8	7,010.7	49,042.3	31,256.4
2007/08	506,952.6	2,608.9	2,749.1	-	1,619,430.5	47,665.6	479,485.9	7,959.6	43,334.9	32,450.0
2008/09	1,834,398.8	2,024.2	1,767.6	-	1,404,122.1	53,302.7	528,635.4	11,796.6	51,938.2	37,305.6
2009/10	1,781,546.2	2,415.7	2,659.8	-	2,365,707.0	73,106.4	615,917.4	9,746.8	38,977.5	49,583.9
2010/11	547,512.7	2,308.8	2,228.5	-	1,795,018.8	56,496.0	622,239.2	15,022.9	34,381.8	37,465.4
2011/12	1,188,239.2	3,380.2	2,114.6	-	2,160,455.6	65,088.8	907,129.9	15,442.9	52,956.6	38,732.2
2012/13	1,105,099.7	13,902.5	7,115.5	-	1,506,402.8	92,926.1	402,556.6	23,612.5	162,562.4	32,775.3
2013/14	1,882,941.2	17,798.7	2,172.1	-	2,623,450.8	171,106.5	853,656.1	33,495.0	43,254.6	73,698.0
2014/15	2,544,223.7	20,303.3	2,391.3	-	2,822,058.4	160,620.8	959,073.5	19,896.9	53,489.7	57,317.2
2015/16	4,415,089.9	24,227.3	1,769.5	-	3,043,561.0	196,917.3	883,747.8	21,089.8	71,682.4	62,919.2
2016/17	2,893,064.0	37,609.3	2,264.4	-	3,439,289.8	169,680.4	1,046,640.7	28,611.3	69,403.1	71,797.9
2017/18	3,617,742.9	42,302.6	1,536.2	-	3,770,588.9	192,699.7	1,318,169.2	21,339.7	78,927.2	60,383.1
2018/19	3,165,738.5	19,639.6	2,743.0	-	3,889,608.3	211,596.5	1,196,526.0	41,876.7	89,174.3	74,451.0
2019/20	5,273,106.5	17,298.1	2,472.1	-	3,867,196.1	752,107.0	1,534,659.8	34,002.1	87,389.8	90,271.5
2020/21	7,335,018.5	20,078.3	914.9	-	3,719,623.1	198,621.5	1,576,103.8	27,892.2	88,963.6	66,709.2
2021/22	7,264,669.4	9,245.1	566.7	-	3,911,168.8	209,641.1	1,349,231.7	33,901.9	77,009.2	58,016.6
2022/23	4,119,561.8	16,162.1	654.5	-	3,940,881.7	232,089.5	1,104,807.6	33,763.1	70,619.5	71,773.4
2023/24	3,422,125.7	6,821.6	1,186.0	-	3,813,830.9	253,016.3	2,260,862.5	34,188.4	108,874.5	92,279.8

Table 10 continued:

Period	Paper & Paper Manfc.	Textiles	Clothings	Glass & Glass Ware	Metal & Metal Manfc.	Machinery & Aircraft	Road Motor Vehicles	Electrical Materials	Grain*	Telecomm. Appara.
1979/80	12,246.0	18,044.0	366.0	3,500.0	57,045.0	21,934.0	14,287.0	5,391.0	106,331.0	372.0
1980/81	13,719.0	14,799.0	135.0	4,250.0	55,122.0	16,115.0	14,667.0	16,514.0	64,044.0	666.0
1981/82	12,935.0	22,466.0	270.0	1,191.0	38,674.0	19,094.0	19,497.0	4,625.0	154,477.0	541.0
1982/83	7,262.0	19,467.0	111.0	3,589.0	84,345.0	10,851.0	24,867.0	7,961.0	241,059.0	321.0
1983/84	13,761.0	25,754.0	126.0	6,979.0	81,360.0	22,894.0	23,201.0	13,146.0	264,712.0	741.0
1984/85	21,815.0	313,855.0	257.0	2,630.0	84,583.0	21,164.0	18,115.0	6,771.0	537,737.0	531.0
1985/86	19,406.0	20,797.0	143.0	2,428.0	72,348.0	33,926.0	31,983.0	9,367.0	704,059.0	466.0
1986/87	11,507.0	14,672.0	66.0	2,302.0	81,054.0	25,108.0	29,853.0	20,273.0	551,880.0	2,724.0
1987/88	13,186.0	20,299.0	145.0	1,876.0	77,731.0	24,219.0	48,171.0	10,759.0	448,158.0	1,128.0
1988/89	11,359.0	36,867.0	299.0	970.0	77,324.0	13,937.0	16,867.0	8,136.0	423,204.0	2,191.0
1989/90	13,865.0	10,332.0	90.0	2,822.0	82,229.0	15,469.0	11,490.0	12,983.0	118,560.0	1,547.0
1990/91	9,906.0	6,126.0	299.2	2,475.0	45,954.0	11,887.0	21,224.0	6,017.0	374,114.0	1,399.0
1991/92	3,924.0	7,854.0	424.0	472.0	17,175.0	2,951.0	15,188.0	3,685.0	1,947.9	449.0
1992/93	7,781.5	17,577.9	317.6	2,446.8	43,720.9	7,248.5	32,394.1	6,632.2	421,496.9	7,225.4
1993/94	10,062.4	12,709.9	1,073.4	2,110.6	113,445.5	8,542.6	32,362.4	9,448.6	382,632.5	310.2
1994/95	6,264.8	17,505.4	1,581.9	2,039.5	116,919.2	28,712.2	32,497.8	83,301.9	590,328.1	82.4
1995/96	7,835.1	16,501.0	4,808.1	5,878.8	119,762.0	42,304.6	41,188.0	12,487.6	313,282.0	96.4
1996/97	22,807.0	42,304.8	7,500.8	6,327.6	194,750.1	24,358.1	38,937.0	46,950.6	4,019.3	131.1
1997/98	20,312.6	26,681.1	4,685.1	6,170.6	163,616.8	24,115.4	20,482.3	20,525.1	22,928.5	104.6
1998/99	160,611.8	39,073.2	6,886.9	10,194.2	217,971.0	28,591.4	73,864.5	36,830.9	219,044.0	470.0
1999/00	413,422.2	71,001.9	10,177.6	10,486.0	198,761.7	28,817.5	80,219.1	21,369.7	360,118.1	1,232.4
2000/01	100,301.6	20,680.2	20,562.4	15,254.5	261,843.0	26,964.1	91,784.3	24,421.1	360,317.7	20,588.3
2001/02	32,216.0	26,630.1	19,361.3	11,900.4	273,464.6	23,962.2	47,917.1	25,206.4	693,514.9	329.9
2002/03	35,925.8	33,900.4	18,225.4	13,799.4	256,989.9	29,572.1	34,348.0	29,328.9	620,999.6	716.3
2003/04	46,047.8	40,618.7	30,837.4	20,092.7	293,701.2	38,653.1	41,688.9	54,920.2	628,811.6	3,327.3
2004/05	53,790.6	90,527.2	27,149.6	22,345.8	539,108.0	53,641.5	47,555.0	58,571.1	535,237.2	89,892.7
2005/06	66,235.9	53,927.3	36,103.9	27,558.3	578,956.7	77,915.9	113,044.5	83,658.3	715,902.1	6,065.5
2006/07	67,729.3	38,935.4	33,617.9	29,546.8	795,736.4	101,880.8	114,151.2	64,490.1	507,199.0	6,161.8
2007/08	78,419.8	41,135.5	30,473.6	38,345.1	732,819.0	103,879.9	73,545.7	64,580.6	433,009.5	4,251.1
2008/09	90,504.2	36,349.3	24,278.1	33,469.0	641,508.0	108,046.9	84,279.6	87,896.5	1,731,465.1	1,794.6
2009/10	238,737.5	37,964.1	33,454.5	28,208.1	836,745.9	141,184.6	204,618.5	194,059.8	1,567,321.8	1,428.2
2010/11	57,452.1	38,370.2	31,669.4	25,489.8	772,360.7	231,077.7	133,737.9	64,156.8	438,137.4	1,134.6
2011/12	89,205.8	46,129.4	37,796.9	45,244.9	904,607.4	151,778.3	241,940.5	76,974.4	1,679,919.7	971.4
2012/13	94,055.2	41,858.8	36,103.1	56,403.7	992,746.4	207,980.6	177,514.2	89,945.7	1,252,139.3	1,102.4
2013/14	150,904.4	55,403.9	64,820.9	67,452.6	1,440,073.2	324,447.8	189,586.4	175,816.2	1,077,855.8	16,479.2
2014/15	112,785.3	76,284.1	137,743.0	83,071.2	1,661,613.1	277,489.7	206,335.4	236,986.1	1,564,475.7	33,652.9
2015/16	148,315.8	79,714.5	95,612.7	88,331.3	2,196,125.4	242,898.0	233,784.1	142,044.1	3,076,636.9	29,489.2
2016/17	160,185.9	96,517.5	86,110.2	102,413.4	1,834,801.7	262,051.3	411,234.2	140,016.2	1,662,204.8	19,288.2
2017/18	123,871.3	93,108.0	92,008.5	92,111.8	1,431,550.6	239,803.2	433,689.6	117,945.4	2,235,344.9	18,784.8
2018/19	137,169.8	136,851.2	78,766.1	97,019.8	1,713,951.7	221,542.6	159,677.6	129,826.5	1,778,046.2	18,416.6
2019/20	164,476.5	144,236.8	57,163.9	120,799.1	1,830,641.4	206,076.5	184,945.3	128,567.3	2,594,477.8	18,880.1
2020/21	162,243.1	128,174.6	53,033.7	67,489.0	1,607,506.7	182,434.0	169,163.3	108,962.8	3,635,178.1	45,886.4
2021/22	97,879.0	144,133.4	47,851.6	64,564.7	1,002,703.2	157,202.8	194,261.3	78,849.3	3,621,673.8	13,70.2
2022/23	319,401.6	165,067.7	53,832.4	76,578.4	2,312,006.5	200,008.2	221,320.1	101,039.4	1,826,134.2	17,674.5
2023/24	153,086.5	167,547.0	52,550.6	77,297.1	5,983,138.8	215,630.3	446,368.6	120,504.1	1,569,130.9	19,749.5

* Included in "Food & Live Animals".

