

KPMG Hazem Hassan

Accountability State Authority

**BANQUE DU CAIRE (S.A.E)**  
**(Egyptian Joint Stock Company)**  
**Separate Financial Statements**  
**For The Year Ended 31 December 2024**  
**And**  
**Auditors' Report Thereon**

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**KPMG Hazem Hassan**  
**Public Accountants & Consultants**

**Accountability State Authority**  
**Central Department of Banks Financial Control**

### **AUDITORS' REPORT**

**To the shareholders of Banque Du Caire (S.A.E)**

#### **Report on the Separate Financial Statements**

We have audited the accompanying separate financial statements of Banque Du Caire (S.A.E) which comprise the separate financial position as of December 31, 2024, and the related separate statements of income, comprehensive income, cash flows and changes in Shareholders' equity for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

#### **Management's Responsibility for the Separate Financial Statements**

These separate financial statements are the responsibility of Bank's management. Management is responsible for the preparation and fair presentation of these separate financial statements in accordance with the rules of preparation and presentation of the banks' financial statements, basis of recognition and measurement issued by Central Bank of Egypt on December 16, 2008 as amended by the regulations issued on February 26, 2019 and in light of the prevailing Egyptian laws and regulations, management responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the separate financial statements that are free from material misstatement, whether due to fraud or error; management responsibility also includes selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on these separate financial statements based on our audit. We conducted our audit in accordance with the Egyptian Standards on Auditing and in the light of the prevailing Egyptian laws. Those standards require plan and perform the audit to obtain reasonable assurance whether the separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the bank's preparation and fair presentation of the separate financial statements 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 bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the separate financial statements.



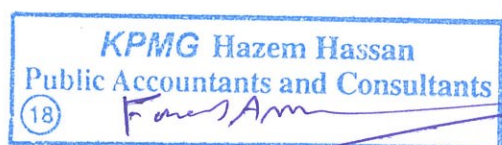
### Opinion

In our opinion, the separate financial statements referred to above present fairly, in all material respects, the separate financial position of Banque Du Caire (S.A.E) as of December 31, 2024 and of its separate financial performance and its separate cash flows for the year then ended, in accordance with the rules of preparation and presentation of the banks' financial statements, basis of recognition and measurement issued by Central Bank of Egypt on December 16, 2008 as amended by the regulations issued on February 26, 2019 and in light of the prevailing Egyptian laws and regulations related to the preparation of these separate financial statements.

### Report on Legal and Other Regulatory Requirements

The Bank maintains proper books of accounts, which include all that is required by law and by the statutes of the Bank, the separate financial statements are in agreement thereto.

The financial information included in the Board of Directors' report which is prepared according to law no. 159 of 1981 and its executive regulations and their amendments, are in agreement with the Bank's accounting records within the limit that such information is recorded therein.



**Fares Amer Emam Amer**

Financial Regulator Authority No. 230

**KPMG Hazem Hassan**  
Public accountants & Consultants

**Auditors**

*Lobna Abdel Aziz*

**Lobna Abdel Aziz Abdel Ghaffar**

Accountability State Authority

Cairo on: February 25<sup>th</sup>, 2025



**Banque Du Caire**  
**(Egyptian Joint Stock Company)**  
**Separate Statement of Financial Position**  
**As at 31 December 2024**

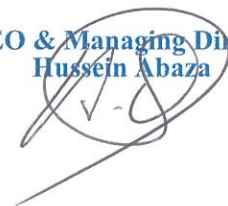
<b>(All amounts are shown in thousands Egyptian Pounds)</b>	<b>Note No.</b>	<b>31 December 2024</b>	<b>31 December 2023</b>
<b><u>Assets</u></b>			
Cash and balances at Central Bank	(15)	28,575,939	37,558,228
Due from banks	(16)	141,212,795	67,504,906
Loans and advances to banks	(17)	16,374,143	5,869,271
Loans and advances to customers	(18)	195,139,026	162,109,528
<b><u>Financial investments</u></b>			
At fair value through other comprehensive income	(19)	66,546,674	73,892,981
At amortized cost	(19)	16,677,966	40,364,790
Investments in subsidiaries and associates	(20)	3,324,990	2,543,286
Intangible assets	(21)	198,010	181,956
Other assets	(22)	11,668,526	9,347,001
Deferred tax assets	(29)	829,922	550,838
Property and equipment	(23)	2,551,026	1,723,954
<b>Total assets</b>		<b>483,099,017</b>	<b>401,646,739</b>
<b><u>Liabilities and Equity</u></b>			
<b><u>Liabilities</u></b>			
Due to banks	(24)	8,215,951	6,816,955
Customers' deposits	(25)	352,272,142	302,066,100
Other loans	(26)	57,857,599	40,057,447
Other liabilities	(27)	13,852,260	15,240,276
Other provisions	(28)	1,983,035	1,696,588
Current income tax payable		2,613,988	1,263,863
Deferred tax liabilities	(29)	245,338	119,057
Retirement benefit liabilities	(30)	1,780,898	1,621,321
<b>Total liabilities</b>		<b>438,821,211</b>	<b>368,881,607</b>
<b><u>Equity</u></b>			
Issued and paid-up capital	(31)	19,000,000	10,000,000
Amounts paid under capital increase	(31)	1,500,000	10,500,000
Reserves	(32)	4,876,721	3,333,150
Difference between present value and face value for subordinated deposit		1,179,701	1,646,308
Net profit for the year and retained earnings	(32)	17,721,384	7,285,674
<b>Total equity</b>		<b>44,277,806</b>	<b>32,765,132</b>
<b>Total liabilities and equity</b>		<b>483,099,017</b>	<b>401,646,739</b>

- The accompanying notes from (1) to (40) are an integral part of these separate financial statements and are to be read therewith.
- Limited review report (attached).

**Chief Financial Officer**  
**Mohamed Ibrahim**



**CEO & Managing Director**  
**Hussein Abaza**



**Banque Du Caire**  
**(Egyptian Joint Stock Company)**  
**Separate Income Statement**  
**for the year ended 31 December 2024**

<u>(All amounts are shown in thousands Egyptian Pounds)</u>	<u>Note No.</u>	<u>31 December 2024</u>	<u>31 December 2023</u>
Interest and similar income	(6)	68,703,788	49,095,084
Interest and similar expense	(6)	(40,590,514)	(31,307,239)
<b>Net interest income</b>		<b>28,113,274</b>	<b>17,787,845</b>
Fee and commission income	(7)	6,310,457	4,298,954
Fee and commission expense	(7)	(564,050)	(388,905)
<b>Net fee and commission income</b>		<b>5,746,407</b>	<b>3,910,049</b>
<b>Net interest, fee and commission income</b>		<b>33,859,681</b>	<b>21,697,894</b>
Dividend income	(8)	658,015	283,511
Net trading income	(9)	32,845	44,426
Gains from financial investments	(19)	148,982	198,205
(Charged) Reversed of expected credit losses	(12)	(3,667,653)	(2,151,921)
Administrative expenses	(10)	(10,971,856)	(8,150,982)
Other operating (expenses) revenues	(11)	(2,130,295)	(970,176)
<b>Profit before income tax for the year</b>		<b>17,929,719</b>	<b>10,950,957</b>
Income tax expense	(13)	(5,560,030)	(4,290,003)
<b>Net profit for the year</b>		<b>12,369,689</b>	<b>6,660,954</b>
<b>The basic earnings per share from net profit for the year</b>	(14)	<b>1.17</b>	<b>1.07</b>

- The accompanying notes from (1) to (40) are an integral part of these separate financial statements and are to be read therewith.

Chief Financial Officer  
Mohamed Ibrahim



CEO & Managing Director  
Hussein Abaza



**Banque Du Caire**  
**(Egyptian Joint Stock Company)**  
**Separate Statement of Comprehensive Income**  
**for the year ended 31 December 2024**

**(All amounts are shown in thousands Egyptian Pounds)**

		<b>31 December 2024</b>	<b>31 December 2023</b>
Net profit for the year after income tax	(1)	12,369,689	6,660,954
Amount transferred to (from) retained earnings (net of tax)	(2)	4,340	(666)
<b>Items not reclassified to profit and loss</b>			
Net change-movement in fair value reserve for equity instruments at fair value through other comprehensive income		45,761	49,686
<b>Items reclassified to profit and loss</b>			
Net change in fair value reserve for debts instruments at fair value through other comprehensive income		730,711	47,991
<b>Total other comprehensive income items for the year, net of tax</b>	<b>(3)</b>	<b>776,472</b>	<b>97,677</b>
<b>Total comprehensive income for the year, net of tax</b>	<b>(1+2+3)</b>	<b>13,150,501</b>	<b>6,757,965</b>

- The accompanying notes from (1) to (40) are an integral part of these separate financial statements and are to be read therewith.

**Banque Du Caire**  
**(Egyptian Joint Stock Company)**  
**Separate Statement of Cash Flows**  
**for the year ended 31 December 2024**

(All amounts are shown in thousands Egyptian Pounds)	Note No.	31 December 2024	31 December 2023
<b><u>Cash flows from operating activities</u></b>			
Profit before income tax for the year		17,929,719	10,950,957
<b><u>Adjustments to reconcile net profit to cash flows from operating activities</u></b>			
Depreciation		504,434	397,849
Amortization	(21)	177,152	158,191
Expected credit losses charged	(12)	3,667,653	2,151,921
Other provisions charged	(28)	465,199	746,763
Impairment for other assets formed	(22)	17,147	4,388
Other provisions no longer required	(11)	(380,257)	(133,108)
Gains from the sale of property and equipment	(11)	(51,549)	(56,068)
Gains from the sale of assets revert to the bank	(11)	(2,743)	(778)
Foreign currency translation of other provisions	(28)	244,269	87,712
Utilized provisions other than loans provision	(28)	(43,060)	(25,632)
Proceeds from other provisions other than loans provisions	(28)	37	263
Loss (Reverse) impairment for associates' companies	(19)	28,884	(22,337)
(Reverse) gain from sale associates' companies	(19)	--	(570)
Dividend income	(8)	(658,015)	(283,511)
Foreign currency translation of sovereign debt instruments	(32)	261,183	61,442
(Reverse) gain from selling of debt instruments at fair value through OCI	(19)	(108,172)	(101,512)
(Reverse) foreign currency translation of financial investments of a monetary nature and other loans		11,323,443	(238,478)
Amortization of premium/discount of issuing financial investments	(19)	337,840	57,613
<b>Operating profit before changes in assets and liabilities provided from operating activities</b>		<b>33,713,164</b>	<b>13,755,105</b>
<b><u>Net (Increase) Decrease in assets</u></b>			
Due from banks		16,428,331	(12,476,285)
Loans and advances to banks		(10,510,918)	395,533
Loans and advances to customers		(36,767,915)	(40,235,444)
Financial derivatives		--	59,464
Other assets		(2,339,117)	(557,030)
<b><u>Net Increase (Decrease) in liabilities</u></b>			
Due to banks	(24)	1,398,996	(13,166,650)
Customers' deposits	(25)	50,206,042	51,881,759
Other liabilities		(2,240,645)	6,669,982
Retirement benefit liabilities	(30)	159,577	112,109
Income tax paid		(3,555,053)	(2,618,994)
<b>Net cash flows provided from operating activities (after)</b>		<b>46,492,462</b>	<b>3,819,549</b>



**Banque Du Caire**  
**(Egyptian Joint Stock Company)**  
**Separate Statement of Cash Flows**  
**for the year ended 31 December 2024**

(All amounts are shown in thousands Egyptian Pounds)	Note No.	31 December 2024	31 December 2023
<b>Net cash flows provided from operating activities (Before)</b>		<b>46,492,462</b>	<b>3,819,549</b>
<b><u>Cash flows from investing activities</u></b>			
Payments to purchase property and equipment and preparation of branches	(23)	(1,342,266)	(439,903)
Proceeds from the sale of property and equipment		54,053	58,021
Proceeds from the sale of assets revert to the bank		2,965	--
Proceeds from the sale of financial investments at fair value through OCI		218,023,961	193,666,508
Payments for purchases of financial investments at fair value through OCI		(213,765,213)	(179,042,303)
Proceeds from the redemption of financial investments at amortized cost	(19)	28,234,441	15,490,748
Payments for purchases of financial investments at amortized cost	(19)	(4,497,456)	(845,682)
Payments for investments in subsidiaries and associates		(810,588)	(731,425)
Proceeds from investments in subsidiaries and associates		--	1,290
Payments to purchase intangible assets	(21)	(193,206)	(141,476)
Dividends received		657,599	283,065
<b>Net cash flows provided from investing activities</b>		<b>26,364,290</b>	<b>28,298,843</b>
<b><u>Cash flows from financing activities</u></b>			
Proceeds from other loans		7,401,635	21,811,375
Payments for other loans		(12,834,054)	(3,430,625)
Dividends paid		(1,298,050)	(2,681,532)
Amounts paid under capital increase		--	6,500,000
<b>Net cash flows (used in) financing activities</b>		<b>(6,730,469)</b>	<b>22,199,218</b>
Net increase in cash and cash equivalent during the year		66,126,283	54,317,610
Beginning balance of cash and cash equivalent		110,766,103	56,448,493
<b>Cash and cash equivalent at the end of the year</b>		<b>176,892,386</b>	<b>110,766,103</b>
<b><u>Cash and cash equivalent are represented in the following:</u></b>			
Cash and balances at the Central Bank		28,575,939	37,558,228
Due from banks		141,239,629	67,525,985
Treasury bills and other governmental notes		40,707,447	55,942,307
Balances at the central bank within the mandatory reserve ratio		(17,045,649)	(26,798,483)
Due from banks with maturity more than 3 months		--	(6,682,795)
Treasury bills and other governmental notes (with maturity more than 3 months)		(16,584,980)	(16,779,139)
<b>Total cash and cash equivalent</b>	(34)	<b>176,892,386</b>	<b>110,766,103</b>

- The accompanying notes from (1) to (40) are an integral part of these separate financial statements and are to be read therewith.

**Banque Du Caire**  
**(Egyptian Joint Stock Company)**  
**Separate Statement of Changes in Equity**  
**for the year ended 31 December 2024**

<u>(All amounts are shown in thousands Egyptian Pounds)</u>	Note No.	Issued and paid-up capital	Amounts paid under capital Increase	Reserves	Difference between the present value and Face value for subordinated deposit	Net profit for the year and retained earnings	Total
<b>Balance as at 31 December 2022</b>		<b>10,000,000</b>	<b>4,000,000</b>	<b>2,747,025</b>	<b>2,053,600</b>	<b>3,678,739</b>	<b>22,479,364</b>
Dividends distributions		--	--	--	--	(2,740,791)	(2,740,791)
Amounts paid under capital increase		--	6,500,000	--	--	--	<b>6,500,000</b>
Transferred to legal reserve		--	--	155,476	--	(155,476)	--
Transferred to general banking risk reserve		--	--	126,700	--	(126,700)	--
Transferred to capital reserve		--	--	30,386	--	(30,386)	--
Expected Credit Loss on debt instruments at fair value through OCI		--	--	175,886	--	--	<b>175,886</b>
Difference between the present value and face value for subordinated time deposit		--	--	--	(407,292)	--	(407,292)
Net Change in other comprehensive income		--	--	97,677	--	(666)	<b>97,011</b>
Net profit for the year ended 31 December 2023		--	--	--	--	6,660,954	<b>6,660,954</b>
<b>Balance as at 31 December 2023</b>		<b>10,000,000</b>	<b>10,500,000</b>	<b>3,333,150</b>	<b>1,646,308</b>	<b>7,285,674</b>	<b>32,765,132</b>
Dividends distributions		--	--	--	--	(1,362,187)	(1,362,187)
Transferred to capital		9,000,000	(9,000,000)	--	--	--	--
Transferred to legal reserve		--	--	330,245	--	(330,245)	--
Transferred to general banking risk reserve		--	--	189,819	--	(189,819)	--
Transferred to capital reserve		--	--	56,068	--	(56,068)	--
Expected Credit Loss on debt instruments at fair value through OCI		--	--	190,967	--	--	<b>190,967</b>
Difference between the present value and face value for subordinated time deposit		--	--	--	(466,607)	--	(466,607)
Net Change in other comprehensive income		--	--	776,472	--	4,340	<b>780,812</b>
Net profit for the year ended 31 December 2024		--	--	--	--	12,369,689	<b>12,369,689</b>
<b>Balance as at 31 December 2024</b>	(31,32)	<b>19,000,000</b>	<b>1,500,000</b>	<b>4,876,721</b>	<b>1,179,701</b>	<b>17,721,384</b>	<b>44,277,806</b>

- The accompanying notes from (1) to (40) are an integral part of these separate financial statements and are to be read therewith.

## 1. General Information:

Banque Du Caire S.A.E. was established as a commercial bank on 17 May 1952 under the provisions of the National Commercial Law for 1883 that was later replaced by the Commercial Law No. 17 for 1999 on 17 May 1999.

The address of its registered head office is as follows: 6 Dr. Moustafa Abo Zahra Street, Nasr City, behind Accountability State Authority, Cairo, Egypt.

Banque Du Caire offers its banking services that related to its activity in Egypt through 249 branches, offices, units and agencies. The Bank employs 8,362 employees at the financial statements preparation date for the year ended 31 December 2024.

On May 2007, Banque Misr acquired all shares of Banque Due Caire, and its ownership has transferred to Banque Misr on Egyptian Stock Exchange.

On May 2009 the Minister of Finance approved on selling 5 shares stock to Misr for Investment and Misr Abu Dhabi for Real Estates. As a result, the bank became subject to Egyptian Companies Law No. 159 of 1981 and its Executive Regulations.

On March 28, 2010, the amendment of the Bank's Articles of Association was approved for Law 159 of 1981 in the Office of Investment Documentation under the Registration Document No. 176 of 2010 and its impact by the commercial registration on 30 March 2010.

On May 2010, Banque Misr established Misr Financial Investment Company with 99.999% of its contribution share capital to act as its investment arm.

On June 2010, Banque Misr transferred some of long-term investments (including Banque Du Caire) to Misr Financial Investment Company.

On 19 December 2010, Banque Du Caire's Extraordinary General Assembly approved transferring Banque Du Caire's ownership to Misr for financial investments Company, the amendment of bank articles of association by that.

On 27 June 2010 Extraordinary General Assembly approved on amend article of association (article 42) amending the financial year to start on 1st of January and end on 31 December instead of 1st of July and end at the end of June of the following year.

On 15 December 2016 Extraordinary General Assembly approved amendment on article of association (article 6) which increase bank's capital by the value of retained earnings amounting by EGP 650 million, and determine the bank's authorized capital by EGP 10 billion, and determine the bank's issued capital by EGP 2,250 billion divided into 562,500 thousand shares with a par value of EGP 4 each and the bank's shareholders structure became as follows:

Misr Financial Investment company	562,499,985 shares
Banque Misr	8 shares
Misr Abu Dhabi for Real Estate company	7 shares

On 29 December 2016 article 6 capital increase has been amended in the commercial register and at investment prospectus latest publication number 43396 issued on 30 January 2017 amending article7.

On 15 July 2018, Extraordinary General Assembly approved to amend article 6 to add Banque Misr instead of Misr Investment Company.

On 19 December 2019, the Extraordinary General Assembly of "Misr Financial Investments SAE" approved by the Financial Regulation Authority on 11 Feb 2020 by noting in the Commercial Register on February 20, 2020 that the company name has been changed to "Misr Capital SAE." without any change in other data.

On 22 September 2019, Central Bank of Egypt approved amendment on article of association (article 6) which related to increase of Issued Capital and Shareholders Structure.

On 22 September 2019, Extraordinary General Assembly approved on Capital Increase by 3 billion EGP to increase from EGP 2,250 billion to EGP 5,250 billion, all of the increase related to Banque Misr and article 6 in the commercial register has been amended as follows: -

The authorized Capital amounted to EGP 10 billion, and the issued Capital amounted to EGP 5,250 billion distributed to 1,312,500 thousand shares with Face Value EGP 4 per each and Bank's shareholders structure as follows:

Banque Misr	750,000,008 shares
Misr Capital company	562,499,985 shares
Misr Abu Dhabi for Real Estate company	7 shares

- Capital increase has been amended in the commercial register at 02 February 2020.
- On 04 October 2020 article 6 of the bank's statute has been amended in investment prospectus as follows: -

The bank's authorized capital determined by EGP 10 billion, and determine the bank's issued capital by EGP 5,250 billion divided into 2,625,000 thousand shares with a par value of EGP 2 each and the bank's shareholders structure became as follows: -

Banque Misr	1,500,000,016 shares
Misr Capital company	1,124,999,970 shares
Misr Abu Dhabi for Real Estate company	14 shares

- On 28 April 2022 Banque Misr purchased the shares of Banque du Caire owned by Misr Capital Company, which amounted to 1 124 999 956 shares, so that Banque Misr's contribution to Banque du Caire became 99.99% instead of 57.14%.
- On 06 November 2022 article 6 of the bank's statute has been amended in investment prospectus as follows: -

The bank's authorized capital determined by EGP 20 billion, and determine the bank's issued capital by EGP 10 billion divided into 5 billion shares with a par value of EGP 2 each.

Capital increase has been recognized in the commercial register at 07 November 2022.

- On 16 April 2024 article 6 of the bank's statute has been amended in investment prospectus as follows: -

The bank's authorized capital determined by EGP 50 billion, and determine the bank's issued capital by EGP 19 billion divided into 9.5 billion shares with a par value of EGP 2 each and the bank's shareholders structure became as follows: -

Name	No. of shares	Face value by EGP
<b>Banque Misr</b>	9,499,999,972	18,999,999,944
<b>Misr Capital company</b>	14	28
<b>Misr Abu Dhabi for Real Estate company</b>	14	28
<b>Total</b>	<b>9,500,000,000</b>	<b>19,000,000,000</b>

Capital increase has been recognized in the commercial register at 28 March 2024.

The Board of Directors approved the separate financial statements for the year ended 31 December 2024 on 23 February 2025.

## **2. Summary of significant accounting policies:**

Following are the significant accounting policies applied in the preparation of Separate financial statements. These policies have been consistently applied for all years presented unless otherwise stated.

### **2-1 Basis of preparing separate financial statements:**

The separate financial statements have been prepared accordance with the instructions of the central bank of Egypt (CBE), approved by the board of directors on 16 December 2008 with the addition of the requirements of IFRS 9 Financial Instruments in accordance with the instructions issued by the Central Bank of Egypt on 28 January 2018 and issued the final instructions for the preparation of the financial statements of banks in accordance with the requirements of International Financial Reporting Standard No. 9 on 26 February 2019, the separate financial statements have been prepared in accordance with provision of relevant local law.

The Bank applied the instructions of the Central Bank of Egypt (CBE) rules IFRS 9 "Financial Instruments" starting from January 01, 2019, the following summarize the main accounting policies changes resulted from applying the required instructions also, the disclosure of significant judgments and estimates related with impairment in value at financial risk management disclosures

The consolidated financial statements of the Bank and its subsidiaries have been prepared in accordance with the instructions of the Central Bank of Egypt (CBE) rules, the affiliated companies are entirely included in the consolidated financial statements and these companies are the companies that the Bank - directly or indirectly has more than half of the voting rights or has the ability to control the financial and operating policies, regardless of the type of activity,

The investments in subsidiaries and associates are presented in the Bank's separate financial statements and accounted for at cost less impairment losses. The Bank's separate financial statements are read in therewith consolidated financial statements as at and to obtain complete information on the Bank's financial position and the results of its operations, its cash flows and changes in its ownership rights.

The financial statements at December 31, 2018 have been prepared in accordance with the instructions of the Central Bank of Egypt (CBE) rules approved by its Board of Directors on December 16, 2008 and starting from January 01, 2019, the financial statements have been prepared according to Central Bank of Egypt (CBE) instructions dated on February 26, 2019 to prepare financial statements according to IFRS 9 "Financial Instruments".

The accounting policies set out below have been changed by the management to comply with the adoption of these instructions.

### **2-2 Accountancy for Investments in subsidiaries and associates:**

Investments in subsidiaries and associates are accounted for using the cost method; which represent the bank direct ownership shares and not based on financial results and not on net assets of the invested in companies And the consolidated financial statements provide a wider understanding for the consolidated financial position, business results and the consolidated cash flows for the bank and its subsidiaries (The Group), in addition to the bank's share in the net assets of its associate companies.

#### **2-2-1 Subsidiary Companies:**

Subsidiaries are entities (including Special Purpose Entities / SPEs) over which the bank exercises a direct or indirect control over its financial and operating policies to obtain benefits from its activities. The Bank usually has a shareholding of more than half of its voting rights, and with existence and effect of future voting rights that can be exercised or transferred at the present time are taken into consideration when evaluating whether the Bank has the ability to control the Company.

#### **2-2-2 Associate Companies:**

Associates are entities over which the bank exercises a direct or indirect significant influence without reaching the extent of control. Normally the bank holds ownership equities ranging between 20% and 50% of the voting rights.

Purchase method of accounting has been applied for the bank's acquisition of subsidiaries and associates when initial recognized (on the date of acquisition); the acquisition date is the date on which the acquirer obtains control



or significant influence of acquire “subsidiary or associate”. According to the purchase method, the investments in subsidiaries and associates are initially recognized at cost (which may be incorporated goodwill). The acquisition cost represents the fair value of the consideration given in addition to the other acquisition related costs.

In business combination achieved in stages, and business combination achieved through more than one transaction, is then dealing with every transaction of such transactions that separately on the basis of the acquisition consideration and fair value information at the date of each transition until the date where the control is achieved. Investments in subsidiaries and associates are accounted for using the cost method; According to this method, the investments are recognized at an acquisition cost, including any goodwill, and any subsequent impairment losses in the value are deducted from it. The income of the bank from the distribution of profits of the subsidiary and Associate companies is recorded in the income statement when the companies have approved the distribution of these profits and the bank’s right to collect them is proven.

## **2-3 Segment reports**

A business segment is a group of assets and operations engaged in providing products or services that are subject to risk and return that are different from those of other business segments.

A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risk and returns different from those related to geographical segments operate in other economic environments.

## **2-4 Foreign currencies translation**

### **2-4-1 Functional and presentation currency**

Bank’s financial statements are presented in Egyptian pounds, which is the bank’s functional and presentation currency.

### **2-4-2 Transactions and balances denominated in foreign currencies**

- The bank holds its accounts in Egyptian pounds. Transactions in foreign currencies during the financial period are recorded using the prevailing exchange rates at the date transactions. Monetary assets and liabilities in foreign currencies are re-translated at the end of the period using the prevailing exchange rates at that date.
- Foreign exchange gains and losses resulting from settlement of such transactions and as well as the differences resulting from the re-evaluation are recognized in the income statements under the following items:
  - Net trading income for assets / liabilities classified for trading purpose.
  - Other operating revenue (expenses) for the remaining items.
- Changes in the fair value of the financial instruments with monetary nature in foreign currencies, classified as financial investments at fair value through other comprehensive income (debt instruments), are analyzed into evaluation differences resulting from changes in the amortized cost of the instrument, differences resulting from the changes in the prevailing exchange rates and differences resulting from the changes in the instrument's fair value. The evaluation differences resulting from the changes in the amortized cost are recognized in the income statement within "Interest and similar income". The differences relating to changes in exchange rates are recognized in "other operating income (expenses)". "Differences resulting from changes in fair value are recognized under "fair value reserve – financial investments at fair value through other comprehensive income" in the shareholders' equity.
- The translation differences resulting from non-monetary items include profits and losses resulting from changes in fair value such as equity instruments held in fair value through profits and losses, while translation differences resulting from equity instruments classified as financial investments at fair value through other comprehensive income are recognized with "fair value reserve- financial investments at fair value through other comprehensive income " under the shareholders' equity

## 2-5 Financial Assets and liabilities

### 2-5-1 Recognition and initial measurement

The Bank recognizes financial assets and liabilities on the date that the Bank becomes a party to the contractual terms of the financial instrument.

The financial asset or liability is initially measured at fair value. Those that are not subsequently measured at fair value through profit or loss are measured at fair value plus transaction cost that is directly attributable to the acquisition or issue.

### 2-5-2 Classification

#### A- Financial assets

- On initial recognition, the Bank classifies financial assets into financial assets at amortized cost, financial assets at fair value through other comprehensive income or at fair value through profit or loss.
  - The financial asset is measured at amortized cost if both of the following conditions are met and have not been allocated by the management of the Bank upon initial recognition at fair value through profit or loss:
    - The financial asset is retained in a business model whose objective is only to maintain the financial asset for the collection of the contractual cash flows.
    - The contractual terms of the financial asset, on specific dates, result in contractual cash flows of the asset that are only the principal of the financial instrument and the proceeds.
  - The debt instrument is measured at fair value through other comprehensive income and was not allocated at initial recognition at fair value through profit or loss if both of the following conditions are met:
    - The financial asset is held in a business model whose objective is to collect contractual cash flows and sell the financial asset.
    - The contractual terms of the financial asset, on specific dates, result in contractual cash flows of the asset that are not only the principal of the debt and the return.
  - Other financial assets are classified as investments at fair value through profit or loss.
- In addition, at initial recognition, the Bank may allocate irreversibly a financial asset as measured at fair value through profit or loss, although it meets the criteria for classification as a financial asset at amortized cost or at fair value through other comprehensive income, if doing so would substantially prevent or reduce the inconsistency that may arise in accounting measurement.

#### Business model assessment

Debt instruments and equity instruments are classified and measured as follows:

Financial instrument	Methods of measurement according to business model		
	Amortized cost	Fair value	
		Through other comprehensive income	Through profit and loss
Equity instruments	N/A	One-time option upon first recognition it is irreversible	Regular treatment of equity instruments
Debt instruments	Business model Assets held for collection Contractual cash flows	Business model Assets held for collecting Contractual cash flows and sale	Business model Assets held for trading

The Bank prepares, documents and approves Business Models in accordance with the requirements of IFRS 9 and reflects the Bank's strategy for managing financial assets and cash flows as follows:

Financial assets	Business model	Basic characteristics
<b>Financial assets at amortized cost</b>	Business model financial assets held for collection contractual cash flows	<ul style="list-style-type: none"> <li>The objective of the business model is to retain financial assets to collect the contractual cash flows represented in the principal amount of the investment and the proceeds.</li> <li>A sale is an exceptional event for the purpose of this model and under the terms of the criterion of a deterioration in the creditworthiness of the issuer of the financial instrument.</li> <li>Less sales in terms of rotating and value.</li> <li>The Bank performs clear and reliable documentation of the rationale for each sale and its compliance with the requirements of the Standard.</li> </ul>
<b>Financial assets at fair value through other comprehensive income</b>	Business model of financial assets held for the collection of contractual cash flows and sales	<ul style="list-style-type: none"> <li>Both the collection of contractual cash flows and sales are complementary to the objective of the model.</li> <li>Sales are relatively high (in terms of turnover and value) compared to the business model held for the collection of contractual cash flows</li> </ul>
<b>Financial assets at fair value through profit and loss</b>	Other business models include (trading - management of financial assets at fair value - maximizing cash flows by selling)	<ul style="list-style-type: none"> <li>The objective of the business model is not to retain the financial asset for the collection of contractual cash flows or retained for the collection of contractual cash flows and sales.</li> <li>Collecting contractual cash flows is an incidental event for the objective of the model.</li> <li>Management of financial assets at fair value through profit or loss to avoid inconsistencies in accounting measurement.</li> </ul>

- **The Bank assesses the objective of the business model at the portfolio level where the financial asset is retained as reflecting the way the business is managed and the manner in which the management is provided. The information to be taken into account when evaluating the objective of the business model is as follows:**
  - The documented policies and objectives of the portfolio and the implementation of these policies in practice. In particular, whether the management strategy focuses only on the collection of the contractual cash flows of the asset and maintaining a specific interest rate to meet the maturities of the financial assets with the maturity dates of the liabilities that finance these assets or generate cash flows through the sale of these assets.
  - How to evaluate and report on portfolio performance to senior management.
  - Risks affecting the performance of the business model, including the nature of the financial assets held within that model and the manner in which these risks are managed.
  - How to determine the performance assessment of business managers (fair value, return on portfolio, or both).
  - The periodically, value and timing of sales in prior periods, the reasons for such transactions, and expectations regarding future selling activities. However, information on sales activities is not taken into account separately, but as part of a comprehensive assessment of how the Bank's objective of managing financial assets and how to generate cash flows is achieved.
  - Financial assets held for trading or managed and its performance are measured at fair value through profit or loss as they are not held to collect contractual cash flows or to collect contractual cash flows and sell financial assets together.
- Assess whether the contractual cash flows of the asset represent payments that are limited to the principal amount of the instrument and the proceeds.  
For the purpose of this valuation, the Bank defines the original amount of the financial instrument as the fair value of the financial asset at initial recognition. The return is defined as the time value of money and the credit risk associated with the original amount over a specified period of time and other basic lending risk and costs (such as liquidity risk and administrative costs) as well as profit margin.

To assess whether the contractual cash flows of an asset are payments that are limited only to the asset of the financial instrument and the yield, the Bank takes into consideration the contractual terms of the instrument. This includes assessing whether the financial asset includes contractual terms that may change the timing or amount of contractual cash flows, thereby not meeting that requirement. In order to conduct such an assessment, the Bank shall consider:

- Potential events that may change the amount and timing of cash flows.
- Leverage characteristics (interest rate, maturity, currency type).
- Terms of accelerated payment and term extension.
- Conditions that may limit the ability of the Bank to claim cash flows from certain assets.
- Features that may be adjusted against the time value of money (re-setting the interest rate Periodicity).

#### **Financial liabilities**

- When the initial recognition of the Bank classifies its financial liabilities to financial liabilities at amortized cost, financial liabilities at fair value through profit and loss, based on the objective of the business model of the Bank
- All financial liabilities are recognized initially at fair value at the date on which the Bank becomes a party to the contractual terms of the financial instrument.
- Financial liabilities classified at amortized cost are subsequently measured at amortized cost using the effective interest rate.
- The financial liabilities are measured at fair value through profit and loss are subsequently carried at fair value and recognized the change in the fair value of the change in the degree of the Bank's credit rating in the statement of other comprehensive income while the remaining amount of the change is displayed in the fair value in the statement of profits and losses.

### **2-5-3 Disposal**

#### **A) Financial Assets**

- The financial asset is derecognized when the contractual right to receive cash flows from the financial asset expires or when the Bank has transferred the right to receive the contractual cash flows in a transaction in which the risks and rewards of ownership are transferred substantially to another party.
- When a financial asset is derecognized, the difference between the carrying amount of the asset (or the carrying amount of the portion of the asset disposed of) and the aggregate of the consideration received (including any new asset acquired less any new obligation incurred) is recognized in P/L and Consolidated gains or losses previously recognized in the fair value reserve for financial investments at fair value through other comprehensive income.
- any cumulative gain or loss recognized in other comprehensive income related to investment in equity instruments designated as investments at fair value through Other comprehensive income statement is not recognized in profit or loss when the asset is derecognized so that the differences relating to it are transferred directly to retained earnings. Any share created or retained from the asset eligible for disposal (meeting the disposal terms) is recognized as a separate asset or liability.
- When the Bank enters into transactions by which it transfers assets previously recognized in the statement of financial position but retains substantially all or all of the risks and rewards associated with the transferred asset or part thereof. In such circumstances, the transferred asset is not excluded.
- For transactions where the Bank neither substantially retains substantially all the risks and rewards associated with ownership of the asset and retains control over the asset, the Bank continues to recognize the asset within its continuing association with the financial asset. The Bank's continuing correlation with the financial asset is determined by the extent to which the Bank is exposed to changes in the value of the transferred asset.
- In some transactions, the Bank retains the obligation to service the transferred asset against a commission, at which point the transferred asset is derecognized if it meets the exclusion criteria. An asset or liability for a service contract is recognized if the commission is greater than the appropriate amount (asset) or less than the appropriate amount (obligation) to perform the service.

#### **B) Financial liabilities**

- The Bank will derecognize the financial obligations when the contract is disposed of, canceled or terminated.

## 2-5-4 Amendments to Financial Assets and Financial liabilities

### a) Financial Assets

- If the terms of a financial asset are adjusted, the Bank assesses whether the cash flows of the asset being modified are materially different. If the cash flows are materially different, the contractual rights to the cash flows from the original financial asset are considered to have expired and the original financial asset is derecognized. A new financial asset is recognized at fair value and the resulting value is recognized as a result of adjustment of the total carrying amount as profit or loss in profit or loss. If the amendment is due to financial difficulties for the borrower, the profits are deferred and presented with the compound of impairment losses while the losses are recognized in the statement of profit and loss.
- If the cash flows of the asset recognized at amortized cost are not materially different, the adjustment does not result in the disposal of the financial asset.

### B) Financial liabilities

The Bank adjusts its financial liability when its terms of reference are modified and the cash flows of the modified obligation are substantially different. In this case, a new financial liability is recognized based on the modified terms at fair value. The difference between the carrying amount of the old financial liabilities and the new financial liability is recognized on the adjusted terms in the statement of profit and loss.

### Off setting Financial Assets and Financial liabilities

Financial assets and liabilities are offset in case the bank has a legal right in force to undertake the offsetting of the recognized amounts and it intends to settle the amounts on a net basis or to receive the asset and settle the liability simultaneously .

Agreements for purchasing treasury bills with commitment to resell and the agreements for selling treasury bills with commitment to repurchase are presented based on the net basis in the balance sheet within the item of accrued expenses.

## 2-5-5 Fair value measurement

- The Bank determines the fair value on the basis that it is the price to be acquired for the sale of an asset or to be paid for the transfer of an obligation in an orderly transaction between the market participants on the measurement date, taking into account when measuring fair value, the characteristics of the asset or liability, the characteristics are taken into consideration when pricing the asset and / or liability at the measurement date. These characteristics include the condition and location of the asset and the restrictions on the sale or use of the asset to market participants.
- The Bank uses the market approach to determine the fair value of financial assets and liabilities as this approach uses prices and other relevant information arising from market transactions involving assets, liabilities or a group of assets and liabilities that are identical or comparable. The Bank may therefore use valuation techniques consistent with the market approach, such as market multipliers derived from comparable groups. The choice of the appropriate multiplier within the range would therefore require the use of personal judgment, taking into account the quantitative and qualitative factors of the measurement.
- When the market cannot be relied upon in determining the fair value of a financial asset or a financial liability, the Bank uses the income method to determine the fair value by which future amounts such as cash flows or income and expenses are transferred to a current amount (discounted) Current market about future amounts.
- Where the fair value of a financial asset or a financial liability cannot be relied upon income and market approach, the Bank uses the cost approach to determine the fair value to reflect the amount currently being requested to replace the asset in its current condition (the current replacement cost) to reflect the fair value The cost borne by the market participant as a buyer of an alternative asset has a similar benefit since the market participant as a buyer will not pay in the original more than the amount for which the benefit is exchanged for the asset.

### The valuation techniques used in determining the fair value of a financial instrument include:

- Declared prices of similar assets or liabilities in active markets.
- Interest rate swaps by calculating the present value of expected future cash flows based on the observed yield curves.



- The fair value of future currency exchange contracts using the present value of the expected cash flow value using the future exchange rate of the currency in question.
- Analysis of cash flows discounted in determining the fair value of other financial instruments.

## **2-6 Financial derivative instruments and hedge accounting**

- Derivatives are recognized at fair value at the date of entering into the derivative contract and are subsequently re-measured at their fair value. Fair value is obtained from quoted market prices in active markets, recent market transactions or valuation techniques such as discounted cash flow models and option pricing models, as appropriate. All derivatives are stated as assets if their fair value is positive or included in liabilities if their fair value is negative.

Derivative contracts are not separated when the derivative is linked to a financial asset and the derivatives contract is therefore fully classified with the associated financial asset.

The method of recognition of gains and losses arising from changes in fair value depends on whether the derivative is designated as a hedging instrument and the nature of the hedged item. The Bank allocates certain derivatives as any of the following:

1. Fair value hedges of recognized assets and liabilities or commitments (fair value hedges).
  2. Hedges of the expected future cash flows attributable to a recognized asset or liability, or attributable to a forecasted transaction (cash flow hedges).
  3. Net investment in foreign operations (net investment coverage).
- Hedge accounting is used for derivatives designated for this purpose if they qualify for accounting as hedging instruments.
  - At the inception of the transaction, the Bank documents reliably the relationship between hedged items and hedging instruments, as well as the objectives of risk management and strategy from entering into various hedge transactions. The Bank also establishes, at the inception of the hedge, on an ongoing basis, the underlying documentation to assess whether the derivatives used in hedge transactions are effective in meeting changes in the fair value or cash flows of the hedged item.

### **2-6-1 Fair value hedges**

- Changes in the fair value of designated derivatives eligible for fair value hedges are recognized in the statement of profit and loss with any changes in the fair value attributable to the risk of the underlying asset or liability.
- The effect of effective changes in fair value of interest rate swaps and related hedged items is recognized under "net interest income ". While the effect of effective changes in the fair value of future currency contracts is recognized under "Net income of financial instruments at fair value through profit or loss".
- The effect of ineffectiveness in all contracts and related hedged items in the previous paragraph is recognized under "Net income of financial instruments at fair value through profit or loss"
- If coverage no longer meets the hedge accounting requirements, the adjustment to the carrying amount of the hedged item that is accounted for in the amortized cost method is amortized by taking it to profit and loss over the period to maturity. Recognition of equity is continued through adjustments to the carrying amount of the hedged equity instrument until it is derecognized.

## 2-6-2 Cash flow hedge

- The other comprehensive income statement recognizes the effective portion of changes in the fair value of designated derivatives eligible for cash flow hedges. Gains and losses relating to the ineffective portion of the statement of profit and loss are recognized immediately in "Net income of financial instruments at fair value through profit or loss".
- Amounts accumulated in the other comprehensive income statement are carried to the income statement in the same period in which the hedged item has an impact on profit or loss. Gains or losses relating to the effective portion of currency swaps and options are taken to "net income of financial instruments at fair value through profit or loss".
- When a hedging instrument is due or sold, or if coverage no longer meets the conditions for hedge accounting, gains or losses accumulated in other comprehensive income at that time are recognized in other comprehensive income and recognized in the income statement when the transaction is ultimately recognized Predicted. If the forecast transaction is no longer expected to occur, then the gain or loss accumulated in other comprehensive income is immediately carried to the statement of profit and loss.