** Revisions have been made to the volumes of major imports for recent years.

Source: Ethiopian Customs Commission

Table 11: Value of Imports, By End Use

	2017/18 (2010)	2018/19 (2011)	2019/20 (2012)	2020/21 (2013)	2021/22 (2014)	2022/23 (2015)	2023/24 (2016)
RAW MATERIALS	3,617.87	4,233.32	5,070.88	5,400.91	5,577.02	5,752.90	6,637.16
SEMI-FINISHED GOODS	65,669.07	78,124.87	97,796.04	105,406.69	184,980.29	173,829.41	212,881.92
Chemicals	8,910.53	10,868.22	16,743.30	18,890.76	24,699.48	27,517.04	34,935.51
Fertilizers	13,001.60	14,219.85	19,517.00	28,031.17	70,195.28	49,289.35	73,629.55
Textile Materials	1,589.57	2,276.95	3,485.51	5,359.73	9,507.58	10,364.29	9,306.84
Others	42,167.37	50,759.84	58,050.24	53,125.03	80,577.94	86,658.73	95,010.02
FUEL	61,066.24	72,941.90	64,685.48	76,625.78	169,859.55	211,126.40	201,790.89
Crude Petroleum	1.80	0.88	1.96	10.32	7.18	7.64	1.43
Petroleum Products	58,666.28	69,942.60	62,056.89	72,597.46	165,014.81	203,796.30	197,454.87
Others	2,398.17	2,998.41	2,626.62	4,017.99	4,837.57	7,322.46	4,334.59
CAPITAL GOODS	136,684.08	140,735.46	128,229.80	151,669.63	148,132.94	202,143.52	316,022.14
Transport	29,339.13	39,925.34	12,249.42	13,690.16	15,688.20	38,728.67	67,904.99
Tyres for Heavy Vehicle	2,628.97	3,172.78	4,191.33	4,299.83	4,394.44	4,354.59	4,863.21
Heavy Road Motor Vehicle	18,666.44	11,547.46	5,652.14	2,954.13	4,175.33	25,107.09	27,390.18
Aircraft	7,529.52	24,230.88	2,033.72	5,328.32	6,624.19	8,685.05	34,843.03
Others	514.20	974.22	372.22	1,107.88	494.24	581.94	808.57
Agricultural	1,343.02	1,639.92	2,745.65	3,422.46	2,678.25	4,987.84	3,610.81
Industrial	106,001.93	99,170.20	113,234.74	134,557.01	129,766.49	158,427.01	244,506.34
CONSUMER GOODS	122,572.11	119,742.43	124,714.69	213,380.89	368,192.64	314,095.72	287,886.18
Consumer Durables	35,022.62	33,680.58	28,525.81	31,313.80	39,701.10	77,073.09	78,256.11
Radio & Television	2,836.57	3,417.15	1,947.48	2,061.47	2,348.43	6,094.82	6,064.65
Tyres, Cars & Other Veh.	1,624.56	1,511.83	1,596.76	1,477.42	2,202.90	2,321.72	2,470.57
Cars & Other Vehicles	12,001.85	10,008.97	3,455.56	812.32	852.77	34,113.23	32,164.87
Others	18,559.64	18,742.63	21,526.01	26,962.59	34,296.99	34,543.31	37,556.02
Consumer Non- Durables	87,549.49	86,061.85	96,188.88	182,067.09	328,491.55	237,022.64	209,630.07
Cereals	20,043.62	16,734.20	26,055.01	53,253.48	105,138.02	55,245.36	38,073.55
Other Food	16,254.14	15,615.52	16,738.49	32,012.30	68,806.45	56,686.47	46,976.84
Medical & Pharmaceutical	14,814.52	21,134.62	21,356.68	26,642.51	38,536.00	36,071.23	35,434.77
Textile Fabrics	14,797.76	11,089.56	12,300.45	18,599.28	16,603.16	22,416.79	26,614.19
Others	21,639.45	21,487.95	19,738.25	51,559.52	99,407.91	66,602.79	62,530.71
MISCELLANEOUS	7,558.39	7,770.44	11,692.47	6,857.24	7,277.05	6,035.74	7,538.43
TOTAL IMPORTS	397,167.76	423,548.43	432,189.35	559,341.15	884,019.49	912,983.69	1,032,756.71

* Adjusted unrecorded import of Birr740.38 million.

11. Adjusted unrecorded Aircraft imports of Birr510.0 million.

Source: Ethiopian Customs Commission

Table 12: Value of Imports, By Country of Origin

(Thousands of Birr)

Countries	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	2010	2011	2012	2013	2014	2015	2016
Djibouti	7,704.7	269,433.1	1,226,327.9	5,657,336.4	20,613,926.2	24,598,623.6	22,685,971.5
Kenya	897,078.4	1,139,320.9	2,684,219.8	2,237,418.7	5,292,979.2	5,994,083.8	4,751,909.2
Sudan	2,514,988.8	2,303,850.5	2,297,293.8	1,107,245.5	176,219.6	220,345.5	521,997.5
U.A.E	14,836,084.5	15,454,092.5	17,334,298.2	36,910,293.4	60,220,789.4	76,635,417.1	97,053,418.3
France	4,812,648.4	4,356,532.7	8,262,606.0	7,481,685.2	6,609,334.3	8,948,029.7	8,917,660.1
Germany	7,334,813.3	9,022,326.3	9,223,187.9	8,345,258.5	8,779,107.1	8,611,306.9	15,293,673.9
Italy	13,678,281.2	9,589,278.4	8,205,642.8	13,317,722.6	9,137,982.9	10,925,653.4	10,439,604.9
Netherlands	6,219,422.6	5,204,068.3	4,682,694.0	3,780,241.5	7,141,614.2	5,542,764.6	5,909,852.5
U.K.	6,032,331.5	9,120,102.2	9,221,407.7	11,152,568.7	6,097,132.3	10,588,592.9	28,566,079.2
Russia	2,497,473.4	3,423,319.9	2,116,757.8	4,712,302.7	6,054,250.0	1,830,694.9	10,255,569.9
Yugoslavia	0.0	0.0	0.0	0.0	0.0	0.0	0.0
U.S.A.	31,005,628.8	38,173,429.8	33,171,144.1	38,100,962.8	48,138,146.4	56,476,065.0	37,753,489.1
China, P. Rep.	112,732,306.1	109,836,932.6	112,513,560.3	126,418,108.2	162,302,544.7	191,663,400.4	256,580,178.7
Japan	15,686,899.8	10,526,425.8	5,495,524.0	4,139,127.9	3,480,925.1	4,825,674.9	5,742,795.8
Saudi Arabia	10,323,358.3	6,858,830.0	14,260,963.3	19,549,678.9	57,856,736.4	77,470,351.8	66,529,107.6
Rest of the World	168,588,736	198,270,487	201,493,724	276,431,194	482,117,802	428,652,684	461,755,406
Total Import	397,167,755.6	423,548,429.5	432,189,352.0	559,341,145.1	884,019,489.6	912,983,688.2	1,032,756,714.7