## 2-6-3 Net investment hedge

Is recognized in the other comprehensive income statement as the gain or loss from the hedging instrument relating to the effective portion of the hedge, while the gain or loss is recognized immediately in profit or loss in respect of the ineffective portion. Gains or losses accumulated in the other comprehensive income statement are carried to the income statement on disposal of foreign operations.

## 2-6-4 Derivatives not eligible for hedge accounting

Gains and losses on "net income of financial instruments at fair value through profit or loss" are recognized in changes in the fair value of derivatives that are not eligible for hedge accounting, and are recognized in profit or loss as "net income from financial instruments at fair value through profit or loss" And losses arising from changes in fair value of derivatives managed in connection with financial assets and liabilities at fair value through profit or loss.

## 2-7 Net income of financial instruments at fair value through profit or loss

Net income of financial instruments at fair value through profit or loss represents gains and losses on assets and liabilities at fair value through profit or loss and includes changes in fair value whether realized or unrealized, interest, dividends and differences in exchange rate.

## 2-8 Loans and Debts

**Loans and advances represent non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, with the exception of:**

- Assets which the bank intends to sell immediately or in the short term, in which case. They are classified as assets held for trading or assets classified at inception at fair value through profit or loss.
- Assets classified at fair value through other comprehensive income for sale at initial recognition.
- Assets for which the bank will not be able to substantially recover all of value of its initial investment, for reasons other than creditworthiness deterioration.

## 2-9 Interest Income and Expenses

Interest income and expense for all interest-bearing financial instruments, except for those classified as held for trading or designated at fair value through profit or loss are recognized within 'interest and similar income' and 'interest and similar expense' in the income statement using the effective interest rate

The effective interest rate is a method of calculating the amortized cost of a financial asset or a financial liability and allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Bank estimates cash flows considering all contractual terms of the financial instrument (for example, early payment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts. Once a financial asset has been classified as nonperforming or impairment then related, interest income is not recognized and it is allocated in marginal records off-balance sheet and it is recognized as income on monetary bases according to the following:

- When they are collected and after receiving all past due installments for consumption loans mortgage loans, and small loans business loans, the interest will be recognized as revenues when it's collected and that is after the full recovery of the overdue.
- Regarding to corporate loans, the cash basis is also followed, as the return calculated later in accordance with the terms of the loan scheduling contract is higher against the recognition of unearned interest on credit balances until 25% of the scheduling installments are paid, with a minimum regularity of one year. In the case of the client continues in regularity, the interest is recognized in the revenue which is calculated on the balance of the existing loan (return on the balance of the regular scheduling) without the marginal return. Before scheduling, which is not included in revenue until after paying the full balance that appears in the loan in the budget before scheduling

## 2-10 Fees and Commission Income

Fees due from servicing the loan or facility which is measured by amortized cost shall be recognized in the income when performing the service, while the fee and commission income related to non-performing or impaired loans shall not be recognized, as it shall be on off-balance sheet of the financial statements. Then it shall be recognized within the income pursuant to the cash basis when the interest income is recognized according to item (2-9). As for fees, which represent an integral part of the actual return of the financial assets in general, they shall be treated as an amendment to the effective interest rate Commitment fees on loans shall be postponed, if there is a probability that these loans will be withdrawn, taking into account that these fees which the bank receives are a compensation for the constant intervention to acquire the financial instrument. Then they shall be recognized by amending the effective interest rate on the loan. When the period of commitment expires without the loan being issued by the bank, these fees shall be recognized within the income at the expiry of the commitment's validity.

Fees on debt instruments measured at fair value shall be recognized within revenue at the initial recognition. Fees on the promotion of the syndicated loans shall be recognized within revenue when the promotion process is completed and the bank does not retain any portion of the loan or if the bank retains a portion for itself earning of the actual rate return which is available to other participants as well.

Fees and commission resulting from negotiations or the participation in negotiations on a transaction in favor of a third party shall be recognized within the income statement- such as the arrangement of the acquisition of shares or other financial instruments, or the acquisition or selling of premises- when the specific transaction is completed. The administrative consultations fees and other services are normally recognized based on the distribution over time relative to the service performance period. However, the financial planning management fees and conservation services fees, which are provided for long period of time, are recognized over the period during which the service is performed.

## 2-11 Dividend Income

Dividends are recognized in the income statement when decision is taken by the competent authority of declaring the right of collection.

## 2-12 Purchase agreements aligned with resale and sale agreements aligned with repurchase

Sold securities subject to repurchase agreements are presented within assets in addition to purchased treasury bills with a commitment to resale on the balance sheet, and the commitment (purchase and resale agreements) is presented with the commitment to repurchase on the balance sheet. the difference between sale and repurchase price is treated as interest and accrued over the life of the agreements using the effective interest method.

## 2-13 Impairment of financial assets

Impairment losses are recognized for the expected credit losses of the following financial instruments that are not measured at fair value through profit or loss:

- Financial assets that represent debt instruments.
- Due debts.
- Financial guarantee contracts.
- Loan commitments and similar debt instruments commitment

Impairment losses on investments in equity instruments are not recognized.

### **Debt instruments related to retail banking and small and micro finance**

The Bank consolidates debt instruments related to retail banking products and micro and small enterprises on the basis of groups with similar credit risk based on the type of banking product.

The Bank classifies debt instruments within the Retail Banking Group or micro and small enterprises into three stages based on the following quantitative and qualitative criteria:

Financial Instrument Classification	Stage 1		Stage 2		Stage 3	
	Basic Indicator (Quantitative Criteria)	Additional Indicator (Qualitative Criteria)	Basic Indicator (Quantitative Criteria)	Additional Indicator (Qualitative Criteria)	Basic Indicator (Quantitative Criteria)	Additional Indicator (Qualitative Criteria)
Financial Instruments Low Credit Risk	There is no Past dues	Scope of risks accepted				
Financial instruments have significant increase in credit risk			Delay within 30 days from the due date of contractual installments	<p>If the Borrower encounters one or more of the following events:</p> <ul style="list-style-type: none"> <li>-The Borrower has applied for the conversion of short-term to long-term repayments due to adverse effects related to the borrower's cash flows.</li> <li>-The bank canceled one of the direct facilities by the bank due to the high credit risk of the borrower.</li> <li>-Extension of the time limit granted for payment at the request of the borrower.</li> <li>-Recurring previous arrears during the previous 12 months.</li> <li>-Negative future economic changes that affect the borrower's future cash flows</li> </ul>		
Impaired financial instruments					When the borrower delays more than 90 days from the payment of his contractual installments	N/A



**Debt instruments related to medium enterprises and projects**

The Bank aggregates debt instruments relating to medium-sized enterprises and enterprises based on similar credit risk groups on the basis of the Borrower Client Unit.

The Bank classifies customers within each group into three stages based on the following quantitative and qualitative criteria:

Financial Instrument Classification	Stage 1		Stage 2		Stage 3	
	Basic Indicator (Quantitative Criteria)	Additional Indicator (Qualitative Criteria)	Basic Indicator (Quantitative Criteria)	Additional Indicator (Qualitative Criteria)	Basic Indicator (Quantitative Criteria)	Additional Indicator (Qualitative Criteria)
Financial Instruments Low Credit Risk	There is no Past dues	Scope of risks accepted				
Financial instruments have significant increase in credit risk			Delay within 30 days from the due date of contractual installments	<p>If the borrower is on the checklist and / or the financial instrument you experience one or more of the following events:</p> <ul style="list-style-type: none"> <li>-Significant increase in the interest rate on the financial asset as a result of increased credit risk.</li> <li>-Significant negative changes in the activity or financial or economic conditions in which the borrower operates.</li> <li>-Request rescheduling.</li> <li>-Significant negative changes in actual or expected operating results or cash flows.</li> <li>-Negative future economic changes that affect the borrower's future cash flows.</li> <li>- Early signs of cash flow / liquidity problems such as delays in service of creditors / business loans.</li> </ul>		

Impaired financial instruments					When the borrower delays more than 90 days from the payment of his contractual installments*	When the borrower is unable to meet one or more of the following criteria, indicating that the borrower is experiencing significant financial difficulty. -The death or incapacity of the borrower. -The borrower's financial default. -Initiate scheduling as a result of the deterioration of the borrower's credit capacity. -Non-compliance with financial commitments. -Disappearance of the active market for the financial asset or one of the borrower's financial instruments due to financial difficulties. -Granting lenders privileges related to the financial difficulty of the borrower, which was not granted under normal circumstances. -The probability that the borrower will enter bankruptcy or restructuring due to financial difficulties. - If the borrower's financial assets are purchased at a significant discount that reflects the credit losses incurred.
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\* According to the circular issued by Central Bank of Egypt on 14 December 2021 regarding the temporary amendment of the treatment of non-performing loans to small and medium companies, according to the instructions of implementing IFRS9, as well as its amendments issued on 1 July 2024 to gradually cancel the exception for including customers of small and medium companies are included in the stage 3 during a period of 18 months until end of December 2025, so that this category of customers are included in the stage 3 in the event of non-compliance with the contractual terms as follows:

1- there are dues equal to or greater than 180 consecutive days that until end of December 2024.

2- there are dues equal to or greater than 150 consecutive days that until end of June 2025.

3- there are dues equal to or greater than 120 consecutive days that until end of December 2025.

This will result in the inclusion of customers include in the stage 3 when there are dues equal to or greater than 90 consecutive days as of January 2026.

- The financial assets created or acquired by the Bank are classified as having a higher credit risk rating than the Bank's low risk financial assets on initial recognition at stage 2 directly.

## 2-13-1 Measurement of expected credit losses

The Bank evaluates debt portfolios on a quarterly basis at the portfolio level for all financial assets of Retails, corporate, and SMEs on periodic basis with respect to the financial assets of institutions classified as a follow-up to control its credit risk. On a periodic basis, the criteria used to determine the significant increase in credit risk are reviewed and monitored periodically by the credit risk management.

The Bank assesses at each reporting date the impairment loss for financial instruments at an amount equal to the expected credit losses over the life of the financial instrument except for the following cases where the provision for impairment losses is estimated at an amount equal to the expected credit losses over the twelve months:

- 1) A debt instrument that has been identified as having a low credit risk at the date of the financial statements (debt instruments at stage1).
- 2) Other financial instruments Credit risk at the reporting date has not increased significantly since the initial recognition (debt instruments at stage1).

The Bank considers the expected credit losses to be a weighted probability estimate of the expected credit losses, which are measured as follows:

- The expected credit losses on financial assets are measured at the stage one based on the present value of the gross deficit calculated based on the historical probability of default scenarios adjusted by the average forecasts of macroeconomic indicators for the future twelve months multiplied by the value at default, taking in consideration the expected recovery rates when calculating the average Loss for each group of debt instruments with similar credit risk. Given the expected credit losses taking into account the amount and timing of payments, the credit losses arise even if the enterprise expects to pay in full but later after debt becomes payable under contractual terms. The expected credit losses over the twelve months are considered to be part of the expected credit losses over a lifetime arising from the defaulting events of a financial instrument and the potential within twelve months after the date of the financial statements.

- The expected credit loss of financial assets in the stage two is measured based on the present value of the total deficit calculated based on the historical probability of default scenarios adjusted by the average forecasts of the macroeconomic indicators for the life of the financial asset multiplied by the value at default, taking in consideration the weighting of the expected recovery rates in calculating the loss rate for each group of debt instruments with similar credit risk.

- Impaired financial assets at the reporting date are measured as the difference between the carrying amount of the asset and the present value of expected future cash flows.

- In calculating the specific loss rates, the Bank calculates the expected recovery rates from the present value of expected cash flows either from cash and in kind guarantees or historical or anticipated future repayment rates as follows:

- The Stage One: only the value of cash collaterals and their equivalents represented in cash and other financial instruments that can be converted into cash easily in a short period of time (3 months or less) and without any change (loss) in their value as a result of credit risks are considered.

- Stages two and three: only the types of guarantees are considered in accordance with the rules issued by the Central Bank of Egypt in September 2005 regarding the bases for assessing the creditworthiness of customers and the formation of provisions, while the value of these guarantees is calculated according to what is stated in the rules for preparing financial statements for banks and the basis for recognition and measurement issued by the bank. The Central Bank of Egypt on December 16, 2008.

- For debt instruments held by banks operating outside Egypt, the probability of default is determined on the basis of the credit rating of the head office of the bank operating outside Egypt and no more than the credit rating of the head office country taking into consideration the central bank instructions for countries risks. The loss rate is 45% at least.

- For the instruments held by the banks operating in Egypt, the probability of default is calculated on the basis of the classification of the bank by the external international rating institutions. The branches of the Egyptian banks abroad are treated as the main center. The branches of the foreign banks operating in Egypt, The loss rate is calculated at 45% at least.

- For debt instruments issued by non-banks, the probability of default is calculated on the basis of the rating of the issuer of the financial instrument by the external international rating institutions and no more than the credit rating of the issuing country in the case of external entities. The loss rate is calculated at 45% at least.
- Impairment provision on financial assets recognized in the financial position is deducted from the value of the financial asset at the time the statement of financial position is prepared, while the provision for impairment relating to loan commitments, financial guarantee contracts and contingent liabilities is recognized under other provisions of the financial position liabilities.
- For financial guarantee contracts, the Bank estimates the expected credit loss on the basis of the difference between the expected payments to the guarantee holder less any other amounts that the Bank expects to recover.

#### **Upgrading from the stage 2 to the stage 1**

The bank shall not transfer the financial asset from the stage2 to the stage1 until all the quantitative and qualitative elements of the stage 1 have been met and the total cash receipts from the financial asset are equal to or greater than the total amount of the installments due to the financial asset, if any the accrued interest as there has been continues 3 months from continuing to meet the conditions.

#### **Upgrading from the stage3 to the stage2**

- The bank does not transfer the financial asset from the stage three to the stage two unless all of the following conditions are met:
  - 1) Completion of all quantitative and qualitative elements of the stage two.
  - 2) Repayment of 25% of the balances of the outstanding financial assets, including unearned suspended interest according to circumstances.
  - 3) Regularity in paying for at least 12 months.

#### **The period of recognition of the financial asset within the last category of the stage2**

The period of recognition (classification) of the financial asset within the last category of the stage2 shall not exceed nine months from the date of its conversion to that stage.

### **2-13-2 Restructured financial assets:**

If the terms of a financial asset are renegotiated or modified or a new financial asset replaced by a current financial asset due to the financial difficulties of the borrower, an assessment is made as to whether the financial asset should be derecognized and the expected credit losses are measured as follows:

- If the restructuring will not lead to the disposal of the current asset, the expected cash flows from the adjusted financial asset are used when calculating the cash deficit in the current asset. The expected credit losses are calculated on the life of the instrument.
- If the restructuring will result in the disposal of the present asset, the expected fair value of the new asset is treated as final cash flows from the current financial asset when derecognized. This value is used to calculate the cash deficit from the current financial asset, which is deducted from the expected date of derecognition of the asset at the reporting date using the original effective interest rate of the current financial asset.

#### **Presentation of the expected credit loss provisions in the statement of financial position**

The provision for credit losses is presented in the statement of financial position as follows:

- Financial assets measured at amortized cost as a deduction from the total book value of the assets.
- Commitments for loans and financial guarantee contracts: Generally, as a provision.
- When the financial instrument includes both the used and non-used of the permitted amount of the instrument, and the Bank cannot determine the expected credit losses of the unused portion separately, the Bank presents a provision for collective loss to the used and non-used. The aggregated amount is presented as a deduction from the total book value of the user and any increase in the loss provision is shown on the total amount of the used as a provision for the unused portion.
- Debt instruments at fair value through other comprehensive income A provision for impairment is not recognized in the statement of financial position because the book value of such assets is their fair value. However, the provision for impairment is disclosed and recognized in the fair value reserve.

### 2-13-3 Debt Write Off:

Debt is written off (partly or fully) when there is no realistic possibility of repayment of that debt. In general, when the Bank determines that the borrower does not have the assets, resources or sources of income that can generate sufficient cash flows to repay the debts that will be written off, however, the impaired financial assets may remain subject to follow-up in light of the Bank's actions to recover the amounts due. Impairment allowance is charged the expected credit losses provision that are amortized whether or not they are provisioned. Any recoverable from previously written of loans are added to the expected credit losses.

### 2-13-4 Financial assets at amortized cost

At the end of each financial period, the Bank assesses whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset (or a group of financial assets) is impaired and impairment losses are incurred when there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (the loss event) and the loss event affects the future cash flows of the financial asset (Or group of financial assets) that can be reliably estimated.

**Indicators used by the Bank to determine the existence of objective evidence of impairment losses include:**

- Significant financial difficulties facing the borrower or the debtor.
- Violation of the terms of the loan agreement such as non-payment.
- Predict the bankruptcy of the borrower or enter into a liquidation or re-structuring of the financing granted to him.
- The borrower's competitive situation deteriorated.
- The Bank, for economic or legal reasons related to the borrower's financial difficulties, grants him privileges or concessions that the Bank may not agree to grant under normal circumstances.
- Decline in the value of the guarantee.
- Deterioration of the borrower's credit situation.

Objective evidence of impairment of a group of financial assets is the existence of clear data indicating a measurable decrease in the expected future cash flows from this group since its initial recognition, although it is not possible to determine the decline for each asset individually, for example an increase in the number of defaults for a banking product.

The Bank assesses the period of confirmation of loss, the period between the occurrence of loss and the identification of each specific portfolio.

The Bank first assesses whether there is objective evidence of impairment of each financial asset alone if it is of individual importance, as is the estimation at the aggregate or individual level of financial assets that are not individually significant. In this regard, the following shall be considered:

- If the Bank finds that there is no objective evidence that a financial asset has been impaired, whether individually significant or not, then the asset is included in the financial asset having similar credit risk characteristics and is evaluated together to estimate impairment in value at rates Historical failure.

- If the Bank finds that there is objective evidence that a single financial asset is impaired, it is considered to estimate its impairment. If the result of the study is a loss of impairment, the asset is not included in the group for which impairment losses are calculated on a consolidated basis. If the previous study shows that there is no impairment loss in the value of the asset individually, the asset is then included in the group.

- The amount of impairment loss provision is measured as the difference between the carrying amount of the asset and the present value of expected future cash flows discounted using the original effective yield rate of the financial asset. The carrying amount of an asset is reduced using the allowance for impairment losses and the impairment loss on credit losses and the reversal of impairment losses are recognized as a separate item in the income statement.

- In addition to the impairment charge recognized in the income statement as mentioned in the previous paragraph, the bank is also committed to applied to calculate the provisions required for impairment of these loans and advances as Assets at credit risk measured at amortized cost - including credit related commitments (Contingent Liabilities) - on the basis of credit rating ratios determined by the Central Bank of Egypt. If the provision for impairment losses calculated in accordance with these ratios is increased for the purpose of



preparing the financial statements of the Bank, the excess shall be deducted as a general reserve for bank risk within equity in respect of retained earnings. This reserve is Periodically adjusted to increase or decrease as appropriate. This reserve is not available for distribution except with the approval of the Central Bank of Egypt. Note (33-a) shows movement at the expense of general bank risk reserve during the financial year.

- If the loan or investment is held to maturity and carries a variable interest rate, then the discount rate used to measure any impairment loss is the effective yield rate in accordance with the contract at the date that objective evidence of impairment of the asset is determined. For practical purposes, the Bank may measure impairment losses on the fair value of the instrument using quoted market prices.

- For financial assets that are secured, when calculating the present value of expected future cash flows from a financial asset, the expected cash flows that may result from the sale and sale of the collateral and after deducting related expenses are taken into account.

- For the purpose of estimating impairment at an aggregate level, financial assets are grouped into similar groups in terms of credit risk characteristics, on the basis of the Bank's internal rating process, taking into consideration the type of asset, industry, geographical location, type of collateral, arrears position and other relevant factors. These characteristics are related to the estimated future cash flows of groups of these assets as an indication of the ability of debtors to pay the amounts due under the contractual terms of the assets under consideration.

- When estimating the impairment of group of financial assets based on historical default rates The estimated future cash flows of the Group are estimated on the basis of the contractual cash flows of the Bank's assets and the historical loss of assets with credit risk characteristics similar to the assets held by the Bank. The amount of historical losses is adjusted based on current data to reflect the impact of the current conditions that were not available during the period during which the historical losses were determined, as well as to eliminate the effects of the conditions that existed in historical period and are no longer present.

- The Bank ensures that changes in the cash flows of a group of financial assets reflect changes in relevant reliable data from period to period (such as changes in unemployment rates, real estate prices, repayment position and any other factors indicating changes in the probability of loss in the group) The Bank conducts a periodically review of the method and assumptions used to estimate future cash flows.

- The carrying amount of financial assets at amortized cost is reduced by the amount of impairment losses for all financial assets measured at amortized cost which recognized at preparing financial position. While the impairment Losses related to Loans Commitments, Financial guarantees Contracts and Contingent Liabilities have been recognized in Other Provisions Item in Financial Position Liabilities.