Source: Ethiopian Customs Commission

Table 13: Values of Export by Destination*

Countries	(In Thousand of Birr)					
	2017/18 (2010)	2018/19 (2011)	2019/20 (2012)	2020/21 (2013)	2021/22 (2014)	2022/23 (2015)
Djibouti	3,312,767.9	3,572,337.4	3,702,736.4	4,497,508.4	7,134,466.7	8,051,547.1
Kenya	1,057,668.8	566,102.0	439,609.0	1,616,543.8	839,355.8	3,292,962.2
Sudan	2,690,709.5	1,945,939.4	2,168,104.2	3,168,442.1	3,966,853.4	4,351,639.7
U.A.E	2,890,041.4	3,660,308.4	3,936,157.3	7,145,156.7	9,434,519.7	10,633,544.9
France	815,455.0	556,438.0	890,052.7	2,181,537.6	1,930,292.0	1,886,179.7
Germany	4,729,675.7	3,117,963.9	5,026,821.2	5,745,974.7	13,556,631.8	10,822,944.7
Italy	1,485,535.5	1,195,539.3	1,401,024.7	2,839,821.4	3,960,106.1	3,713,587.7
Netherlands	5,001,313.7	5,843,402.3	9,670,552.9	10,695,072.7	18,873,683.5	21,196,275.4
U.K.	1,158,597.9	1,158,806.1	1,052,198.4	2,357,712.9	2,716,091.8	3,758,197.3
Russia	471,864.5	344,778.3	369,994.7	1,891,810.4	727,549.1	890,187.5
Yugoslavia	0.0	0.0	0.0	0.0	0.0	0.0
U.S.A.	6,053,876.5	5,308,192.0	5,031,320.4	8,495,485.6	17,573,400.6	16,892,648.6
China, P.Rep.	6,301,806.7	3,985,339.1	2,500,656.6	3,731,565.0	5,219,670.2	5,709,770.7
Japan	2,377,676.8	3,335,760.7	3,431,247.0	3,495,238.4	7,439,739.9	5,950,702.9
Saudi Arabia	4,971,483.0	5,022,828.1	6,349,911.2	7,463,486.1	13,653,789.9	17,402,426.7
Rest of the World	30,893,009.8	35,318,688.1	48,394,751.6	76,376,053.7	92,968,888.5	78,620,057.3
Total Export	74,211,482.8	74,932,423.0	94,365,138.3	141,701,409.6	199,995,039.0	193,172,672.3
						213,115,203.0

* Export value of gold is not included in this table for the years before 2003/04

Source: Ethiopian Customs Commission

Table 14: Trade Balance with Major Trading Partners

Trading Country	(Thousands of Birr)							
	2018/19 (2011)	2019/20 (2012)	2020/21 (2013)	2021/22 (2014)	2022/23 (2015)	2023/24 (2016)		
Djibouti	3,302,904.28	2,476,408.47	-	1,159,828.00	-	13,479,459.42	-	15,520,591.50
Kenya	-	573,218.90	-	2,244,610.82	-	620,874.88	-	825,090.38
Sudan	-	357,911.15	-	129,189.56	-	2,061,196.66	-	3,694,181.99
U.A.E	-	11,793,784.02	-	13,398,140.88	-	29,765,136.69	-	84,613,587.19
France	-	3,800,094.66	-	7,372,553.36	-	5,300,147.55	-	6,678,904.95
Germany	-	5,904,362.33	-	4,196,366.66	-	2,599,283.75	-	5,998,834.18
Italy	-	8,393,739.12	-	6,804,618.16	-	10,477,901.21	-	6,152,242.40
Netherlands	-	639,333.99	-	4,987,858.94	-	6,914,831.20	-	12,581,054.06
U.K.	-	7,961,296.08	-	8,169,209.23	-	8,794,855.85	-	25,662,429.05
Russia	-	3,078,541.61	-	1,746,763.03	-	2,820,492.31	-	9,077,720.23
Yugoslavia	-	-	-	-	-	-	-	-
U.S.A.	-	32,865,237.81	-	28,139,823.72	-	29,605,477.20	-	22,894,900.92
China, P Rep.	-	105,851,593.49	-	110,012,903.69	-	122,686,543.20	-	250,629,972.53
Japan	-	7,190,665.14	-	2,064,277.06	-	643,889.53	-	1,419,198.86
Saudi Arabia	-	1,836,001.89	-	7,911,052.11	-	12,086,192.84	-	46,585,356.02
Rest of the World	-	162,951,798.52	-	153,098,972.87	-	200,055,140.29	-	364,346,498.08
Overall Trade Balance	-	348,616,006.45	-	337,824,213.76	-	417,639,735.45	-	819,641,511.75