## **2-14 Investment Properties**

The investment properties represent lands and buildings owned by the Bank in order to obtain rental returns or capital appreciation and therefore does not include real estate assets which the bank operates through or those that have been ceded to the bank as settlement of debts which the bank used in its operation the bank applies cost value method which the same way applied with other similar property and equipment.

## **2-15 Intangible Assets (Computer Software)**

- Software developing and maintenance fees are recognized as expense in the income statement when it has been paid and it is recognized as intangible asset as expenses related to specific programs under the bank's control and it is expected to generate economic benefits for more than 1 year without exceeding its cost, the direct cost consist of the employee's costs who are part from the development team and the appropriate share from the related expenses, the costs that lead increase of the performance of the IT program over the specifications are recognized.
- Developing which leads to improvement and increase in the original IT program are recognized as expenses and added to the IT program cost IT programs costs- recognized as an asset- are amortized through the period of expected benefit in no more than 3 years by 33.3%.

## 2-16 Property and equipment

- the historical cost includes the charges directly related to acquisition of property and equipment items. Subsequent costs are included in the asset's carrying amount or are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the bank and the cost of the item can be measured reliably.
- All other repairs and maintenance are charged to other operating expenses during the financial period in which they are incurred and property and equipment includes Lands and premises represents mainly of land and buildings related to head office, branches and offices.
- Land shall not be subject to depreciation, while depreciation of other property and equipment shall be calculated using the straight-line method to allocate the cost over the useful life Property and equipment depreciation percentage represented as follow:

Additions property and equipment from 24 Nov 2019.  
are depreciation rate as follow:

Buildings & Constructions -	5%	20 years	2%	50 years
Furniture -	20%	5 years		
Machinery & Equipment -	20%	5 years		
Vehicles -	25%	4 years	20%	5 years
Integrated Automated systems -	20%	5 years		
Fixtures & fittings* -	33.3%	3 years	16.7%	6 years
Fixtures & fittings rental -	33.3%	3 years	16.7%	6 years

\* Starting from 28 February 2022, fittings depreciation periods have been amended to be 8-10 years by percentages (10% - 12.5%) instead of 6 years' percentages (16.7%).

- The assets' residual values and useful lives are reviewed, and adjusted, if necessary, at the end of each financial period. Assets that are subject to depreciation are reviewed for determining the extent of impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, an asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.
- The recoverable amount is the greater of its value in use or the net salable value of the asset. Gains and losses on disposals are determined by comparing proceeds from sale with its carrying amount. These are included in other operating revenues (expenses) in the income statement.

## 2-17 Other assets:

This item includes the other assets have not been classified within the specific assets of the financial position, such as the accrued revenues, prepaid expenses including the overpayment taxes (excluding tax liabilities Payments under purchase of property and equipment, and the deferred balance for losses of the first day and not yet amortized, and current and non-current assets that have been transferred to the Bank to meet debt Deduction for impairment losses), Insurance and covenants, gold bullion, commemorative coins, accounts under settlement, and balances not classified in any of the specified assets.

- The majority of other assets are measured at cost and where objective evidence of impairment exists in the value of the asset, the value of the loss for each asset is measured separately between the carrying amount of the asset and its net realizable value or the present value of estimated future cash flows discounted at the current market rate of assets Similar whichever is higher. The carrying amount of the asset is immediately recognized and the amount of the loss is recognized in the income statement under other operating income (expenses) If the impairment loss decreases in any subsequent period and the impairment can be objectively related to an event occurring after the impairment loss is recognized, the recognized impairment loss To the income statement provided that such de-recognition does not result in a carrying amount of the asset at the date of the reversal of the impairment loss that exceeds the amount to which the asset could have been had such impairment losses not been recognized.

**With respect to the assets to which its ownership transferred to the bank to fulfill debts, the following shall be considered:**

- In accordance with the Law of the Central Bank, it is prohibited for banks to deal in movable or real estate by buying, selling or barter other than the property designated for the management of the bank's business or recreation for workers and movable or property owned by the bank for a third-party debt recognized from the date of the write-down (i.e., the date of amortization) within assets owned by the Bank to meet debts and the Bank shall act accordingly as follows:

- Within one year from the date of the devolution of ownership to the movable.
- Within five years from the date of the devolution of property in relation to the property.
- The Board of Directors of the Central Bank of Egypt may extend the period if circumstances so require and may exempt some banks from this prohibition according to the nature of their activity.
- The assets acquired by the Bank are recognized as debts in accordance with the value of the Bank, which is the value of the debts that the Bank has decided to waive for these assets. If there is objective evidence that an impairment loss has occurred in the asset at a subsequent date of impairment, the loss per asset is measured separately by the difference between the carrying amount of the asset and its net realizable value or the present value of estimated future cash flows from the asset's use discounted at the current market rate of similar assets. The carrying amount of the asset is reduced through the use of an impairment account and the loss is recognized in the income statement under "other operating income (expense)". If the impairment loss is reduced in any subsequent period and it is possible to associate that decrease objectively with an event occurring after the impairment loss is recognized, then the impairment loss previously recognized is recognized in the income statement provided that such a recovery does not result in the impairment loss. The asset could have been made to it if such impairment losses had not been recognized.
- In light of the nature of the movable or immovable property of the Bank and subject to the provisions of the said Article, the movable or real estate shall be classified according to the Bank's plan or the nature of the expected benefit thereof within the property and equipment, real estate investments, shares and bonds or other assets available for sale as the case may be. Accordingly, the bases for the measurement of property and equipment, investment properties, shares and bonds are applied to assets acquired by the Bank in fulfillment of debts and classified under any of these terms.
- For other assets not included in any of these classifications and other assets available for sale are measured at cost or fair value determined by the Bank's authorized experts - less the selling costs - whichever is lower. The differences arising from the valuation of these assets are recognized in the income statement under "Other operating expenses", taking into account the disposal of such assets within the year specified in accordance with the provisions of the law. If these assets are not disposed of within the year specified in the Law of the Central Bank, the general bank risk reserve is increased by 10% of the value of these assets annually. The net income and expenses of the assets owned by the Bank are recognized in the income statement under "other operating revenues (expenses)".

## **2-18 Impairment of non-financial assets**

- Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that have an indefinite useful life except goodwill are not subject to amortization and are tested annually for impairment.
- An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount, the net realizable value represents the net selling value of the asset or its utilization value which is greater. For the purposes of estimation impairment, assets shall be linked to at the smallest available cash unit. Non-financial assets that have been impaired shall be reviewed to assess a reversal of the impairment to the income statement at each reporting date.

## **2-19 Lease**

- All leasing contracts shall be considered operational leasing ones.

### **2-19-1 Lease**

Operating lease payments less any discounts obtained from lessor is recognized as expenses in the income statement using the straight-line method over the contract term.

### **2-19-2 Leasing out**

Operating lease assets are accounted for at the property and equipment caption in the balance sheet and depreciated over the asset expected useful life using the same method applicable to similar assets. The lease rent income less any discount granted to the lessee will be recognized in the income statement using the straight-line method over the contract term.

## **2-20 Cash and cash equivalent**

For the purposes of presentation of the statement of cash flows, cash and cash equivalents include balances due within three months from date of acquisition, Cash and balances with Central Bank of Egypt other than the mandatory reserve, and due from banks and treasury bills and other governmental notes.

## 2-21 Other provision

- Provisions for restricting costs and legal claims are recognized when: the bank has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.
- When there are a number of similar obligations, the likelihood that an outflow is required to settle an obligation is determined taking into consideration the group of obligations as a whole, a provision is recognized even if the likelihood of an outflow with respect to any obligation in the group is minimal.
- Provisions no longer required are reversed in other operating revenues (expense).
- Provisions are measured at the present value of the expected required expenditures to settle obligations after one year from financial statement date using the appropriate rate in accordance with the terms of settlement ignoring the tax effect which reflects the time value of money. If the settlement term is less than one year, the provision is recognized using the present value unless time consideration has a significant effect.

## 2-22 Financial collateral contracts

These are contracts issued by the bank to guarantee loans or debit current accounts presented to banks' clients by other parties and in this case the bank is required to pay certain compensations to beneficiary against losses occurred due to delay in payments at maturity date according to the debt conditions. These guarantees are paid to banks, institutions and others on behalf of banks clients. They are initially recognized at fair value in the balance sheet at the date of granting the guarantee reflecting the guarantee issuance fees sometime later bank's commitment is measured initially by the amount of guarantee (after deducting calculated amortized recognized for guarantee fees in the income statement by using straight line method through the life of the guarantee) or the best estimate for requested payments to settle any financial obligation resulted from this guarantee which ever higher Estimates are based on previous experience of similar transactions, historical losses and it is supported by the management opinion .Any increase in obligation related to that financial guarantee is recognized at the income statement under other operating revenues (expenses)

## 2-23 Employee benefits

### 2-23-1 Employee benefits - Short Term

Represented in salaries, wages social insurance, paid annual vacations and bonus if due within 12 months from the end of the fiscal period as well as non-financial benefits such as medical care, housing, transportation providing free goods and services for current employees  
Employee benefits - Short Term's recognized in the income statement as expenses for the relevant period

### 2-23-2 Post-employment benefits - Medical Care

The bank provides medical care benefit to retired employees, where of this benefit condition of being in service until retirement age or to complete the minimum requirement of being in service and it is calculated as determined benefit system

- The commitment to the health care system for retirees is the current value of health care obligation in the date of financial statements after the necessary adjustments are made to obligation
- Retired employees medical care obligation is annually calculated (expected future cash flows) through Actuarial in the project unit credit method Retired employees medical care obligation current value is determined by deducting expected cash flows in respect to interest rate of government bonds in the same currency of benefits and in almost the same maturity dates.
- Actuarial profit(loss) resulting from amendments, changes of actuarial expectations are recognized in the income statement for profits or loss exceeding 10% of the system assets or 10% of the estimated benefits determined at the year before which ever higher, where this increase in profit or loss is recognized in the income statement through the expected average remaining working period.

Previous service costs are recognized in the income statement as administrative expenses unless changes in the retirement policy indicates that employees should spent a certain vesting period in service, in this case the previous service cost are amortized in straight line method in their due period.

### 2-23-3 Retirement Benefit:

The benefits of the pension are represented in the Bank's share in the social benefits of its employees, which are paid by the Bank to the General Authority for Social Insurance in accordance with the Social Insurance Law No. 79 for the year 1975 and its amendments shares are paid for each period and they are recognized in the income statement as salaries and wages under administrative expenses for the period employees in service. The bank share is paid as a determined subscription. Accordingly, there is no additional liability to the bank other than its share in social insurance which is due to pay for the social insurance authority.

### 2-24 Income tax

- Income tax on the profit or loss for the period includes the tax of the current period, deferred tax, and is recognized in the income statement. Except when they relate to items that are recognized directly in equity, in which case the tax is also recognized in equity.
- The income tax shall be recognized based on the net profit subject to tax through the application of the applicable tax rates at the date of preparing the balance sheet, in addition to the tax adjustments related to previous years.
- Deferred tax arising from temporary timing differences between the book value of assets and liabilities calculated according to the accounting principles, as well as its values shall be recognized according to the tax principles.
- The deferred tax value is based on the expected method to achieve or resolve asset values or obligations and use applicable tax prices, tax obligations are recognized for all temporary tax differences, while deferred tax assets are recognized for temporary tax differences, when a profit is likely to be achieved.
- The deferred tax shall be decreased with the portion from which the expected taxable benefit will not be achieved over the coming years. In case of the increase of the expected taxable benefits, the deferred tax assets shall be increased within the limit of previous reduction in the value of deferred tax assets. Deferred tax assets and liabilities are offset if the bank has a legal right that permits it to offset current tax assets and liabilities and when deferred income taxes are due to the same tax administration.

### 2-25 Borrowing

Loans obtained by the bank shall be recognized at inception at fair value minus the cost of the loan obtaining. Subsequently, the loans shall be measured by amortized cost. The difference between net proceeds and the amount to be paid over the borrowing period using the effective interest rate shall be recognized to the income statement.

### 2-26 Capital

#### 2-26-1 Capital shares and its cost

The issuance expenses, directly attributable to the issuance of new shares or shares against the acquisition of an entity, or the issuance of options shall be presented as a deduction from the shareholders' equity in net proceeds after taxes.

#### 2-26-2 Dividends distribution to the shareholders of the bank

Dividends shall be recognized through deducting the same from shareholders' equity in the period where the General Assembly meeting shareholder approves these dividends. They include the employees' share in profits and the remuneration of the board of directors prescribed by the article of association of the bank and the law, not recognize any commitment to the bank towards employees and members of the board of directors in retained earnings only when they are decided to distribute.

## **2-27 Custody Activity**

The bank has a custodian activity where it manages assets related to individuals or custody purpose or retirement fund and it is not recognized at the financial position as it is not a bank asset or profit

## **2-28 Subordinated Deposits (deposits advanced from Central Bank of Egypt and Banque Misr)**

The deposit is recognized as liability at current value, calculated by using a discount rate equal to the interest rate on governmental bonds that approximates the deposit term at the date of entry into force of the deposit. The difference between the face value of the deposit and its present value within the owner's equity is defined as face value difference from the present value of the subordinated deposit. The deposit shall be paid at the end of each financial period to the face value at the maturity date and that charged to the differences as mentioned above to reach, face value on the date of its maturity.

## **2-29 Comparatives**

Comparative figures for financial assets and liabilities are reclassified to comply with the current period financial statements presentation.

## **3. Financial risk management**

The bank is exposed to a variety of financial risks, while it practices its business and activities, and the acceptance of risk is considered the basis of financial business. Some risk aspects or a combination of risk are analyzed, assessed, and managed. The bank targets to achieve adequate balance between the risk and return, and to minimize likely adverse impacts on its financial performance. The most important types of risk are credit risk, market risk, liquidity risk and other operating risks. Market risk includes the risk of foreign exchange rates, interest rates and the other pricing risks.

The bank has developed risk management policies to define, analyze and control risk, and set, control and comply with its limits through a variety of reliable methods and up to date information systems. The bank conducts regular reviews and amendments of the risk management policies in order to reflect changes in the markets, products, and services, as well as the best up to date applications.

Risk management is carried out by Risk Management Division in the light of the policies approved by the Board of Directors. Risk division identifies, assesses, and hedges against the financial risk in close collaboration with the different operating units of the bank. The board of directors provides known principles for risk management as a whole, in addition to written policies, which cover defined risk areas such as credit risk, foreign exchange risk, interest rate risk, and the use of derivatives and non-derivatives financial instruments. In addition, Risk division is responsible for the periodically review to manage risk and control environment independently.

### **A. Credit Risk**

The Bank is exposed to credit risk, which is the risk that a party will fail to meet its obligations. The credit risk is the most important risk to the Bank, so management carefully manages exposure to that risk. Credit risk is mainly the lending activities that result in loans, facilities and investment activities that involve the Bank's assets on debt instruments. Credit risk is also found in financial instruments off-balance sheet such as loan commitments. Credit risk management and control processes are concentrated in the Credit Risk Management Team, which reports to the Board of Directors, senior management and heads of activity units on a regular basis.

The credit risk group establishes requirements at the bank level to identify, evaluate, monitor follow and report on credit risk, while business / support units are responsible for credit risk in their units while integrating business strategies with the Bank's risk to recover.

Credit risk policies and procedures have been developed to provide control over credit portfolios by Periodicity assessing borrowers' credit position and setting the maximum risk limit for a specific borrower. Risks to individual and / or group exposures are monitored Periodicity on a portfolio-by-portfolio basis. The Bank's credit policy provides detailed guidelines for effective credit risk management, where best market practices and instructions issued by emergency entities are reviewed and updated from time to time based on regulatory experience.

Credit policy is designed to ensure that risk management's strategies and objectives are fully identified, including:

- Strengthen and improve the Bank's ability to measure and reduce credit risk on a prudent basis to reduce credit losses.
- Strengthen and improve credit portfolio management procedures.
- Strengthen and improve the Bank's procedures for early identification of problem areas.
- Adherence to regulatory and industry best practices for credit risk management.

The policy addresses all activities and functions related to credit procedures covering coverage criteria. It contains the Bank's risk tolerance criteria and includes guidance on target markets (companies, businesses, SMEs and high solvency). The policy also defines the type of borrowers / industries to be desired. Some of the criteria relate to specific products and are monitored by the individual credit product policy. Other sections generally include credit quality criteria, purpose and terms of facilities, unsolicited loans, credit analysis, risk concentration, repayment ability, compliance with laws and regulations, expected losses and documentation.

## **B- Portfolio Control**

The portfolio is managed through portfolio diversification on purpose, industry / business sectors, ratings and geographical areas to avoid over-risking to specific economic sectors / credit products, which may be affected by adverse developments in the economy. In general, the Bank uses criteria for borrowers and business sectors to minimize risk concentration. The Bank's operations are concentrated in the Egypt, which reduces the risks of currency exchange, although geographical concentration remains present but acceptable and within the Bank's risk tolerance.

Personal loan portfolio is diversified where relatively small risks are adopted for a large number of customers based on the bank's salary conversion or the existence of specific risk guarantees on the products / employees

### **A/1 Credit risk measurement**

#### **- Loan Facilities to Banks and Customers**

To measure credit risk related to loans and facilities to banks and customers, the Bank considers the following three components:

- Probability of default by the customer or third parties in meeting their contractual obligations.
- The current status of the direct facilities and the future development of the indirect facilities likely to result in the Bank's resulting exposure at default.
- Loss given default

The Bank assesses the probability of default at each customer level using internal rating methods for detailed classification of different categories of clients. These methods have been developed internally and statistical analyzes are taken into account with the professional judgment of the credit officer to reach an appropriate merit rating. The Bank's customers are divided into four categories of merit and reflect the merit structure. The following table shows the probability of default for each category of merit. This means that credit centers are transferred between categories of merit according to the change in the assessment of the probability of default. If necessary, the Bank periodically assesses the performance of the rating methods and their ability to predict delays.

• **Bank's internal rating categories:**

Rating	Rating significance
1	Good debts
2	Normal watch-list
3	Special watch-list
4	Non-performing loan

The position subject to default depends on the amounts the bank expects to remain outstanding when the delay occurs. For example, for a loan, this position is the face value. For commitments, the bank lists all the amounts already withdrawn in addition to other amounts expected to be withdrawn up to the date of the delay, if it occurs.

**Debt instruments**

Concerning debt instruments, the bank uses external foreign rating or their equivalent rating to manage credit risk. If such ratings are not available, the bank applies similar methods to those applied to credit customers, and these investments in securities are seen as a way to obtain better credit quality and at the same time provide an available source to meet financing requirements.

**A-2 Risk Limit control and Mitigation Policies**

The bank manages, mitigates, and controls credit risk concentration at the level of debtor, groups, industries, and countries.

- The bank structures the levels of credit risk tolerance by placing limits for the risk tolerance in relation to each borrower or a class of borrowers, and at the level of economic activities and geographical sectors. Such risk shall be constantly monitored and controlled and shall be subject to reviews on an annual basis or more frequently if necessary. Limits of credit risk at the level of borrower/ the group / producer, the sector and the country shall be quarterly approved by the board of directors.
- Also credit risk exposure is managed by the yearly analysis of the present as well as the possible borrower's ability on fulfilling their obligations and also by amendment of the lending limits if appropriate.

**The following are some means of mitigating risk:**

- **Collaterals**

The bank employs a range of policies and controls to mitigate credit risk. Among the methods implemented is to obtain collateral against the extended funds.

The bank has set guiding rules for defined types of acceptable collaterals.

Among the main types of collaterals to loans and advances are the following:

- Mortgage
- Mortgage of business assets such as equipment and goods.
- Mortgage of financial instruments such as debt instruments and equity.

Usually, corporate lending is for a longer term and secured whereas credit facilities extended to individuals are unsecured. To reduce credit loss to its minimum, the bank seeks to get additional collaterals from the concerned parties as soon as indicators of a loan or facility impairment appear. The collaterals taken as collateral for assets other than loans and facilities are determined by the nature of the instrument, and debt instruments and treasury bills are usually unsecured, with the exception of sets of financial instruments covered by similar assets and instruments that are secured by a portfolio of financial instruments.



## **- Derivatives**

The Bank maintains prudent control over the net open positions of the derivatives, the difference between the purchase and sale contracts at the level of value and duration. The amount of credit risk at any given time is determined by the fair value of the instrument that is beneficial to the Bank, a positive fair value asset that is a fraction of the contractual / default value used to express the size of the existing instruments. This credit risk is managed as part of the total lending limit granted to the client with the expected risk due to changes in the market. Collateral against credit risk on these instruments is normally not obtained except for amounts requested by the Bank as marginal deposits from third parties.

The risk of settlement arises in situations where payment is made by cash, equity instruments or other securities or in exchange for the expectation of cash, equity instruments or other securities and daily settlement limits are set for each of the other parties to cover the risk of consolidated settlement arising from bank transactions any day.

### **- Credit related commitments**

- The main reason for credit related commitments is to ensure availability of funds upon client's request. Also, the financial guarantees contract bears the same loans credit risk. Letters of credit that bank issued instead of its clients to grant a third party the right to withdraw a certain value according to terms and conditions usually guaranteed with goods traded so it bears a less risk degree than direct loan.
- Credit related commitments represent the unused portion from approved limit, financial guarantees contracts or letters of credit. The bank bears expected losses with amount of total unused commitments and that is for credit risk resulted from grant credit. Although the more viable loss actually is less than unused commitments and that is for credit related commitments is grant for clients with specific credit nature. Bank is observing the commitments until maturity and that is for the long-term commitments have more credit risk degrees than short-term commitments.

## **A-3 Provisioning policy (Measurement of expected credit losses)**

The Bank's policies require the identification of three stages of classifying financial assets measured at amortized cost, loan commitments and financial guarantees as well as debt instruments at fair value through other comprehensive income in accordance with changes in credit quality since initial recognition and thereafter measuring the impairment losses (expected credit losses) as follows:

The un-impaired financial asset is classified at initial recognition in the (stage1) and credit risk is monitored continuously by the Bank's credit risk management.

In the case of a significant increase in credit risk since the initial recognition, the financial asset is transferred to the (stage2) and the financial asset is not considered at this stage (the expected credit loss over the life of the asset without impairment).

In case of indications of impairment of the financial asset, it is transferred to the (stage3). The Bank relies on the following indicators to determine whether there is objective evidence of impairment:

- A significant increase in the interest rate on the financial asset as a result of increased credit risk.
  - Significant negative changes in the activity and financial or economic conditions in which the borrower operates.
  - Scheduling request as a result of difficulties facing the borrower.
  - Significant negative changes in actual or expected operating results or cash flows.
  - Future economic changes affecting the borrower's future cash flows.
  - Early indicators of cash flow / liquidity problems such as delays in servicing creditors / business loans.
  - Cancellation of a direct facility by the bank due to the high credit risk of the borrower

The following table illustrates the proportional distribution of loans, credit facilities and their relevant impairment losses reported in the financial position for each of the internal ratings of the Bank:

	<u>31 December 2024</u>	<u>31 December 2023</u>
<b>Bank's Assessment</b>	<b><u>Loans and advances</u></b> <b><u>(%)</u></b>	<b><u>Loans and advances</u></b> <b><u>(%)</u></b>
1- Stage 1	72.53%	77.24%
2- Stage 2	22.91%	17.84%
3- Stage 3	4.56%	4.92%
<b>Total</b>	<b>100%</b>	<b>100 %</b>

#### A-4 The General Model for Measurement of Banking Risk

In addition to the four-creditworthiness ratings shown in (note no. A-1), the management also prepares ratings in the form of more detailed subgroups, which are in line with the requirements of the Central Bank of Egypt. Assets exposed to credit risk shall be rated in these subgroups pursuant to detailed rules and terms, which depend largely on customer related information, business and activities, financial position and performance of payments thereof.

According to Central Bank of Egypt adjusted rules starting from first year which the bank commit to apply these rules, the bank calculates the provision required for the impairment of these assets exposed to credit risk which impairment value has been solely estimated including credit related commitments using cash flow discounted method and for the group of assets that the impairment has been estimated as a group, the impairment calculated by historical default rates method. In case the impairment loss provision required according to ORR issued from Central Bank of Egypt exceeds the provisions as required according to adjusted rules by Central Bank of Egypt, that excess shall be debited to retained earnings and carried to the general reserve for banking risk in the shareholders' equity section. Such reserves shall be regularly adjusted, by any increase or decrease so that the reserve shall always be equal to the amount of increase between the two provisions. Such reserve shall not be subject to distribution, note (A-32) shows the "general banking risk reserve" movement during the period. Following is an indication of corporate credit worthiness categories according to internal rating principles, compared to the rating principles of the Central Bank of Egypt, and of the required provision percentages for the impairment of assets exposed to credit risk:

<u>CBE Rating</u>	<u>Rating's meaning</u>	<u>Provision Ratio</u> <u>required'</u> <u>According</u> <u>(CBE)(ORR)</u>	<u>Internal Rating</u> <u>According</u> <u>(CBE)(ORR)</u>	<u>Meaning of internal</u>
1	Low risk	0%	1	Performing loans
2	Average risk	1%	1	Performing loans
3	Satisfactory risk	1%	1	Performing loans
4	Reasonable risk	2%	1	Performing loans
5	Acceptable risk	2%	1	Performing loans
6	Marginally acceptable risk	3%	2	Regular follow up
7	Watch list	5%	3	Watch list
8	Substandard	20%	4	Non-Performing loans
9	Doubtful	50%	4	Non-Performing loans
10	Bad debts	100%	4	Non-Performing loans

**A/5 The Maximum Limit for Credit Risk before Collaterals and Suspended interest and provisions**

**Credit risk exposures of financial position items:**

	<u>31 December 2024</u>	<u>31 December 2023</u>
Cash and balances at Central Bank	17,045,649	26,798,483
Due from banks	141,239,629	67,525,985
Loans and advances to banks	16,407,767	5,885,773
<b>Loans and advances to customers:</b>		
<b><u>Retail:</u></b>		
-Overdraft accounts	1,344,713	2,245,080
-Credit cards	3,191,034	1,756,035
-Personal loans	75,669,045	64,842,379
-Mortgage loans	8,553,093	5,539,695
<b><u>Corporate:</u></b>		
-Overdraft accounts	41,174,504	42,766,167
-Direct loans	49,554,949	33,526,214
-Syndicated loans	30,608,776	22,990,775
-Discount document	850,200	241,920
<b>Financial investments at fair value through other comprehensive income</b>		
-Debt instruments	63,530,767	71,599,189
<b>Financial investments at amortized cost</b>		
-Debt instruments	16,677,966	40,364,790
Other assets*	4,941,225	4,162,834
<b>Total</b>	<b><u>470,789,317</u></b>	<b><u>390,245,319</u></b>

The previous table represents the loans without taking into consideration Expected Credit Loss as disclosed in notes (15), (16), (17), (18) and (19)

\* The above – mentioned other assets represents in accrued revenues.

The following table provides information on the quality of financial assets during the year:

<u>Due from banks</u>	<u>31 December 2024</u>			<u>Total</u>
	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	
	<u>12-Months</u>	<u>Life time</u>	<u>Life time</u>	
<b>Credit rating</b>				
Good debts	129,140,859	12,098,770	--	141,239,629
Normal watch-list	--	--	--	--
Special watch-list	--	--	--	--
Non-performing loan	--	--	--	--
<b>Total</b>	<b>129,140,859</b>	<b>12,098,770</b>	<b>--</b>	<b>141,239,629</b>
ECL Provision	--	(26,834)	--	(26,834)
<b>Net carrying amount</b>	<b>129,140,859</b>	<b>12,071,936</b>	<b>--</b>	<b>141,212,795</b>

<u>Due from banks</u>	<u>31 December 2023</u>			<u>Total</u>
	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	
	<u>12-Months</u>	<u>Life time</u>	<u>Life time</u>	
<b>Credit rating</b>				
Good debts	60,843,190	6,682,795	--	67,525,985
Normal watch-list	--	--	--	--
Special watch-list	--	--	--	--
Non-performing loan	--	--	--	--
<b>Total</b>	<b>60,843,190</b>	<b>6,682,795</b>	<b>--</b>	<b>67,525,985</b>
ECL Provision	--	(21,079)	--	(21,079)
<b>Net carrying amount</b>	<b>60,843,190</b>	<b>6,661,716</b>	<b>--</b>	<b>67,504,906</b>

<u>Treasury bills</u>	<u>31 December 2024</u>			<u>Total</u>
	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	
	<u>12-Months</u>	<u>Life time</u>	<u>Life time</u>	
<b>Credit rating</b>				
Good debts	20,979,902	19,727,545	--	40,707,447
Normal watch-list	--	--	--	--
Special watch-list	--	--	--	--
Non-performing loan	--	--	--	--
<b>Total</b>	<b>20,979,902</b>	<b>19,727,545</b>	<b>--</b>	<b>40,707,447</b>
ECL Provision	--	(190,194)	--	(190,194)
<b>Net carrying amount</b>	<b>20,979,902</b>	<b>19,537,351</b>	<b>--</b>	<b>40,517,253</b>

<u>Treasury bills</u>	<u>31 December 2023</u>			<u>Total</u>
	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	
	<u>12-Months</u>	<u>Life time</u>	<u>Life time</u>	
<b>Credit rating</b>				
Good debts	43,888,885	12,053,422	--	55,942,307
Normal watch-list	--	--	--	--
Special watch-list	--	--	--	--
Non-performing loan	--	--	--	--
<b>Total</b>	<b>43,888,885</b>	<b>12,053,422</b>	<b>--</b>	<b>55,942,307</b>
ECL Provision	--	(160,873)	--	(160,873)
<b>Net carrying amount</b>	<b>43,888,885</b>	<b>11,892,549</b>	<b>--</b>	<b>55,781,434</b>

<u>31 December 2024</u>				
	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	
<u>Governmental Treasury bonds</u>	<u>12-Months</u>	<u>Life time</u>	<u>Life time</u>	<u>Total</u>
<b>Credit rating</b>				
Good debts	23,951,746	9,321,635	--	33,273,381
Normal watch-list	--	--	--	--
Special watch-list	--	--	--	--
Non-performing loan	--	--	--	--
<b>Total</b>	<b>23,951,746</b>	<b>9,321,635</b>	<b>--</b>	<b>33,273,381</b>
ECL Provision	--	(422,729)	--	(422,729)
<b>Net carrying amount</b>	<b>23,951,746</b>	<b>8,898,906</b>	<b>--</b>	<b>32,850,652</b>

<u>31 December 2023</u>				
	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	
<u>Governmental Treasury bonds</u>	<u>12-Months</u>	<u>Life time</u>	<u>Life time</u>	<u>Total</u>
<b>Credit rating</b>				
Good debts	43,972,310	5,147,922	--	49,120,232
Normal watch-list	--	--	--	--
Special watch-list	--	--	--	--
Non-performing loan	--	--	--	--
<b>Total</b>	<b>43,972,310</b>	<b>5,147,922</b>	<b>--</b>	<b>49,120,232</b>
ECL Provision	--	(250,640)	--	(250,640)
<b>Net carrying amount</b>	<b>43,972,310</b>	<b>4,897,282</b>	<b>--</b>	<b>48,869,592</b>

<u>31 December 2024</u>				
	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	
<u>Corporate bonds</u>	<u>12-Months</u>	<u>Life time</u>	<u>Life time</u>	<u>Total</u>
<b>Credit rating</b>				
Good debts	6,150,382	77,523	--	6,227,905
Normal watch-list	--	--	--	--
Special watch-list	--	--	--	--
Non-performing loan	--	--	--	--
<b>Total</b>	<b>6,150,382</b>	<b>77,523</b>	<b>--</b>	<b>6,227,905</b>
ECL Provision	(4,972)	(435)	--	(5,407)
<b>Net carrying amount</b>	<b>6,145,410</b>	<b>77,088</b>	<b>--</b>	<b>6,222,498</b>

<u>31 December 2023</u>				
	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	
<u>Corporate bonds</u>	<u>12-Months</u>	<u>Life time</u>	<u>Life time</u>	<u>Total</u>
<b>Credit rating</b>				
Good debts	6,295,110	606,330	--	6,901,440
Normal watch-list	--	--	--	--
Special watch-list	--	--	--	--
Non-performing loan	--	--	--	--
<b>Total</b>	<b>6,295,110</b>	<b>606,330</b>	<b>--</b>	<b>6,901,440</b>
ECL Provision	(5,916)	(9,934)	--	(15,850)
<b>Net carrying amount</b>	<b>6,289,194</b>	<b>596,396</b>	<b>--</b>	<b>6,885,590</b>

<b>31 December 2024</b>				
	<b><u>Stage 1</u></b>	<b><u>Stage 2</u></b>	<b><u>Stage 3</u></b>	
<b><u>Loans and advances to Banks</u></b>	<b><u>12-Months</u></b>	<b><u>Life time</u></b>	<b><u>Life time</u></b>	<b><u>Total</u></b>
<b>Credit rating</b>				
Good debts	--	16,407,767	--	16,407,767
Normal watch-list	--	--	--	--
Special watch-list	--	--	--	--
Non-performing loan	--	--	--	--
<b>Total</b>	<b>--</b>	<b>16,407,767</b>	<b>--</b>	<b>16,407,767</b>
ECL Provision	--	(33,624)	--	(33,624)
<b>Net carrying amount</b>	<b>--</b>	<b>16,374,143</b>	<b>--</b>	<b>16,374,143</b>

<b>31 December 2023</b>				
	<b><u>Stage 1</u></b>	<b><u>Stage 2</u></b>	<b><u>Stage 3</u></b>	
<b><u>Loans and advances to Banks</u></b>	<b><u>12-Months</u></b>	<b><u>Life time</u></b>	<b><u>Life time</u></b>	<b><u>Total</u></b>
<b>Credit rating</b>				
Good debts	--	5,885,773	--	5,885,773
Normal watch-list	--	--	--	--
Special watch-list	--	--	--	--
Non-performing loan	--	--	--	--
<b>Total</b>	<b>--</b>	<b>5,885,773</b>	<b>--</b>	<b>5,885,773</b>
ECL Provision	--	(16,502)	--	(16,502)
<b>Net carrying amount</b>	<b>--</b>	<b>5,869,271</b>	<b>--</b>	<b>5,869,271</b>

<b>31 December 2024</b>				
	<b><u>Stage 1</u></b>	<b><u>Stage 2</u></b>	<b><u>Stage 3</u></b>	
<b><u>Loans and advances to Retail</u></b>	<b><u>12-Months</u></b>	<b><u>Life time</u></b>	<b><u>Life time</u></b>	<b><u>Total</u></b>
<b>Credit rating</b>				
Good debts	80,685,614	5,369,354	--	86,054,968
Normal watch-list	--	--	--	--
Special watch-list	--	--	--	--
Non-performing loan	--	--	2,702,917	2,702,917
<b>Total</b>	<b>80,685,614</b>	<b>5,369,354</b>	<b>2,702,917</b>	<b>88,757,885</b>
ECL Provision	(930,725)	(98,439)	(1,950,808)	(2,979,972)
<b>Net carrying amount</b>	<b>79,754,889</b>	<b>5,270,915</b>	<b>752,109</b>	<b>85,777,913</b>

<b>31 December 2023</b>				
	<b><u>Stage 1</u></b>	<b><u>Stage 2</u></b>	<b><u>Stage 3</u></b>	
<b><u>Loans and advances to Retail</u></b>	<b><u>12-Months</u></b>	<b><u>Life time</u></b>	<b><u>Life time</u></b>	<b><u>Total</u></b>
<b>Credit rating</b>				
Good debts	69,800,129	2,636,194	--	72,436,323
Normal watch-list	--	--	--	--
Special watch-list	--	--	--	--
Non-performing loan	--	--	1,946,866	1,946,866
<b>Total</b>	<b>69,800,129</b>	<b>2,636,194</b>	<b>1,946,866</b>	<b>74,383,189</b>
ECL Provision	(587,657)	(58,528)	(1,414,860)	(2,061,045)
<b>Net carrying amount</b>	<b>69,212,472</b>	<b>2,577,666</b>	<b>532,006</b>	<b>72,322,144</b>

<b>31 December 2024</b>				
<b><u>Loans and advances to large &amp; medium Corporate</u></b>	<b><u>Stage 1</u></b>	<b><u>Stage 2</u></b>	<b><u>Stage 3</u></b>	
	<b><u>12-Months</u></b>	<b><u>Life time</u></b>	<b><u>Life time</u></b>	<b><u>Total</u></b>
<b>Credit rating</b>				
Good debts	71,233,012	25,949,791	--	97,182,803
Normal watch-list	--	--	--	--
Special watch-list	--	2,143,391	--	2,143,391
Non-performing loan	--	--	5,868,540	5,868,540
<b>Total</b>	<b>71,233,012</b>	<b>28,093,182</b>	<b>5,868,540</b>	<b>105,194,734</b>
ECL Provision	(599,441)	(5,160,951)	(5,132,831)	(10,893,223)
<b>Net carrying amount</b>	<b>70,633,571</b>	<b>22,932,231</b>	<b>735,709</b>	<b>94,301,511</b>

<b>31 December 2023</b>				
<b><u>Loans and advances to large &amp; medium Corporate</u></b>	<b><u>Stage 1</u></b>	<b><u>Stage 2</u></b>	<b><u>Stage 3</u></b>	
	<b><u>12-Months</u></b>	<b><u>Life time</u></b>	<b><u>Life time</u></b>	<b><u>Total</u></b>
<b>Credit rating</b>				
Good debts	58,241,380	20,916,706	--	79,158,086
Normal watch-list	--	--	--	--
Special watch-list	--	286,421	--	286,421
Non-performing loan	--	--	5,227,060	5,227,060
<b>Total</b>	<b>58,241,380</b>	<b>21,203,127</b>	<b>5,227,060</b>	<b>84,671,567</b>
ECL Provision	(446,320)	(3,348,554)	(4,563,238)	(8,358,112)
<b>Net carrying amount</b>	<b>57,795,060</b>	<b>17,854,573</b>	<b>663,822</b>	<b>76,313,455</b>

<b>31 December 2024</b>				
<b><u>Loans and advances to Small Corporate</u></b>	<b><u>Stage 1</u></b>	<b><u>Stage 2</u></b>	<b><u>Stage 3</u></b>	
	<b><u>12-Months</u></b>	<b><u>Life time</u></b>	<b><u>Life time</u></b>	<b><u>Total</u></b>
<b>Credit rating</b>				
Good debts	12,982,061	2,217,913	--	15,199,974
Normal watch-list	--	--	--	--
Special watch-list	--	--	--	--
Non-performing loan	--	--	1,793,721	1,793,721
<b>Total</b>	<b>12,982,061</b>	<b>2,217,913</b>	<b>1,793,721</b>	<b>16,993,695</b>
ECL Provision	(675,219)	(138,714)	(1,090,610)	(1,904,543)
<b>Net carrying amount</b>	<b>12,306,842</b>	<b>2,079,199</b>	<b>703,111</b>	<b>15,089,152</b>

<b>31 December 2023</b>				
<b><u>Loans and advances to Small Corporate</u></b>	<b><u>Stage 1</u></b>	<b><u>Stage 2</u></b>	<b><u>Stage 3</u></b>	
	<b><u>12-Months</u></b>	<b><u>Life time</u></b>	<b><u>Life time</u></b>	<b><u>Total</u></b>
<b>Credit rating</b>				
Good debts	10,821,229	2,359,046	--	13,180,275
Normal watch-list	--	--	--	--
Special watch-list	--	--	7,830	7,830
Non-performing loan	--	--	1,665,404	1,665,404
<b>Total</b>	<b>10,821,229</b>	<b>2,359,046</b>	<b>1,673,234</b>	<b>14,853,509</b>
ECL Provision	(147,076)	(122,109)	(1,094,404)	(1,363,589)
<b>Net carrying amount</b>	<b>10,674,153</b>	<b>2,236,937</b>	<b>578,830</b>	<b>13,489,920</b>

The following table shows the changes in ECL between the beginning and end of the year as a result of these factors:

**31 December 2024**

<b><u>Due from banks</u></b>	<b><u>Stage 1</u></b>	<b><u>Stage 2</u></b>	<b><u>Stage 3</u></b>	
	<b><u>12-Months</u></b>	<b><u>Life time</u></b>	<b><u>Life time</u></b>	<b><u>Total</u></b>
ECL Provision at January 01, 2024	--	21,079	--	21,079
New financial assets purchased or issued	--	13,781	--	13,781
Financial assets have been matured or derecognized	--	(21,079)	--	(21,079)
Transfer to stage 1	--	--	--	--
Transfer to stage 2	--	--	--	--
Transfer to stage 3	--	--	--	--
Foreign exchange translation differences	--	13,053	--	13,053
<b>Balance at the end of the year</b>	<b>--</b>	<b>26,834</b>	<b>--</b>	<b>26,834</b>

**31 December 2023**

<b><u>Due from banks</u></b>	<b><u>Stage 1</u></b>	<b><u>Stage 2</u></b>	<b><u>Stage 3</u></b>	
	<b><u>12-Months</u></b>	<b><u>Life time</u></b>	<b><u>Life time</u></b>	<b><u>Total</u></b>
ECL Provision at January 01, 2023	--	13,465	--	13,465
New financial assets purchased or issued	--	7,614	--	7,614
Financial assets have been matured or derecognized	--	(3,347)	--	(3,347)
Transfer to stage 1	--	--	--	--
Transfer to stage 2	--	--	--	--
Transfer to stage 3	--	--	--	--
Foreign exchange translation differences	--	3,347	--	3,347
<b>Balance at the end of the year</b>	<b>--</b>	<b>21,079</b>	<b>--</b>	<b>21,079</b>