Source: Ethiopian Customs Commission

Table 15: Components of Broad Money*(In Millions of Birr)*

End of Period	Currency outside Banks	Net Demand Deposit	Narrow Money	Quasi-Money	Broad Money
	1	2	3=1+2	4	5=3+4
1979/80	1,062.8	435.8	1,498.6	610.2	2,108.8
1980/81	1,027.1	688.2	1,715.3	662.3	2,377.6
1981/82	1,129.8	762.4	1,892.2	751.5	2,643.7
1982/83	1,258.2	922.2	2,180.4	860.1	3,040.5
1983/84	1,282.9	1,096.4	2,379.3	1,004.4	3,383.7
1984/85	1,358.5	1,333.6	2,692.1	1,156.9	3,849.0
1985/86	1,591.9	1,587.7	3,179.6	1,268.6	4,448.2
1986/87	1,743.5	1,820.0	3,563.5	1,245.2	4,808.7
1987/88	1,908.3	2,002.5	3,910.8	1,327.9	5,238.7
1988/89	2,181.8	1,992.0	4,173.8	1,530.6	5,704.4
1989/90	2,736.3	2,253.7	4,990.0	1,718.2	6,708.2
1990/91	3,820.8	2,314.0	6,134.8	1,827.4	7,962.2
1991/92	4,315.8	2,529.5	6,845.3	2,165.6	9,010.9
1992/93	4,883.2	2,697.5	7,580.7	2,556.0	10,136.7
1993/94	5,158.9	3,214.3	8,373.2	3,225.5	11,598.7
1994/95	5,833.8	4,088.6	9,922.4	4,486.0	14,408.4
1995/96	5,656.9	4,260.5	9,917.4	5,737.5	15,654.9
1996/97	5,176.3	4,847.7	10,024.0	6,524.8	16,548.8
1997/98	4,716.8	6,377.2	11,094.0	7,549.3	18,643.3
1998/99	5,196.4	6,182.5	11,378.9	8,020.5	19,399.4
1999/00	5,914.3	7,136.0	13,050.3	9,127.5	22,177.8
2000/01	5,911.8	7,834.0	13,745.8	10,770.4	24,516.2
2001/02	5,461.9	8,690.6	14,152.5	12,139.5	26,292.1
2002/03	6,582.0	8,834.8	15,416.8	13,643.4	29,060.2
2003/04	7,843.9	10,192.1	18,036.0	15,590.0	33,626.0
2004/05	10,026.0	11,265.1	21,291.1	18,920.7	40,211.7
2005/06	11,422.9	12,389.0	23,811.9	22,565.5	46,377.4
2006/07	13,708.4	15,909.3	29,617.7	27,034.2	56,651.9
2007/08	17,654.1	17,696.3	35,350.4	32,831.8	68,182.1
2008/09	19,715.0	22,397.6	42,112.7	40,397.1	82,509.8
2009/10	24,206.8	28,227.8	52,434.6	51,997.8	104,432.4
2010/11	32,574.9	43,596.1	76,171.0	69,206.0	145,377.0
2011/12	38,537.1	56,312.7	94,849.9	94,548.9	189,398.8
2012/13	45,671.0	69,074.7	114,745.7	120,567.9	235,313.6
2013/14	53,161.4	80,887.8	134,049.2	163,682.8	297,732.0
2014/15	60,460.9	94,245.4	154,706.3	216,622.6	371,328.9
2015/16	66,686.2	111,923.5	178,609.7	266,656.6	445,266.3
2016/17	73,917.7	142,851.9	216,769.6	356,614.4	573,384.1
2017/18	86,417.3	194,737.4	281,154.7	459,418.2	740,572.9
2018/19	92,017.0	216,920.2	308,937.1	577,815.4	886,752.5
2019/20	109,071.8	251,513.7	360,585.5	677,060.8	1,037,646.3
2020/21	133,621.3	303,770.7	437,392.0	910,874.2	1,348,266.1
2021/22	173,382.8	414,633.0	588,015.8	1,127,294.2	1,715,310.0
2022/23	211,636.8	494,505.4	706,142.2	1,464,706.2	2,170,848.4
2023/24	205,441.3	617,057.3	822,498.6	1,655,417.6	2,477,916.2

Source: National Bank of Ethiopia

Table 16: Domestic Credit by Sector

(In Millions of Birr)

End of Period	Gross Grand Total	Claims on Central Gov't			Claims on Non-Central Gov't				
		Total	National Bank	Comm. Banks	Total	Loans & Advances	Bills Disc.	Investments	Priority sec. loan to DBE
	1=2+5	2=3+4	3	4	5=6+9	6*	7	8	9
2005/06	49,298.6	25,266.4	19,095.7	6,170.6	24,032.2	19,431.1	-	4,601.1	-
2006/07	61,846.9	30,337.6	24,855.6	5,482.1	31,509.2	23,493.8	-	8,015.5	-
2007/08	78,475.1	33,075.7	35,405.8	(2,330.1)	45,399.4	33,600.6	-	11,798.8	-
2008/09	89,205.9	32,786.5	37,827.2	(5,040.7)	56,419.4	38,802.0	-	17,617.4	-
2009/10	104,416.2	33,013.1	39,340.3	(6,327.2)	71,403.1	47,603.6	-	23,799.5	-
2010/11	135,558.6	28,651.7	45,323.7	(16,672.1)	106,906.9	61,871.3	-	38,785.6	6,250.0
2011/12	189,122.1	21,557.4	45,344.1	(23,786.7)	167,564.6	94,617.0	-	60,445.6	12,502.0
2012/13	233,406.4	21,965.5	55,377.3	(33,411.8)	211,440.8	114,384.6	-	80,549.2	16,507.0
2013/14	299,729.6	26,630.8	64,211.9	(37,581.2)	273,098.9	141,975.8	-	110,866.0	20,257.0
2014/15	393,439.8	30,735.3	77,076.8	(46,341.6)	362,704.5	185,501.9	-	153,845.6	23,357.0
2015/16	490,230.4	47,524.4	95,038.1	(47,513.7)	442,706.0	226,849.2	-	190,249.8	25,607.0
2016/17	631,092.8	85,441.8	120,891.0	(35,449.2)	545,650.9	283,835.2	-	234,589.8	27,226.0
2017/18	784,621.8	102,002.8	140,206.9	(38,204.0)	682,618.9	346,302.9	-	289,023.3	47,292.7
2018/19	963,699.9	109,799.2	172,171.4	(62,372.2)	853,900.7	443,362.2	-	358,395.8	52,142.7
2019/20	1,302,948.3	137,082.9	195,711.0	(58,628.1)	1,165,865.4	588,391.2	-	519,331.4	58,142.7
2020/21	1,659,218.4	214,275.2	245,019.2	(30,744.0)	1,444,943.3	778,613.2	-	609,687.4	56,642.7
2021/22	2,195,732.5	422,864.0	326,216.3	96,647.7	1,772,868.5	996,662.2	-	731,383.6	44,822.7
2022/23	2,711,304.0	573,675.7	521,300.0	52,375.7	2,137,628.3	1,293,479.3	-	799,326.4	44,822.7
2023/24	3,134,751.6	745,541.1	632,253.1	113,288.0	2,389,210.5	1,480,244.3	-	867,643.4	41,322.7

* Includes Claims on Other Financial Institutions

Source: National Bank of Ethiopia

Table 17: Gold & Foreign Exchange Holdings of the National Bank of Ethiopia and Commercial Banks (In Millions of Birr)

End of Fiscal Year	Gross Gold and Foreign Exchange Holdings							Foreign Liabilities				Net Gold & Foreign Exchange		
	Gross Total	National Bank of Ethiopia International Reserves					CBs' Foreign Exchange							
		NBE Total	Gold	Foreign Exchange	Reserve Tranche									
						2=3 to 5								3
1=2+6	2=3 to 5	3	4	5	6	7=8+9	8	9	10=11+12	11=2-9	NBE	Comm. Banks	12=6-8	
1989/90	190.2	41.8	23.1	18.7	-	148.4	143.7	71.5	72.2	46.5	-30.4		76.9	
1990/91	446.9	177.7	31.3	146.4	-	269.2	158.6	118.4	40.2	288.3	137.5		150.8	
1991/92	729.9	346.7	44.0	302.7	-	383.2	326.8	88.6	238.2	403.1	108.5		294.6	
1992/93	2,316.3	1,342.9	57.0	1,236.6	49.3	973.4	1,449.1	266.9	1,182.2	867.2	160.7		706.5	
1993/94	5,286.9	3,193.4	64.5	3,071.7	57.2	2,093.5	1,519.5	469.2	1,050.3	3,767.4	2,143.1		1,624.3	
1994/95	7,399.6	3,895.6	71.1	3,755.9	68.6	3,504.0	1,690.3	799.6	890.7	5,709.3	3,004.9		2,704.4	
1995/96	8,107.6	5,718.2	23.1	5,630.7	64.4	2,389.4	1,871.8	1,055.0	816.8	6,235.8	4,901.4		1,334.4	
1996/97	8,237.9	3,968.7	2.5	3,899.2	67.0	4,269.2	2,612.3	1,514.1	1,098.2	5,625.6	2,870.5		2,755.1	
1997/98	8,843.6	3,105.7	2.5	3,036.8	66.4	5,737.9	3,012.6	2,072.5	940.1	5,831.0	2,165.6		3,665.4	
1998/99	8,839.9	3,588.8	2.8	3,508.9	77.1	5,251.1	2,752.1	1,685.1	1,067.0	6,087.8	2,521.8		3,566.0	
1999/00	7,814.5	2,921.7	2.8	2,840.5	78.4	4,892.8	3,043.9	2,089.5	954.4	4,770.6	1,967.3		2,803.3	
2000/01	7,829.5	2,907.8	2.9	2,829.6	75.3	4,921.7	3,029.5	1,815.4	1,214.1	4,800.0	1,693.7		3,106.3	
2001/02	11,470.7	5,743.6	2.9	5,660.0	80.7	5,727.1	3,648.3	1,703.3	1,945.0	7,822.4	3,798.6		4,023.8	
2002/03	14,427.2	7,988.2	2.9	7,899.3	86.0	6,439.0	3,378.1	1,674.7	1,703.4	11,049.1	6,284.8		4,764.3	
2003/04	17,449.8	11,307.3	2.5	11,213.3	91.6	6,142.5	4,452.0	1,889.5	2,562.4	12,997.8	8,744.9		4,253.0	
2004/05	19,963.5	13,704.9	57.0	13,556.5	91.3	6,258.6	6,095.5	1,979.8	4,115.7	13,868.0	9,589.2		4,278.8	
2005/06	16,759.0	10,071.7	89.2	9,889.6	92.8	6,687.3	4,649.5	1,735.8	2,913.6	12,109.6	7,158.0		4,951.5	
2006/07	19,514.9	11,977.3	429.3	11,448.5	99.5	7,537.7	6,174.6	1,986.3	4,188.3	13,340.4	7,789.0		5,551.4	
2007/08	16,735.5	8,708.7	5.5	8,589.2	114.0	8,026.8	5,069.9	2,301.9	2,768.0	11,665.6	5,940.7		5,725.0	
2008/09	26,434.3	17,214.6	18.2	17,069.0	127.5	9,219.7	8,457.5	3,076.5	5,380.9	17,976.8	11,833.7		6,143.1	
2009/10	42,350.1	27,289.3	443.3	26,700.3	145.7	15,060.8	15,160.3	3,254.3	11,906.0	27,189.8	15,383.3		11,806.5	
2010/11	79,945.5	51,551.4	1,395.2	49,960.5	195.7	28,394.2	24,410.9	5,715.5	18,695.4	55,534.7	32,856.0		22,678.7	
2011/12	64,119.0	40,101.4	2,038.1	37,868.1	195.3	24,017.6	26,738.5	5,484.2	21,254.3	37,380.5	18,847.1		18,533.4	
2012/13	72,658.1	44,140.0	2,253.2	41,685.1	201.8	28,518.1	27,009.6	7,515.2	19,494.4	45,648.5	24,645.6		21,002.9	
2013/14	77,878.0	50,624.5	1,217.6	49,188.5	218.4	27,253.5	31,905.7	7,995.1	23,910.6	45,972.3	26,713.9		19,258.4	
2014/15	82,741.8	66,817.7	79.3	66,423.1	315.3	15,924.1	45,170.9	8,326.6	36,844.3	37,570.9	29,973.4		7,597.6	
2015/16	95,055.0	74,156.7	1,113.9	72,711.3	331.5	20,898.2	73,530.8	9,880.5	63,650.3	21,524.2	10,506.4		11,017.7	
2016/17	98,750.8	73,874.3	741.3	72,783.6	349.4	24,876.5	60,716.1	10,818.8	49,897.3	38,034.8	23,977.0		14,057.7	
2017/18	102,738.9	77,617.4	750.5	76,448.4	418.4	25,121.5	63,362.7	14,504.8	48,858.0	39,376.2	28,759.4		10,616.8	
2018/19	127,270.4	98,726.6	804.9	97,484.0	437.8	28,543.8	112,765.3	18,006.4	94,758.9	14,505.2	3,967.8		10,537.4	
2019/20	147,202.9	112,086.4	3,280.6	108,280.4	525.4	35,116.5	155,524.2	24,578.2	130,946.0	-8,321.3	-18,859.6		10,538.3	
2020/21	202,804.8	125,859.7	628.2	124,551.3	680.2	76,945.1	203,617.1	33,850.4	169,766.7	-812.3	-43,907.0		43,094.7	
2021/22	143,751.3	79,819.6	2,065.3	76,997.2	757.1	63,931.7	255,178.9	41,140.6	214,038.3	-111,427.5	-134,218.7		22,791.1	
2022/23	130,367.5	56,154.3	129.2	55,230.1	795.0	74,213.2	290,465.2	42,887.7	247,577.5	-160,097.7	-191,423.1		31,325.5	
2023/24	171,669.5	82,159.3	220.1	81,122.4	816.8	89,510.2	416,943.6	45,876.5	371,067.2	-245,274.1	-288,907.9		43,633.8	