**31 December 2024**

<b><u>Treasury bills</u></b>	<b><u>Stage 1</u></b>	<b><u>Stage 2</u></b>	<b><u>Stage 3</u></b>	
	<b><u>12-Months</u></b>	<b><u>Life time</u></b>	<b><u>Life time</u></b>	<b><u>Total</u></b>
ECL Provision at January 01, 2024	--	160,873	--	160,873
New financial assets purchased or issued	--	92,422	--	92,422
Financial assets have been matured or derecognized	--	(160,873)	--	(160,873)
Transfer to stage 1	--	--	--	--
Transfer to stage 2	--	--	--	--
Transfer to stage 3	--	--	--	--
Changes in the probability of default and loss in the case of default and the exposure at default	--	--	--	--
Changes on model assumptions and methodology	--	--	--	--
Loans written-off during the year	--	--	--	--
Foreign exchange translation differences	--	97,772	--	97,772
<b>Balance at the end of the year</b>	<b>--</b>	<b>190,194</b>	<b>--</b>	<b>190,194</b>



**31 December 2023**

**Treasury bills**

	<b><u>Stage 1</u></b> <b><u>12-Months</u></b>	<b><u>Stage 2</u></b> <b><u>Life time</u></b>	<b><u>Stage 3</u></b> <b><u>Life time</u></b>	<b><u>Total</u></b>
ECL Provision at January 01, 2023	--	88,681	--	88,681
New financial assets purchased or issued	--	72,193	--	72,193
Financial assets have been matured or derecognized	--	(22,932)	--	(22,932)
Transfer to stage 1	--	--	--	--
Transfer to stage 2	--	--	--	--
Transfer to stage 3	--	--	--	--
Changes in the probability of default and loss in the case of default and the exposure at default	--	--	--	--
Changes on model assumptions and methodology	--	--	--	--
Loans written-off during the year	--	--	--	--
Foreign exchange translation differences	--	22,931	--	22,931
<b>Balance at the end of the year</b>	<b>--</b>	<b>160,873</b>	<b>--</b>	<b>160,873</b>

**31 December 2024**

	<b><u>Stage 1</u></b> <b><u>12-Months</u></b>	<b><u>Stage 2</u></b> <b><u>Life time</u></b>	<b><u>Stage 3</u></b> <b><u>Life time</u></b>	<b><u>Total</u></b>
<b>Governmental Treasury Bonds</b>				
ECL Provision at January 01, 2024	--	250,640	--	250,640
New financial assets purchased or issued	--	24,258	--	24,258
Financial assets have been matured or derecognized	--	(15,580)	--	(15,580)
Transfer to stage 1	--	--	--	--
Transfer to stage 2	--	--	--	--
Transfer to stage 3	--	--	--	--
Changes in the probability of default and loss in the case of default and the exposure at default	--	--	--	--
Changes on model assumptions and methodology	--	--	--	--
Loans written-off during the year	--	--	--	--
Foreign exchange translation differences	--	163,411	--	163,411
<b>Balance at the end of the year</b>	<b>--</b>	<b>422,729</b>	<b>--</b>	<b>422,729</b>

**31 December 2023**

	<b><u>Stage 1</u></b> <b><u>12-Months</u></b>	<b><u>Stage 2</u></b> <b><u>Life time</u></b>	<b><u>Stage 3</u></b> <b><u>Life time</u></b>	<b><u>Total</u></b>
<b>Governmental Treasury Bonds</b>				
ECL Provision at January 01, 2023	--	154,921	--	154,921
New financial assets purchased or issued	--	95,719	--	95,719
Financial assets have been matured or derecognized	--	(38,511)	--	(38,511)
Transfer to stage 1	--	--	--	--
Transfer to stage 2	--	--	--	--
Transfer to stage 3	--	--	--	--
Changes in the probability of default and loss in the case of default and the exposure at default	--	--	--	--
Changes on model assumptions and methodology	--	--	--	--
Loans written-off during the year	--	--	--	--
Foreign exchange translation differences	--	38,511	--	38,511
<b>Balance at the end of the year</b>	<b>--</b>	<b>250,640</b>	<b>--</b>	<b>250,640</b>

**31 December 2024**

	<b><u>Stage 1</u></b>	<b><u>Stage 2</u></b>	<b><u>Stage 3</u></b>	
<b><u>Corporate Bonds</u></b>	<b><u>12-Months</u></b>	<b><u>Life time</u></b>	<b><u>Life time</u></b>	<b><u>Total</u></b>
ECL Provision at January 01, 2024	5,916	9,934	--	15,850
New financial assets purchased or issued	--	--	--	--
Financial assets have been matured or derecognized	(944)	(9,499)	--	(10,443)
Transfer to stage 1	--	--	--	--
Transfer to stage 2	--	--	--	--
Transfer to stage 3	--	--	--	--
Changes in the probability of default and loss in the case of default and the exposure at default	--	--	--	--
Changes on model assumptions and methodology	--	--	--	--
Loans written-off during the year	--	--	--	--
Foreign exchange translation differences	--	--	--	--
<b>Balance at the end of the year</b>	<b>4,972</b>	<b>435</b>	<b>--</b>	<b>5,407</b>

**31 December 2023**

	<b><u>Stage 1</u></b>	<b><u>Stage 2</u></b>	<b><u>Stage 3</u></b>	
<b><u>Corporate Bonds</u></b>	<b><u>12-Months</u></b>	<b><u>Life time</u></b>	<b><u>Life time</u></b>	<b><u>Total</u></b>
ECL Provision at January 01, 2023	7,875	--	--	7,875
New financial assets purchased or issued	--	9,934	--	9,934
Financial assets have been matured or derecognized	(1,959)	--	--	(1,959)
Transfer to stage 1	--	--	--	--
Transfer to stage 2	--	--	--	--
Transfer to stage 3	--	--	--	--
Changes in the probability of default and loss in the case of default and the exposure at default	--	--	--	--
Changes on model assumptions and methodology	--	--	--	--
Loans written-off during the year	--	--	--	--
Foreign exchange translation differences	--	--	--	--
<b>Balance at the end of the year</b>	<b>5,916</b>	<b>9,934</b>	<b>--</b>	<b>15,850</b>

**31 December 2024**

<b><u>Loans and advances to banks</u></b>	<b><u>Stage 1</u></b>	<b><u>Stage 2</u></b>	<b><u>Stage 3</u></b>	
	<b><u>12-Months</u></b>	<b><u>Life time</u></b>	<b><u>Life time</u></b>	<b><u>Total</u></b>
ECL Provision at January 01, 2024	--	16,502	--	16,502
New financial assets purchased or issued	--	22,548	--	22,548
Financial assets have been matured or derecognized	--	(16,502)	--	(16,502)
Transfer to stage 1	--	--	--	--
Transfer to stage 2	--	--	--	--
Transfer to stage 3	--	--	--	--
Foreign exchange translation differences	--	11,076	--	11,076
<b>Balance at the end of the year</b>	<b>--</b>	<b>33,624</b>	<b>--</b>	<b>33,624</b>

**31 December 2023**

<b><u>Loans and advances to banks</u></b>	<b><u>Stage 1</u></b>	<b><u>Stage 2</u></b>	<b><u>Stage 3</u></b>	
	<b><u>12-Months</u></b>	<b><u>Life time</u></b>	<b><u>Life time</u></b>	<b><u>Total</u></b>
ECL Provision at January 01, 2023	128	19,215	--	19,343
New financial assets purchased or issued	--	--	--	--
Financial assets have been matured or derecognized	(128)	(7,519)	--	(7,647)
Transfer to stage 1	--	--	--	--
Transfer to stage 2	--	--	--	--
Transfer to stage 3	--	--	--	--
Foreign exchange translation differences	--	4,806	--	4,806
<b>Balance at the end of the year</b>	<b>--</b>	<b>16,502</b>	<b>--</b>	<b>16,502</b>

**31 December 2024**

<b><u>Loans and advances to retail</u></b>	<b><u>Stage 1</u></b>	<b><u>Stage 2</u></b>	<b><u>Stage 3</u></b>	
	<b><u>12-Months</u></b>	<b><u>Life time</u></b>	<b><u>Life time</u></b>	<b><u>Total</u></b>
ECL Provision at January 01, 2024	587,657	58,528	1,414,860	2,061,045
New financial assets purchased or issued	281,570	30,077	172,343	483,990
Financial assets have been matured or derecognized	(42,415)	(10,852)	(649,084)	(702,351)
Transfer to stage 1	7,547	(5,985)	(1,562)	--
Transfer to stage 2	(57,278)	59,050	(1,772)	--
Transfer to stage 3	(778,655)	(306,806)	1,085,461	--
Changes	932,299	274,427	(69,438)	1,137,288
<b>Balance at the end of the year</b>	<b>930,725</b>	<b>98,439</b>	<b>1,950,808</b>	<b>2,979,972</b>

**31 December 2023**

<b><u>Loans and advances to retail</u></b>	<b><u>Stage 1</u></b>	<b><u>Stage 2</u></b>	<b><u>Stage 3</u></b>	
	<b><u>12-Months</u></b>	<b><u>Life time</u></b>	<b><u>Life time</u></b>	<b><u>Total</u></b>
ECL Provision at January 01, 2023	325,337	47,207	1,444,889	1,817,433
New financial assets purchased or issued	267,173	23,961	117,539	408,673
Financial assets have been matured or derecognized	(60,553)	(8,443)	(751,988)	(820,984)
Transfer to stage 1	6,186	(5,145)	(1,041)	--
Transfer to stage 2	(26,242)	26,920	(678)	--
Transfer to stage 3	(406,492)	(257,923)	664,415	--
Changes	482,248	231,951	(58,276)	655,923
<b>Balance at the end of the year</b>	<b>587,657</b>	<b>58,528</b>	<b>1,414,860</b>	<b>2,061,045</b>

**31 December 2024**

<b><u>Loans and advances to large &amp; medium corporate</u></b>	<b><u>Stage 1</u></b>	<b><u>Stage 2</u></b>	<b><u>Stage 3</u></b>	
	<b><u>12-Months</u></b>	<b><u>Life time</u></b>	<b><u>Life time</u></b>	<b><u>Total</u></b>
ECL Provision at January 01, 2024	446,320	3,348,554	4,563,238	8,358,112
New financial assets purchased or issued	108,295	1,557,009	2,196,736	3,862,040
Financial assets have been matured or derecognized	(184,521)	(695,408)	(1,138,715)	(2,018,644)
Transfer to stage 1	126,967	(126,967)	--	--
Transfer to stage 2	(25,000)	25,000	--	--
Transfer to stage 3	(832)	(246,814)	247,646	--
Loans written-off during the year	--	--	(1,646,300)	(1,646,300)
Proceeds from written –off during the year	--	--	3	3
Foreign exchange translation differences	128,212	1,299,577	910,223	2,338,012
<b>Balance at the end of the year</b>	<b>599,441</b>	<b>5,160,951</b>	<b>5,132,831</b>	<b>10,893,223</b>

**31 December 2023**

	<b><u>Stage 1</u></b>	<b><u>Stage 2</u></b>	<b><u>Stage 3</u></b>	
<b><u>Loans and advances to large &amp; medium corporate</u></b>	<b><u>12-Months</u></b>	<b><u>Life time</u></b>	<b><u>Life time</u></b>	<b><u>Total</u></b>
ECL Provision at January 01, 2023	516,361	2,802,402	3,910,469	7,229,232
New financial assets purchased or issued	129,312	1,120,956	1,367,889	2,618,157
Financial assets have been matured or derecognized	(122,580)	(370,993)	(925,373)	(1,418,946)
Transfer to stage 1	75,586	(75,586)	--	--
Transfer to stage 2	(121,823)	121,823	--	--
Transfer to stage 3	(458)	(532,194)	532,652	--
Loan commitments (unused limits)	(61,559)	(105,379)	--	(166,938)
Loans written-off during the year	--	--	(815,739)	(815,739)
Proceeds from written –off during the year	--	--	13	13
Foreign exchange translation differences	31,481	387,525	493,327	912,333
<b>Balance at the end of the year</b>	<b>446,320</b>	<b>3,348,554</b>	<b>4,563,238</b>	<b>8,358,112</b>

**31 December 2024**

	<b><u>Stage 1</u></b>	<b><u>Stage 2</u></b>	<b><u>Stage 3</u></b>	
<b><u>Loans and advances to small corporate</u></b>	<b><u>12-Months</u></b>	<b><u>Life time</u></b>	<b><u>Life time</u></b>	<b><u>Total</u></b>
ECL Provision at January 01, 2024	147,076	122,109	1,094,404	1,363,589
New financial assets purchased or issued	536,831	29,069	191,157	757,057
Financial assets have been matured or derecognized	(9,127)	(9,492)	(104,271)	(122,890)
Transfer to stage 1	483	(483)	--	--
Transfer to stage 2	(38)	1,603	(1,565)	--
Transfer to stage 3	(6)	(4,092)	4,098	--
Loans written-off during the year	--	--	(104,618)	(104,618)
Proceeds from written –off during the year	--	--	11,405	11,405
Foreign exchange translation differences	--	--	--	--
<b>Balance at the end of the year</b>	<b>675,219</b>	<b>138,714</b>	<b>1,090,610</b>	<b>1,904,543</b>

**31 December 2023**

	<b><u>Stage 1</u></b>	<b><u>Stage 2</u></b>	<b><u>Stage 3</u></b>	
<b><u>Loans and advances to small corporate</u></b>	<b><u>12-Months</u></b>	<b><u>Life time</u></b>	<b><u>Life time</u></b>	<b><u>Total</u></b>
ECL Provision at January 01, 2023	117,754	929,988	170,895	1,218,637
New financial assets purchased or issued	122,412	104,825	346,077	573,314
Financial assets have been matured or derecognized	(79,151)	(47,305)	(52,370)	(178,826)
Transfer to stage 1	8,337	(8,337)	--	--
Transfer to stage 2	(16,840)	17,373	(533)	--
Transfer to stage 3	(433)	(873,717)	874,150	--
Loan commitments (unused limits)	(5,273)	(718)	--	(5,991)
Loans written-off during the year	--	--	(246,425)	(246,425)
Proceeds from written –off during the year	--	--	2,610	2,610
Foreign exchange translation differences	270	--	--	270
<b>Balance at the end of the year</b>	<b>147,076</b>	<b>122,109</b>	<b>1,094,404</b>	<b>1,363,589</b>

The following table provides summary of expected credit losses (ECL) at the end of the year:

<b><u>31 December 2024</u></b>				
<b><u>Items</u></b>	<b><u>Stage 1</u></b> <b><u>12-Months</u></b>	<b><u>Stage 2</u></b> <b><u>Life time</u></b>	<b><u>Stage 3</u></b> <b><u>Life time</u></b>	<b><u>Total</u></b>
Due from banks	--	26,834	--	26,834
Treasury bills	--	190,194	--	190,194
Governmental treasury bonds	--	422,729	--	422,729
Corporate bonds	4,972	435	--	5,407
Loans and advances to banks	--	33,624	--	33,624
Loans and advances to retail	930,725	98,439	1,950,808	2,979,972
Loans and advances to large & medium corporate	599,441	5,160,951	5,132,831	10,893,223
Loans and advances to small corporate	675,219	138,714	1,090,610	1,904,543
ECL Provision for contingent liabilities	104,601	293,694	79,878	478,173
Commitments on unused corporate loans-corporate	99,861	343,065	65,200	508,126
ECL Provision for contingent liabilities	8,824	147	4,894	13,865
Commitments on unused corporate loans-SMEs	16,727	3,570	754	21,051
ECL Provision for contingent liabilities-Due from Banks	5,059	19,627	8,892	33,578
<b>Balance at the end of the year</b>	<b>2,445,429</b>	<b>6,732,023</b>	<b>8,333,867</b>	<b>17,511,319</b>

<b><u>31 December 2023</u></b>				
<b><u>Items</u></b>	<b><u>Stage 1</u></b> <b><u>12-Months</u></b>	<b><u>Stage 2</u></b> <b><u>Life time</u></b>	<b><u>Stage 3</u></b> <b><u>Life time</u></b>	<b><u>Total</u></b>
Due from banks	--	21,079	--	21,079
Treasury bills	--	160,873	--	160,873
Governmental treasury bonds	--	250,640	--	250,640
Corporate bonds	5,916	9,934	--	15,850
Loans and advances to banks	--	16,502	--	16,502
Loans and advances to retail	587,657	58,528	1,414,860	2,061,045
Loans and advances to large & medium corporate	446,320	3,348,554	4,563,238	8,358,112
Loans and advances to small corporate	147,076	122,109	1,094,404	1,363,589
ECL Provision for contingent liabilities	118,124	312,145	34,584	464,853
Commitments on unused corporate loans-corporate	70,524	276,695	--	347,219
ECL Provision for contingent liabilities	3,033	541	1,444	5,018
Commitments on unused corporate loans-SMEs	5,989	796	--	6,785
ECL Provision for contingent liabilities-Due from Banks	4,630	12,127	--	16,757
<b>Balance at the end of the year</b>	<b>1,389,269</b>	<b>4,590,523</b>	<b>7,108,530</b>	<b>13,088,322</b>

### **Off balance sheet items exposed to credit risk**

	<b><u>31 December 2024</u></b>	<b><u>31 December 2023</u></b>
Non-revocable credit related commitments for loans and other liabilities	17,475,187	6,709,768
Letter of credit	12,957,724	10,667,581
Letters of guarantee	49,537,122	30,878,205
Accepted draft	2,156,060	2,603,227
<b>Total</b>	<b><u>82,126,093</u></b>	<b><u>50,858,781</u></b>

- The first table (A/5) represents the maximum limit of exposure as at 31 December 2024 and as at 31 December 2023, without taking into consideration any financial guarantees.
- As illustrated in the previous table 44.81% of the maximum limit exposed to credit risk arises from loans and advances to customers including the discounted documents (31 December 2023: 44.56%), where investments in debt instrument measured at fair value through OCI and amortized cost represent 17.04% (31 December 2023: 28.69%).
- The management has confidence in its abilities to continue of controlling and maintaining the minimum limit of credit risk resulted from loans, facilities, and debt instruments portfolios based on the following:
- 75.87% of the loans and advances to customers' portfolio are considered to be neither past due nor impaired (31 December 2023: 71.01%).
- 5.58% of loans and advances to customers' portfolio individually impaired (31 December 2023: 5.50%).
- Loans and advances that are not impaired represent 94.42% from total loans portfolio (31 December 2023: 94.50%) including past due loans but not impaired represent 18.55% from total loans portfolio (31 December 2023: 23.49%).

### **A-6 Loans and advances**

The following is the position of loans and advances' balances as regarding credit worthiness:

	<b><u>31 December 2024</u></b>		<b><u>31 December 2023</u></b>	
	<b><u>Loans and advances to customers</u></b>	<b><u>Loans and advances to banks</u></b>	<b><u>Loans and advances to customers</u></b>	<b><u>Loans and advances to banks</u></b>
Neither past due nor impaired	160,047,923	16,407,767	123,499,195	5,885,773
With past due but not impaired	39,130,337	--	40,848,411	--
Individually impairment	11,768,054	--	9,560,659	--
<b>Total</b>	<b><u>210,946,314</u></b>	<b><u>16,407,767</u></b>	<b><u>173,908,265</u></b>	<b><u>5,885,773</u></b>
(Less): Expected Credit loss provision	(15,777,738)	(33,624)	(11,782,746)	(16,502)
(Less): Unearned discount of documents	(29,550)	--	(15,991)	--
<b>Net</b>	<b><u>195,139,026</u></b>	<b><u>16,374,143</u></b>	<b><u>162,109,528</u></b>	<b><u>5,869,271</u></b>

- Total Expected Credit Loss provision of loans and advances to customers amounted EGP 15,777,738 thousands as at 31 December 2024 of which EGP 8,174,249 thousands represents impairment of individual loans (Stage 3) and the balance of EGP 7,603,489 thousands represents the provision of ECL (Stage 1 and Stage 2); (31 December 2023: ECL provision of loans and advances amounted EGP 11,782,746 thousands of which EGP 7,072,502 thousands represents impairment of individual loans and the balance of EGP 4,710,244 thousands represents the provision of ECL (Stage 1 and Stage 2). and note (18) includes additional information on provision for ECL of loans and advances.
- During the current financial year loans and facilities to customers and banks increased by 26.45%.

– **Loans and advances Neither past due nor impaired**

The creditworthiness of the loans and advances portfolio with no past dues or impairment is assessed with reference to the internal assessment adopted by the bank.

**31 December 2024**

<b><u>Grade</u></b>	<b><u>Retail</u></b>				<b><u>Corporate</u></b>			<b><u>Total Loans and advances to customers</u></b>	<b><u>Loans and advances to banks</u></b>
	<b><u>Over drafts</u></b>	<b><u>Credit cards</u></b>	<b><u>Personal loans</u></b>	<b><u>Mortgage loans</u></b>	<b><u>Over drafts</u></b>	<b><u>Direct loans</u></b>	<b><u>Syndicated loans</u></b>		
1 Good debts	1,239,831	3,115,864	71,777,178	8,519,220	2,849,811	28,859,695	7,396,869	123,758,468	16,407,767
2 Normal watch-list	--	--	--	--	1,986,671	13,862,876	19,845,346	35,694,893	--
3 Special watch-list	--	--	--	--	333,844	260,718	--	594,562	--
<b>Total</b>	<b><u>1,239,831</u></b>	<b><u>3,115,864</u></b>	<b><u>71,777,178</u></b>	<b><u>8,519,220</u></b>	<b><u>5,170,326</u></b>	<b><u>42,983,289</u></b>	<b><u>27,242,215</u></b>	<b><u>160,047,923</u></b>	<b><u>16,407,767</u></b>

**31 December 2023**

<b><u>Grade</u></b>	<b><u>Retail</u></b>				<b><u>Corporate</u></b>			<b><u>Total Loans and advances to customers</u></b>	<b><u>Loans and advances to banks</u></b>
	<b><u>Over drafts</u></b>	<b><u>Credit cards</u></b>	<b><u>Personal loans</u></b>	<b><u>Mortgage loans</u></b>	<b><u>Over drafts</u></b>	<b><u>Direct loans</u></b>	<b><u>Syndicated loans</u></b>		
1 Good debts	2,228,173	1,718,707	62,255,993	5,512,121	7,507,203	12,365,132	8,575,504	100,162,833	5,885,773
2 Normal watch-list	--	--	--	--	2,605,150	8,762,242	11,899,022	23,266,414	--
3 Special watch-list	--	--	--	--	344	69,604	--	69,948	--
<b>Total</b>	<b><u>2,228,173</u></b>	<b><u>1,718,707</u></b>	<b><u>62,255,993</u></b>	<b><u>5,512,121</u></b>	<b><u>10,112,697</u></b>	<b><u>21,196,978</u></b>	<b><u>20,474,526</u></b>	<b><u>123,499,195</u></b>	<b><u>5,885,773</u></b>

– **Loans and advances past due but not impaired**

These are loans and advances with delays up to 90 days but are not considered impaired unless there is another information to the contrary, a loans and facilities to customers with past dues but not impaired and the fair value of their collaterals are represented in following:

<b>Corporate</b>				
<b>31 December 2024</b>	<b>Overdrafts</b>	<b>Direct loans</b>	<b>Syndicated loans</b>	<b>Total Loans and advances to customers</b>
Past dues up to 30 days	28,099,894	5,527,594	2,587,339	36,214,827
Past dues more than 30 to 60 days	822,694	637,943	--	1,460,637
Past dues more than 60 to 90 days	234,837	160,729	665,333	1,060,899
Past due more than 90 days	34,691	245,394	113,889	393,974
<b>Total</b>	<b>29,192,116</b>	<b>6,571,660</b>	<b>3,366,561</b>	<b>39,130,337</b>

<b>Corporate</b>				
<b>31 December 2023</b>	<b>Overdrafts</b>	<b>Direct loans</b>	<b>Syndicated loans</b>	<b>Total Loans and advances to customers</b>
Past dues up to 30 days	23,468,734	11,678,787	1,485,465	36,632,986
Past dues more than 30 to 60 days	1,454,929	313,615	786,098	2,554,642
Past dues more than 60 to 90 days	210,866	268,507	--	479,373
Past due more than 90 days	868,397	68,327	244,686	1,181,410
<b>Total</b>	<b>26,002,926</b>	<b>12,329,236</b>	<b>2,516,249</b>	<b>40,848,411</b>

– **Individually impaired loans**

**Loans and advances to customers**

The loans and advances which are subject to impairment on an individual basis, before taking into consideration expected cash flow from the collateral amounted to EGP 11,768,054 thousand as at 31 December 2024 (31 December 2023: EGP 9,560,659 thousand), herein below is the analysis of the gross value of loans and advances subject to impairment on individual basis including the fair value of collaterals the bank has obtained against these loans:

<b>Retail</b>				<b>Corporate</b>				
<b>31 December 2024</b>	<b>Overdrafts</b>	<b>Credit cards</b>	<b>Personal loans</b>	<b>Mortgages Loans</b>	<b>Overdraft</b>	<b>Direct loans</b>	<b>Syndicated loans</b>	<b>Total</b>
<b>Individually impaired loans</b>	104,882	75,170	3,891,867	33,873	7,662,262	--	--	11,768,054

- The fair value of collaterals held by the Bank against above loans is totaled EGP 2,860,719 thousand

<b>Retail</b>				<b>Corporate</b>				
<b>31 December 2023</b>	<b>Overdrafts</b>	<b>Credit cards</b>	<b>Personal loans</b>	<b>Mortgages Loans</b>	<b>Overdraft</b>	<b>Direct loans</b>	<b>Syndicated loans</b>	<b>Total</b>
<b>Individually impaired loans</b>	16,907	37,328	2,586,386	27,574	6,892,464	--	--	9,560,659

- The fair value of collaterals held by the Bank against above loans is totaled EGP 1,974,673 thousand.



At the initial recognition of loans and advances, the fair value of collaterals is evaluated based on the same financial asset's evaluation method used and in subsequent periods, the fair value is updated by the market prices or the similar assets' prices.

All collaterals held by the Bank against loans and advances that are subject to impairment represent Checks and order bills equal to their related booked debts.

#### - Loans and advances restructured

Restructuring activities include rescheduling arrangements, applying obligatory management programs, modifying and deferral of payments. The application of restructuring policies is based on indications or criteria of credit performance of the borrower that is based on the personal judgment of the management, which indicate that payment will most likely continue, these policies are subject to continuous review. Restructuring is commonly applied to long-term loans, especially customers financing loans.

Loans, which have been subject to Renegotiation, have reached EGP 9,210,730 thousand as at 31 December 2024 (31 December 2023 EGP 6,832,635 thousand).

#### Loans and advances to customers

	31 December 2024	31 December 2023
<b>Corporate</b>		
- Direct loans	485,657	333,263
- Syndicated loans	8,717,755	6,483,424
<b>Retail</b>		
- Personal loans	7,318	15,948
<b>Total</b>	<b>9,210,730</b>	<b>6,832,635</b>

#### A-7 Debt instruments, treasury bills and other governmental notes

The following table represents an analysis of debt instruments and treasury bills and other governmental notes at the end of financial year, based on the assessment evaluation agencies:

Rating	Net Treasury bills at FVTOCI	Bonds at FVTOCI	Zero Coupon Bonds	Bonds at amortized cost	Other investment at amortized cost	Total	Year
B-	40,707,447	22,823,320	--	16,621,853	56,113	80,208,733	December 2024
B-	55,942,307	15,656,882	--	40,308,677	56,113	111,963,979	December 2023

#### A-8 Acquisition of collaterals

- Acquired assets are classified under the "Other Assets" item in the financial position; the accounting policy disclosed in Note (2) is followed in the first recognition and subsequent measurement. These assets are sold or used for the purposes of the Bank whenever practicable and in accordance with the legal periods set by the Central Bank of Egypt to dispose acquired assets.

## A-9 The concentration of financial assets' risks exposed to credit risk

### Geographical segments

The following is breakdown of the bank's credit exposure at their book values categorized by geographical region at the end of the current year.

The bank has allocated the risks to the geographical segments based on regions of the bank's clients

	<u>Arab Republic of Egypt</u>			<u>Out of Arab Republic of Egypt</u>	<u>Total</u>
	<u>Cairo</u>	<u>Alex and Delta – Sinai</u>	<u>Upper Egypt</u>		
Loans and advances to banks	--	--	--	16,407,767	16,407,767
<b>Loans and advances to customers</b>					
<b><u>Retail:</u></b>					
-Overdraft	525,709	773,480	45,524	--	1,344,713
-Credit cards	2,376,072	595,070	219,892	--	3,191,034
-Personal loans	29,631,570	27,758,850	18,278,625	--	75,669,045
-Mortgages loans	6,548,299	924,452	1,080,342	--	8,553,093
<b><u>Corporate:</u></b>					
- Overdraft	32,811,412	7,007,043	1,356,049	--	41,174,504
-Direct loans	39,802,805	7,886,248	1,865,896	--	49,554,949
-Syndicated loans	26,153,274	2,744,576	1,710,926	--	30,608,776
Discounted documents	729,676	120,524	--	--	850,200
<b>Financial investment at fair value through other comprehensive income</b>					
-Debt instrument	22,823,320	--	--	--	22,823,320
-Treasury bills and other governmental notes	40,707,447	--	--	--	40,707,447
<b>Financial investment at amortized cost</b>					
-Debt instrument	16,677,966	--	--	--	16,677,966
Other assets*	4,397,985	396,008	147,232	--	4,941,225
<b>Total at 31 December 2024</b>	<b>223,185,535</b>	<b>48,206,251</b>	<b>24,704,486</b>	<b>16,407,767</b>	<b>312,504,039</b>
<b>Total at 31 December 2023</b>	<b>225,890,388</b>	<b>42,455,787</b>	<b>21,688,903</b>	<b>5,885,773</b>	<b>295,920,851</b>

\*The above - mentioned other assets represents in accrued revenues.

## Business segments

The following table represents analysis the Bank's main credit exposure at book value, distributed according to the Bank's customers' business and activities.

	<u>Financial institutions</u>	<u>Manufacturing</u>	<u>Real Estate</u>	<u>Wholesale and retail trade</u>	<u>Government sector</u>	<u>Other activities</u>	<u>Individual</u>	<u>Total</u>
Loans and advances to banks	16,407,767	--	--	--	--	--	--	16,407,767
<b>Loans and advances to customers</b>								
<b>Retail:</b>								
- Overdrafts	--	--	--	--	--	--	1,344,713	1,344,713
- Credit cards	--	--	--	--	--	--	3,191,034	3,191,034
- Personal loans	--	--	--	--	--	--	75,669,045	75,669,045
- Mortgages loans	--	--	8,553,093	--	--	--	--	8,553,093
<b>Corporate:</b>								
- Overdrafts	--	10,487,501	2,853,887	3,777,006	7,788,171	16,267,939	--	41,174,504
- Direct loans	--	3,014,290	315,355	2,471	8,260,649	37,962,184	--	49,554,949
- Syndicated loans	--	5,407,320	2,553,281	--	13,174,730	9,473,445	--	30,608,776
Discount documents	--	105,135	--	172,433	--	572,632	--	850,200
<b>Financial investment at fair value through other comprehensive income</b>								
-Debt instruments	6,227,905	--	--	--	16,595,415	--	--	22,823,320
-Treasury bills and other governmental notes	--	--	--	--	40,707,447	--	--	40,707,447
<b>Financial investments at amortized cost</b>								
-Debt instruments	--	--	--	--	16,677,966	--	--	16,677,966
- Other assets*	--	--	--	--	--	4,941,225	--	4,941,225
<b>Total as at 31 December 2024</b>	<b>22,635,672</b>	<b>19,014,246</b>	<b>14,275,616</b>	<b>3,951,910</b>	<b>103,204,378</b>	<b>69,217,425</b>	<b>80,204,792</b>	<b>312,504,039</b>
<b>Total as at 31 December 2023</b>	<b>12,787,213</b>	<b>8,019,740</b>	<b>9,447,818</b>	<b>4,307,843</b>	<b>123,424,235</b>	<b>69,090,508</b>	<b>68,843,494</b>	<b>295,920,851</b>

\* Other assets listed are represented in accrued revenues in which have categorized as other activities due to the unavailability of data required to be distributed properly.

## **B. Market risk**

The Bank exposed to Market risk which is represented as fluctuations in fair value or future cash flow provided from changes in Market prices, the market risk produces from open positions for interest rates, currency and equity products, as each is subject to public and private movements in the market. And changes in the level of sensitivity to market rates or to prices, such as rates of return, exchange rates and prices of equity instruments. The bank separates exposures to market risk into trading or non-trading portfolios.

Trading portfolios include positions arising from dealing with clients directly or with the market. Non-trading portfolios include positions that primarily arise from the interest rate for assets and liabilities related to retail transactions, and these portfolios include foreign currencies Risks from financial investments at amortized cost, and also equity instruments Risks from financial investments designated as fair value through other comprehensive income

### **B\1 Market risk measurement techniques**

As part of the management of market risk, the Bank undertakes various hedging strategies and enters into interest rate swaps to match the interest rate risk associated with the fixed-rate long-term debt instrument and loans to which the fair value option has been applied.

The following are the most important measurement techniques used to control market risk

#### **Value at Risk**

The Bank applies a "Value at Risk" methodology (VAR) to its trading and non-trading portfolios, to estimate the market risk of positions held and the maximum losses expected under normal market conditions, based upon a number of assumptions for various changes in market conditions the board of directors sets limits for value at risk which the bank can accept for trading and non-trading separately.

Value at risk is a statistically based estimate of the potential loss on the current portfolio from adverse market movements. It expresses the 'maximum' amount the Bank might lose, but only to a certain level of confidence (99%). There is therefore a specified statistical probability (1%) that actual loss could be greater than the VAR estimate. The VAR model assumes a certain 'holding period' until positions can be closed (10 Days). Before it could be closing open positions and it's also assumed that the market movement during the holding period will follow the same pattern of movement that occurred during the previous ten days. The Bank assesses the historical movements in the market prices based on volatilities and correlations data for the past five years.

And the bank applies those historical changes in rates, prices and indicators, directly to the current centers - this method is known as historical simulation, and the actual outputs are monitored regularly to measure the integrity of the assumptions and factors used to calculate the value at risk.

The use of this method does not prevent the loss from exceeding these limits in the event of greater movements in the market. As the value at risk is considered an essential part of the bank's system in controlling market risk, the Board of Directors sets annual limits for the value at risk for both trading and non-trading operations and is divided into activity units, and the actual values at risk are compared to the objective limits by the bank and its review Daily by the bank's risk management. The quality of the value-at-risk model is continuously monitored through reinforcement tests of the value-at-risk results of the trading portfolio, and the results of those tests are reported to senior management and the board of directors.

#### **Stress tests**

Stress tests provide an indication of the potential size of losses that could arise under extreme market conditions. The stress tests are designed to be suitable for the activity is tailored using standard analyzes for specific scenarios. The stress tests carried out by the bank's risk management department include stress testing Risk factors, as a set of sharp moves is applied to each risk category and the pressures of developing markets are tested, as developing markets are subject to for sharp movements and a special stress test, it includes possible events affecting certain centers or regions, such as what may be produced in a region due to liberation Restrictions on a currency. Senior management and the Board of Directors review the stress test results.

## B\2 Summary of value at risk VAR as per the risk type

	12 months till ending the current year 2024			12 months till ending the prior year 2023		
	Average	High	Average	Average	High	Low
Foreign exchange risk	32,243	148,518	1,153	56,274	102,809	1,516
VAR	32,243	148,518	1,153	56,274	102,809	1,516

## B-3 The risk of fluctuations in foreign exchange rates

The bank is exposed to the risk of fluctuations in foreign exchange rates on its financial position and cash flows and the board of directors have set limits of foreign currencies in total value for each position at the end of the day and during the day, which are monitored on the spot The following table includes the book value of financial instruments distributed into its component currencies' and translated to EGP.

### 31 December 2024

	<u>EGP</u>	<u>USD</u>	<u>Euro</u>	<u>GBP</u>	<u>Other Currencies</u>	<u>Total</u>
<b><u>Financial Assets</u></b>						
Cash and balances at Central Bank	22,973,322	4,349,940	792,987	126,496	333,194	28,575,939
Due from banks	42,009,382	91,524,372	6,801,816	365,760	511,465	141,212,795
Loans and advances to banks	--	16,374,143	--	--	--	16,374,143
Loans and advances to customers	173,004,478	20,417,001	1,700,176	17,370	1	195,139,026
<b><u>Financial investments</u></b>						
At fair value through other comprehensive income	35,099,841	29,039,042	2,407,583	--	208	66,546,674
At amortized cost	16,677,966	--	--	--	--	16,677,966
Investments in subsidiaries and associates	1,650,377	1,674,613	--	--	--	3,324,990
<b>Total financial Assets</b>	<b>291,415,366</b>	<b>163,379,111</b>	<b>11,702,562</b>	<b>509,626</b>	<b>844,868</b>	<b>467,851,533</b>
<b><u>Financial liabilities</u></b>						
Due to banks	1,529,329	6,633,002	44,645	1,391	7,584	8,215,951
Customers' deposits	233,036,524	106,718,110	11,361,298	491,583	664,627	352,272,142
Other loans	4,489,148	53,103,848	264,603	--	--	57,857,599
<b>Total financial Liabilities</b>	<b>239,055,001</b>	<b>166,454,960</b>	<b>11,670,546</b>	<b>492,974</b>	<b>672,211</b>	<b>418,345,692</b>
<b>Net Financial Assets in Financial position</b>	<b>52,360,365</b>	<b>(3,075,849)</b>	<b>32,016</b>	<b>16,652</b>	<b>172,657</b>	<b>49,505,841</b>

### 31 December 2023

<b>Total financial assets</b>	<b>287,329,243</b>	<b>97,482,425</b>	<b>4,163,336</b>	<b>301,811</b>	<b>566,175</b>	<b>389,842,990</b>
<b>Total financial liabilities</b>	<b>244,223,341</b>	<b>100,190,631</b>	<b>3,898,696</b>	<b>253,724</b>	<b>374,110</b>	<b>348,940,502</b>
<b>Net Financial assets in financial position</b>	<b>43,105,902</b>	<b>(2,708,206)</b>	<b>264,640</b>	<b>48,087</b>	<b>192,065</b>	<b>40,902,488</b>

#### B-4 Interest rate risk

The bank is exposed to the impact of the fluctuations in the levels of interest rates prevailing in the market; include the cash flow risk of interest rate represented in the fluctuations of future cash flow of a financial instrument due to changes in the interest rate of the mentioned instrument. Whereas the interest rates fair value risk is the risk of fluctuations in the value of the financial instrument due to changes in interest rates in the market. The interest margin may rise due to these changes but still the profits may decrease if unexpected movements occur. The board of directors set limits for the level of difference in the re-pricing of interest rate that the bank can maintain and bank's management monitors this daily.

The following table summarizes the extent of the bank's exposure to the risk of fluctuations in interest rates that includes the book value of financial instruments distributed based on the price of repricing dates or maturity dates whichever is sooner:

<b><u>31 December 2024</u></b>	<b><u>Up to 1 month</u></b>	<b><u>More than One month to three Months</u></b>	<b><u>More than Three months to one year</u></b>	<b><u>More than one year to three years</u></b>	<b><u>More than three years</u></b>	<b><u>Due in next day</u></b>	<b><u>Non-bearing interest</u></b>	<b><u>Total</u></b>
<b><u>Financial Assets</u></b>								
Cash and balances at Central Bank	--	--	--	--	--	--	28,575,939	<b>28,575,939</b>
Due from banks	128,747,909	12,098,771	--	--	--	392,619	330	<b>141,239,629</b>
Loans and advances to banks	1,494,901	3,352,902	11,559,964	--	--	--	--	<b>16,407,767</b>
Loans and advances to customers	6,570,330	64,479,638	22,604,660	26,024,226	54,957,756	36,309,704	--	<b>210,946,314</b>
Financial Investments: -								
- At fair value through other comprehensive income	3,505,663	27,394,187	22,155,552	6,155,602	6,182,285	--	3,015,907	<b>68,409,196</b>
- At amortized cost	1,687,679	1,850,687	6,656,499	5,889,267	593,834	--	--	<b>16,677,966</b>
<b>Total financial assets</b>	<b>142,006,482</b>	<b>109,176,185</b>	<b>62,976,675</b>	<b>38,069,095</b>	<b>61,733,875</b>	<b>36,702,323</b>	<b>31,592,176</b>	<b>482,256,811</b>

**B-4 Interest rate risk - Continued**

<b>31 December 2024</b>	<b><u>Up to 1 month</u></b>	<b><u>More than One month to Three Months</u></b>	<b><u>More than Three months to one year</u></b>	<b><u>More than one year to Three year</u></b>	<b><u>More than Three years</u></b>	<b><u>Due in next day</u></b>	<b><u>Non-bearing interest</u></b>	<b><u>Total</u></b>
<b><u>Financial liabilities</u></b>								
Due to banks	4,753,428	--	1,392,737	--	--	2,069,786	--	<b>8,215,951</b>
Customers' deposits	66,630,655	38,006,703	67,595,270	82,612,188	18,671,700	73,049,990	5,705,636	<b>352,272,142</b>
Other loans	8,381,285	8,390,278	8,596,711	27,627,606	1,041,420	--	3,820,299	<b>57,857,599</b>
<b>Total financial liabilities</b>	<b>79,765,368</b>	<b>46,396,981</b>	<b>77,584,718</b>	<b>110,239,794</b>	<b>19,713,120</b>	<b>75,119,776</b>	<b>9,525,935</b>	<b>418,345,692</b>
<b>Total interest re-pricing gap</b>	<b>62,241,114</b>	<b>62,779,204</b>	<b>(14,608,043)</b>	<b>(72,170,699)</b>	<b>42,020,755</b>	<b>(38,417,453)</b>	<b>22,066,241</b>	<b>63,911,119</b>
<b><u>As at 31 December 2023</u></b>								
<b>Total financial assets</b>	<b>85,766,117</b>	<b>82,808,851</b>	<b>70,276,800</b>	<b>31,853,151</b>	<b>50,343,082</b>	<b>40,595,136</b>	<b>39,852,094</b>	<b>401,495,231</b>
<b>Total financial liabilities</b>	<b>79,985,186</b>	<b>39,652,582</b>	<b>68,719,619</b>	<b>89,172,983</b>	<b>14,584,069</b>	<b>48,300,687</b>	<b>8,525,376</b>	<b>348,940,502</b>
<b>Total interest re-pricing gap</b>	<b>5,780,931</b>	<b>43,156,269</b>	<b>1,557,181</b>	<b>(57,319,832)</b>	<b>35,759,013</b>	<b>(7,705,551)</b>	<b>31,326,718</b>	<b>52,554,729</b>

## **C. liquidity Risk**

Liquidity risk occurs when the Bank does not have sufficient financial resources to meet its obligations arising from its financial liabilities as they fall due or to replace funds when they are withdrawn. Consequently, the bank may fail to meet obligations to repay depositors and fulfill lending commitments.