Source: National Bank of Ethiopia (NBE)

Table 18: Treasury Bills Auction Results

Period	Amount Offered	Number of Bidders			Amount Demanded (in millions of Birr)			Amount Sold (in millions of Birr)			Annual Weighted Yield
		Bank	Non-bank	Total	Bank	Non-bank	Total	Bank	Non-bank	Total	
1999/00	16147.0	110.0	162.0	272.0	10772.3	7550.5	18322.8	7954.4	5356.8	13311.2	3.262
2000/01	12100.0	133.0	208.0	346.0	10361.0	7844.0	18205.0	5087.7	4235.3	9322.9	2.829
2001/02	16625.0	152.0	166.0	326.0	18632.6	6216.0	26089.1	12176.4	3996.8	16453.2	1.982
2002/03	29818.0	174.0	122.0	296.0	33488.0	5341.8	38829.8	26987.6	2830.4	29818.0	1.311
2003/04	51645.0	152.0	120.0	272.0	56481.0	4960.0	61441.0	47921.8	3710.2	51632.0	1.023
2004/05	41262.5	175.0	94.0	269.0	49658.5	7237.7	56896.2	37783.9	3281.1	41065.0	0.243
2005/06	47793.5	142.0	45.0	187.0	56687.5	3916.0	60603.5	44465.6	3327.9	47793.5	0.038
2006/07	69487.0	99.0	68.0	167.0	71259.0	7663.0	78922.0	58599.6	6715.4	65315.0	0.493
2007/08	48889.0	92.0	88.0	180.0	46761.0	13127.5	59888.5	35613.0	12103.5	47716.5	0.674
2008/09	28471.9	83.0	178.0	261.0	21974.5	24792.7	46767.2	2672.0	25167.8	27839.8	0.520
2009/10	55203.3	82	198	280	23386.9	27871.2	51258.1	13902.0	27834.5	41736.5	0.652
2010/11	83390.7	65	155	220	23715.3	32044.8	55760.0	20271.3	32044.8	52316.0	1.305
2011/12	96511.9	202	204	406	26712.7	50482.1	77194.8	24212.7	50482.1	74694.8	1.944
2012/13	107484.5	394	210	604	51493.5	62185.7	109184.5	51493.5	62185.7	109184.5	2.203
2013/14	88074.94	226	240	466	31226.00	81608.55	112834.55	16989.0	76933.5	94233.3	1.503
2014/15	100739.4	0.0	248.0	248.0	0.0	136536.8	136536.8	0.0	110593.3	110593.3	1.340
2015/16	145877.4	0.0	217.0	217.0	0.0	161575.2	161575.2	0.0	199200.0	199200.0	1.323
2016/17	204543.2	0.0	200.0	200.0	0.0	225321.2	225321.2	0.0	225321.2	225321.2	1.298
2017/18	286494.2	0.0	192.0	192.0	0.0	323991.2	323991.2	0.0	323991.2	323991.2	1.341
2018/19	397958.2	3.0	189.0	192.0	650.0	421983.5	422633.5	650.0	421983.5	422633.5	1.410
2019/20	231486.9	35.0	128.0	163.0	11143.0	232012.1	243155.1	5980.0	228859.1	234839.1	4.526
2020/21	330673.0	286.0	117.0	403.0	127679.0	157104.6	284783.6	109655.9	129143.7	238799.6	7.977
2021/22	858468.8	412.0	174.0	586.0	365432.3	234046.3	599478.6	357032.3	225236.3	582268.6	9.006
2022/23	1278068.3	414.0	235.0	649.0	287405.1	307826.2	595231.3	268255.1	307826.2	576081.3	9.381
2023/24	1354852.2	270.0	263.0	533.0	333009.3	479882.8	812892.1	318159.3	479637.8	797797.1	9.816

Table 19: Employment Created by Domestic & Foreign Investment Projects Which Have Commenced Operation, by Sector

Sector	2011 (2018/19)		2012 (2019/20)		2013 (2020/21)		2014 (2021/22)		2015 (2022/23)		2016 (2023/24)	
	Perm. Empl.	Temp. Emp.	Perm. Empl.	Temp. Emp.	Perm. Empl.	Temp. Emp.	Perm. Empl.	Temp. Emp.	Perm. Empl.	Temp. Emp.	Perm. Empl.	Temp. Emp.
Agriculture, hunting and forestry	536	1,862	3	5	27	2	-	-	-	-	-	-
Construction	3,368	1,788	100	168.0	1,837	961	30	24	765	355	11	14
Education	200	154	2	2.0	-	-	17	-	120	40	-	-
Electricity, gas, steam and water supply	-	-	-	-	-	-	-	-	-	-	-	-
Fishing	-	-	-	-	-	-	-	-	-	-	-	-
Health and social work	43	8	6	6	74	23	20	-	66	127	12	15
Hotels and restaurants	173	75	35	20	391	192	60	80	107	5	57	13
Manufacturing	15,918	5,142	2,858	1,387	6,657	2,116	8,747	1,566	5031	4445	5,045	1,690
Mining and quarrying	35	92	-	-	-	-	-	-	-	-	-	-
Other community, social and personal service activities	19	12	-	-	-	-	-	-	-	-	14	5
Real estate, renting and business activities	2,269	1,303	52	41	1868	2362	1,109	426	625	4,375	567	432
Transport, Storage and Communication	44	-	121	0	807	388	3	2	65	32	-	-
Wholesale, retail trade & repair service	-	-	-	-	23	66	3	30	-	-	-	-
Others*	26	105	34	5	84	22	2,925	1,324	70	52	-	-
Grand Total	22,631	10,541	3,211	1,634	11,768	6,132	12,914	3,452	6,849	9,431	5,706	2,169

Table 20: Number and Investment Capital of Domestic & Foreign Investment Projects Which Have Commenced Operation by Sector

Sector	2012(2019/2020)		2013(2020/2021)		2014(2021/2022)		2015(2022/2023)		2016(2023/2024)	
	No. of Projects	Investment Capital	No. of Projects	Investment Capital	No. of Projects	Investment Capital	No. of Projects	Investment Capital	No. of Projects	Investment Capital
Agriculture, hunting and forestry	1.0	10.5	6.0	114.5	-	-	1.0	20.0	-	-
Construction	15.0	135.5	224.0	1,799.1	47.0	482.1	14.0	118.2	7.0	60,025.0
Education	1.0	2.5	2.0	13.0	1.0	20.6	1.0	1,500.0	1.0	70.0
Electricity, gas, steam and water supply	-	-	-	-	-	-	-	-	-	-
Fishing	-	-	-	-	-	-	-	-	-	-
Health and social work	3.0	18.0	9.0	864.1	1.0	7.0	3.0	48.7	6.0	152.3
Hotels and restaurants	3.0	307.9	18.0	5,887.4	1.0	105.4	2.0	30.4	2.0	157.3
Manufacturing	42.0	710.1	242.0	12,097.0	26.0	1,308.2	59.0	2,765.5	64.0	14,770.7
Mining and quarrying	-	-	-	-	-	-	-	-	-	-
Other community, social and personal service activities	-	-	1.0	5.0	-	-	-	-	1.0	5.5
Real estate, renting and business activities	15.0	98.3	238.0	10,426.5	23.0	130.7	14.0	56,150.9	20.0	810.9
Transport, Storage and Communication	2.0	17.9	34.0	669.2	8.0	62.5	6.0	1,139.5	-	-
Wholesale, retail trade & repair service	-	-	3.0	381.5	1.0	1.7	-	-	-	-
Others*	2.0	19.6	8.0	1,816.1	4.0	65.7	4.0	716.7	-	-
Grand Total	84.0	1,320.3	785.0	34,073.4	112.0	2,183.9	104.0	62,490.0	101.0	75,991.7

(In Millions of Birr)

Table 21: Number and Capital of Domestic & Foreign Investment Projects which have Commenced Operation, by Region
(In Millions of Birr)

Sector	2013(2020/21)		2014(2021/22)		2015(2022/23)		2016(2023/24)	
	No. of Projects	Investment Capital	No. of Projects	Investment Capital	No. of Projects	Investment Capital	No. of Projects	Investment Capital
Addis Ababa	711	30,820	64	750.0	35	5010.3	49	62,422
Afar	-	-	-	-	-	-	-	-
Amhara	41	285.2	1	1.7	-	-	-	-
B.Gumze	-	-	-	-	-	-	-	-
Dire Dawa	-	-	-	-	-	-	-	-
Gambella	-	-	-	-	-	-	-	-
Harari	-	-	-	-	-	-	-	-
Multiregional	33	2,967.7	46	1,327	69	57479.7	52	13,569
Oromia	-	-	-	-	-	-	-	-
SNINPR	-	-	1	105.4	-	-	-	-
Somali	-	-	-	-	-	-	-	-
Tigray	-	-	-	-	-	-	-	-
Grand Total	785	34,073	112	2,184	104	62490.0	101	75,992





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