### **C-1 Liquidity risk management**

#### **Monitoring liquidity risk includes the following:**

- Day-to-day funding, managed by monitoring future cash flows to ensure that requirements can be met. This includes replenishment of funds as they mature or is borrowed by customers. The bank maintains an active presence in global money markets to confirm that this goal is achieved.
- Maintaining a portfolio of highly marketable assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;
- Monitoring the liquidity ratios against internal and regulatory requirements by the Central Bank of Egypt.
- Managing the concentration and profile of debt maturities.

Monitoring and reporting takes the form of cash flow measurement and projections for the next day, week and month respectively, as these are key periods for liquidity management. The starting point for those assets projections is an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets.

Risk Management Department also monitors unmatched medium-term assets, the level and type of undrawn lending commitments, the usage of overdraft facilities and the impact of contingent liabilities such as standby letters of credit and guarantees

### **C-2 Funding approach**

Sources of liquidity are regularly reviewed jointly by risk management to maintain a wide diversification within currencies, geographical area, depositors, products and tenors.

### **C-3 Non-derivative cash flows**

The following table presents the undiscounted cash flows payable by the Bank under non-derivative financial liabilities, measured by the remaining contractual maturities and the amounts in the table represent the undiscounted contractual cash flows, while the bank manages the liquidity risk on the basis of the expected undiscounted cash flows, not contractual.



<b>31 December 2024</b>	<b><u>Up to 1 month</u></b>	<b><u>More than One to Three Months</u></b>	<b><u>More than Three months to one year</u></b>	<b><u>More than One year to Three years</u></b>	<b><u>Over Three Years</u></b>	<b><u>Total</u></b>
<b>Financial liabilities</b>						
Due to banks	6,828,006	--	1,392,736	--	--	8,220,742
Customers' deposits	101,398,414	36,537,448	76,076,049	123,038,792	63,514,507	400,565,210
Other loans	621,727	2,558,242	7,863,947	41,563,195	16,384,020	68,991,131
<b>Total liabilities according to (contractual maturity dates)</b>	<b><u>108,848,147</u></b>	<b><u>39,095,690</u></b>	<b><u>85,332,732</u></b>	<b><u>164,601,987</u></b>	<b><u>79,898,527</u></b>	<b><u>477,777,083</u></b>
<b>Total assets according to (contractual maturity dates)</b>	<b><u>194,780,210</u></b>	<b><u>50,848,640</u></b>	<b><u>103,423,411</u></b>	<b><u>108,266,784</u></b>	<b><u>150,545,154</u></b>	<b><u>607,864,199</u></b>
<b>31 December 2023</b>	<b><u>Up to 1 month</u></b>	<b><u>More than One to Three Months</u></b>	<b><u>More than Three months to one year</u></b>	<b><u>More than One year to Three years</u></b>	<b><u>Over Three Years</u></b>	<b><u>Total</u></b>
<b>Financial liabilities</b>						
Due to banks	6,858,387	--	--	--	--	6,858,387
Customers' deposits	91,974,987	36,232,557	50,936,061	116,655,017	39,728,905	335,527,527
Other loans	318,629	2,326,381	23,328,193	9,614,557	12,020,232	47,607,992
<b>Total liabilities according to (contractual maturity dates)</b>	<b><u>99,152,003</u></b>	<b><u>38,558,938</u></b>	<b><u>74,264,254</u></b>	<b><u>126,269,574</u></b>	<b><u>51,749,137</u></b>	<b><u>389,993,906</u></b>
<b>Total assets according to (contractual maturity dates)</b>	<b><u>133,716,256</u></b>	<b><u>38,917,971</u></b>	<b><u>97,213,359</u></b>	<b><u>101,824,270</u></b>	<b><u>116,608,661</u></b>	<b><u>488,280,517</u></b>

Assets available to meet all of the liabilities and to cover outstanding loan commitments include cash, due from the Central Bank of Egypt and due from banks, treasury bills and other governmental notes, loans and advances to banks and customers.

In the normal course of business, a proportion of customer loans contractually repayable within one year will be extended. In addition, debt instrument and treasury bills have been pledged to secure liabilities. The Bank would also be able to meet unexpected net cash outflows by selling securities and accessing additional funding sources.

## D. Fair value of financial assets and liabilities

The table below summarizes the carrying amounts and fair values of those financial assets and liabilities not presented on the financial position at their fair value:

	Book Value		Fair Value	
	Current year 31 December 2024	Compared year 31 December 2023	Current year 31 December 2024	Compared year 31 December 2023
<b><u>Financial Assets</u></b>				
Due from banks	141,239,629	67,525,985	141,380,665	67,623,670
Loans to banks	16,407,767	5,885,773	16,407,767	5,885,773
<b>Loans to customers</b>				
- Retail	88,757,885	74,383,189	88,480,007	73,000,810
- Corporate	122,188,429	99,525,076	122,188,429	99,525,076
<b>Financial Investments</b>				
- At amortized cost	16,677,966	40,364,790	16,449,447	38,443,584
<b><u>Financial liabilities</u></b>				
Due to banks	8,215,951	6,816,955	8,220,184	6,839,830
<b>Customers' deposits:</b>				
- Retail	197,753,791	164,059,566	216,491,623	180,899,897
- Corporate	154,518,351	138,006,534	154,507,230	137,989,857
Other loans	57,857,599	40,057,447	57,857,599	40,057,446

### D-1 Financial instruments measured at fair value

Classified financial assets are measured as financial assets for the purpose of trading at fair value, with differences in fair value being included in the income statement within the net income from trading. "Also, debt instruments classified as financial assets at fair value through other comprehensive income are measured at fair value with fair value included the fair value of other comprehensive income statement is included in the fair value reserve.

For investments in equity instruments are restricted stock measuring Stock Exchange securities at fair value, according to the prices of the stated stock exchange in the history of separate financial statements As for the shares of unrestricted stock exchange "with the exception of investment strategy are assessed in one of the accepted technical methods discounted cash flow method, multiples value method and the inclusion of Valuation differences in other comprehensive income are included Fair value reserve; for strategic investments, the nominal cost or value is the fair value of those investments.

### D-2 Financial instruments not measured at fair value

#### Financial investments at amortized cost

Financial investments at amortized cost include governmental securities and not quoted in active market. The fair value of these governmental securities at amortized cost and listed is disclosed based on its quoted price at the end of each financial period.

## E. Capital management

The capital adequacy standard is prepared according to the requirements of Basel II based on the decision of the Board of Directors of the Central Bank of Egypt in its session held on December 18, 2012, which was issued on December 24, 2012 as well as in accordance with the instructions of the Central Bank of Egypt regarding the capital adequacy ratio (Basel II) issued during May-2019, as well as the decree of the Board of Directors of the Central Bank of Egypt which has been held on December 27, 2020 which was issued on January 4, 2021 Regarding the commitment of banks to apply the attached regularly instructions for managing operational risks using the standard approach instead of the basic indicator approach within the framework of implementing the final group of reforms for Basel III instructions, and for the purposes of capital management, the equity shown in financial position statement in addition to some other elements other than equity represents from the bank's viewpoint the components of the capital that it manages. The Bank manages its capital to ensure that the following objectives are achieved:

- Complying with the legally imposed capital requirements in Egypt.
- Protecting the bank's ability to continue as a going concern and enable it to continue to generate returns for shareholders and other parties dealing with the bank.
- Maintaining a strong capital base to enhance growth of the bank's operations.

The bank management reviews the adequacy and uses of the capital according to the requirements of the regulatory authority represented in the Central Bank of Egypt, where the bank provides the required data and present it for the Central Bank of Egypt on a monthly basis through forms based on the guidelines of the Basel Committee for Banking Supervision, and the bank must adhere to the following rules according to the requirements of the Central Bank of Egypt:

- Maintaining EGP 5 billion as a minimum requirement for the issued and paid-in capital.
- Maintaining the achievement of the ratio between the total capital base / total assets and contingent liabilities weighted by credit, market and operating risk weights, after adding the requirements of the prudent pillar to become 12.75%.

**The numerator of the capital adequacy standard consists of the following two tiers:**

### **Tier One consists of:**

#### **A- Continuous basic capital consists of:**

- 1) Issued and paid-up capital (after deducting the book value of treasury shares).
- 2) Retained earnings (Retained losses).
- 3) The Outstanding reserves that the law, the bank's statute or the central bank's instructions provide for its formation after dividends, except for the general risk reserve and the special reserve, as well as deducting any goodwill previously recognized and any retained losses in addition to the other accumulated comprehensive income items, whether positive or negative.
- 4) Items of the accumulated other comprehensive income statement, whether positive or negative.
- 5) Interim profits /(losses) in accordance with the decision of the Board of Directors of the Central Bank dated on 26 October 2023.
- 6) Items that are deducted from the tier one of the capital base (exclusions from financial and non-financial companies, investment funds, support loans granted from the bank to other firms, intangible assets, net future profits resulting from securitization operations, pension benefits, and deferred tax assets) As well as an item of elements that are not listed (fair value reserve balance for financial investments available for sale that have been reclassified to financial investments held to maturity - if it is negative).

#### **B- Additional basic capital consists of:**

(Non-cumulative perpetual preferred shares, non-controlling interest, the difference between face value and present value of subordinated loans (deposit)).

### **Tier Two is supportive capital and consists of:**

- 7) The balance of the required provisions against debt instruments / loans, credit facilities and incidental liabilities included in the stage one to the maximum of 1.25% risk weighted assets and contingent liabilities with credit Risk weights.
- 8) Loans (subordinated deposits) within the prescribed percentage (50% of the first tranche after exclusions), the present value will be entered in full, provided that its consumption is taken into account at 20% of its value in each of the last five years for it.
- 9) 45% of the special reserve, 45% of the increase in the fair value over the book value of financial investments in subsidiary and associate companies.

### **The Denomination the capital adequacy ratio:**

**-Credit risk:** The credit centers are listed after excluding the allocations required for the stage two and three and they are weighted according to the weight of the risks associated with each credit center, which reflects the credit risks associated with it, and taking into account the guarantees. The same treatment is used for amounts outside the statement of financial position after making adjustments to reflect the incidental nature and possible losses of these amounts.

### **- Market risk:**

- Banks must apply the standard method when calculating the capital requirement necessary to meet market risks through the cumulative construction of calculating the capital requirements for each type of market risk and then collect them to reach the total capital requirements needed to meet market risk as a whole in accordance with the central bank model.

Banks must determine their investment in the trading portfolio when calculating the capital requirement necessary to meet market risks.

- Financial instruments held for trading purposes must be free from any conditions that impede their circulation and be fully capable of covering them.

### **- Operational risk:**

- Banks should use the standard method to calculate the capital requirements to meet the operational risks, as it is determined as a result of the weighted component of the business index multiplied in the internal losses multiplier.

- The risk-weighted assets of operational risks are calculated by multiplying the capital requirement for operational risks by 12.5 times to be included in the denominator of the capital adequacy ratio.

- The following table summarizes the components of the basic and supporting capital and the ratios of the capital adequacy criterion according to Basel II and III.

#### **1-The capital adequacy ratio**

	<b>31 December 2024</b>	<b>31 December 2023</b>
<b>Tier 1 capital (continuous basic capital + additional basic capital)</b>		
Issued and paid-up capital	19,000,000	10,000,000
Capital increased amount	1,500,000	10,500,000
General reserve	187,291	187,291
Legal reserve	1,720,450	1,386,083
Other reserves	801,435	745,367
General risk reserve	68,481	68,481
Retained earnings	5,056,013	443,075
Profit for the year	12,300,008	6,615,009
Non-controlling interest	13,019	10,129
Difference between face value and present value of subordinated loans (deposit)	1,179,701	1,646,308
Total accumulated other comprehensive income items, whether positive or negative	1,541,818	(344,115)
Total deductions from tier 1 capital common equity	(1,886,364)	(1,429,765)
<b>Total tier 1 capital</b>	<b>41,481,852</b>	<b>29,827,863</b>
<b>Tier 2 capital (subordinated capital)</b>		
Equivalent to the balance of the required provisions against debt instruments / loans and credit facilities included in the stage one	2,495,630	1,433,570
Subordinate loans (deposits)	9,554,507	6,896,588
45% of the Increase in fair value than book value for financial investments in associates' companies	176,484	92,575
<b>Total Tier 2</b>	<b>12,226,621</b>	<b>8,422,733</b>
<b>Total capital base after deductions</b>	<b>53,708,473</b>	<b>38,250,596</b>
<b>Risk weighted assets and contingent liabilities</b>		
Total credit risk	287,271,174	203,611,510
Total market risk	13,374,883	8,224,272
Total operational risk	12,623,154	9,624,637
<b>Total risk weighted assets and contingent liabilities</b>	<b>313,269,211</b>	<b>221,460,419</b>
<b>Capital adequacy ratio (%)</b>	<b>17.14%</b>	<b>17.27%</b>

The capital adequacy ratio prepared based on consolidated financial statements.

## Leverage Ratio:

The Board of Directors of the Central Bank of Egypt issued, in its meeting on July 7, 2015, a decision approving the supervisory instructions for leverage, with the banks committing to the minimum prescribed percentage of (3%) on a quarterly basis as a binding supervisory ratio starting from 2018, in preparation for consideration of their consideration within the first pillar One of the decisions of Basel (the minimum capital adequacy standard) with the aim of preserving the strength and safety of the banking system and keeping abreast of international best practices in this regard.

The leverage reflects the relationship between the tier one of capital used in the capital adequacy standard (after exclusions), and the bank's assets (both on balance sheet and off-balance sheet) are not weighted by risk weights.

## Ratio components

(A) The numerator components:

The numerator of the ratio consists of the tier 1 of capital (after exclusions) used to extend the capital adequacy standard currently applied in accordance with the Central Bank of Egypt instructions.

(B) Components of the denominator

The denominator of the ratio consists of all the assets of the bank inside and outside the budget according to the financial statements, which is called "bank exposures" and includes the following total:

- 1- Exposures within the financial statements after deducting some of the exclusions, the tier one of the capital bases
- 2- Exposures resulting from derivative contracts
- 3- Exposures resulting from securities financing operations
- 4- Extra budgetary exposure (weighted by conversion factors)

The tables below summarize the leverage financial ratio:

<b>2- Leverage Ratio</b>	<b>31 December 2024</b>	<b>31 December 2023</b>
<b>Total tier 1 capital after deductions</b>	41,481,852	29,827,863
Total on-balance sheet exposure	487,117,204	403,813,582
Total off balance sheet exposure	51,425,205	34,673,540
Total on and off-balance sheet exposure	<b>538,542,409</b>	<b>438,487,122</b>
<b>Leverage (%)</b>	<b>7.70%</b>	<b>6.80%</b>

According to letter of CBE on 11 Jan 2017, the board of directors of CBE's accepted on 28 December 2016 for the following decision: -

The bank applied the elimination of CBE subordinated deposits as well as the shareholders of the Bank in an exceptional manner with recognizing the difference in owner equity under the name "Different between the present value and Face value for subordinated deposit" and the deposit at the end of each financial period so that the value to the face value on the date of maturity and so on the above-mentioned differences.

## 4. Significant accounting estimates and assumptions

The application of the accounting policies disclosed in Note No. (3) Requires the bank to use the provisions of estimates and assumptions about the book values of some assets and liabilities that other sources are unable to provide. These estimates and their accompanying assumptions depend on historical experience and other related factors. Actual results may differ from these estimates. Assumptions and estimates are reviewed on an ongoing basis and accounting changes and accounting estimates are recognized either in the period during which the change occurs if their impact is limited to that period only, or in the period in which the change and future periods occur if the change in the accounting estimate affects both the current and subsequent periods. The following is a summary of the most important assumptions related to the future and unconfirmed sources of information at the end of the financial period, which are of great risk to lead to a fundamental adjustment to the book values of assets and liabilities during the next financial period.

**a- Impairment losses for loans and advances (Expected credit loss)**

- The Bank reviews the portfolio of loans and advances at least quarterly; The Bank uses discretionary judgment on determining whether it is necessary to record impairment loss in the income statement. The Bank has to identify if there is objective evidence indicating a decline in the expected future cash flows from loan portfolio before identifying any decline on individual basis.
- This evidence include data indicating negative changes in a borrower's portfolio ability to repay to the Bank or local or economic circumstances related to default. On scheduling future cash flows the management uses the past experience to determine the credit impairment loss for assets when there is objective evidence of impairment similar to that of the portfolio.
- The methods and assumptions used in estimating both the amount and timing of the future cash flows are reviewed on a regular basis to minimize any discrepancy between the estimated loss and actual loss based on experience

**b- Fair value of derivatives**

The fair values of financial instruments that are not quoted in active markets are determined by using valuation techniques. Where valuation techniques (as models) are used to determine fair values, they are validated and Periodicity reviewed by qualified personnel independent of the area that created them. All models are certified before they are used, and models are calibrated to ensure that outputs reflect actual data and comparative market prices. To the extent practical, models use only observable data; however, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect reported fair value of financial instruments. The financial derivatives at the end of the current financial period or the end of the previous year are not considered of relative importance for the items of the financial position list on these dates.

**c- Investments at amortized cost**

Non-derivatives financial assets with fixed or determinable payments and fixed maturity are classified at Amortized cost as its business model to held the asset to collect Contractual cash flows

**d- Income taxes**

The bank's profits subject to income tax therefor the bank uses essential estimations to determine the total tax burden for income.as there's difficult to determine the final tax for some transactions so the bank records tax liability as per according to probability of arising additional tax while tax examination. When there is a discrepancy between the final result of the Tax Authority and the amounts previously recorded, then these discrepancies will affect the income tax and deferred tax provision for the period, in which the discrepancy has been identified.

**5. Segment analysis**

**A) Segment activity**

Segment activity involves operating activities; assets used in providing banking services, and risk and return management associated with this activity, which might differ from other activities. Segment analysis for the banking operations involves the following:

**Large, medium, and small enterprises:**

Includes current accounts, deposits, overdraft accounts, loans, credit facilities, and financial derivatives activities.

**Investment:**

Includes mergers, purchase of investments and financing the restructuring of companies and financial instruments

**Retail:**

Includes current account, saving accounts, deposits, credit card, personal loans, and mortgage loans activities,

**Other activities:**

Includes other banking operations, such money management

**B) geographical segment**

<b><u>Assets &amp; Liabilities according to geographical segments at 31 December 2024</u></b>	<b><u>Cairo</u></b>	<b><u>Alex, Delta &amp; Sinai</u></b>	<b><u>Upper Egypt</u></b>	<b><u>Total</u></b>
Geographical Segments Assets	408,718,401	50,340,364	24,040,252	<b><u>483,099,017</u></b>
Geographical Segments Liabilities	293,101,829	114,763,236	30,956,146	<b><u>438,821,211</u></b>
<b>Geographical segments of other items</b>				
<b>Depreciation at 31 December 2024</b>				<b><u>688,613</u></b>
<b>Profit before tax</b>				<b>17,929,719</b>
<b>Tax</b>				<b><u>(5,560,030)</u></b>
<b>Net profit for the year</b>				<b><u>12,369,689</u></b>

<b><u>Assets &amp; Liabilities according to geographical segments at 31 December 2023</u></b>	<b><u>Cairo</u></b>	<b><u>Alex, Delta &amp; Sinai</u></b>	<b><u>Upper Egypt</u></b>	<b><u>Total</u></b>
Geographical Segments Assets	336,366,685	44,408,351	20,871,703	<b><u>401,646,739</u></b>
Geographical Segments Liabilities	244,366,695	97,738,140	26,776,772	<b><u>368,881,607</u></b>
<b>Geographical segments of other items</b>				
<b>Depreciation at 31 December 2023</b>				<b><u>555,988</u></b>
<b>Profit before tax</b>				<b>10,950,957</b>
<b>Tax</b>				<b><u>(4,290,003)</u></b>
<b>Net profit for the year</b>				<b><u>6,660,954</u></b>

## 6. Net interest income

	31 December 2024	31 December 2023
<u>Interest income from loans and similar income:</u>		
Loans and advances:		
- banks	725,057	537,526
- customers	38,255,190	24,009,555
<b>Total</b>	<b>38,980,247</b>	<b>24,547,081</b>
Deposits and current accounts	12,517,278	7,997,625
Investments in debt instrument at fair value through other comprehensive income and amortized cost	17,206,263	16,550,378
<b>Total</b>	<b>68,703,788</b>	<b>49,095,084</b>
<u>Interest expense of deposits and similar expense:</u>		
Deposits and current accounts:		
- banks	(1,996,381)	(2,812,435)
- customers	(34,656,971)	(26,294,780)
<b>Total</b>	<b>(36,653,352)</b>	<b>(29,107,215)</b>
Other loans	(3,937,162)	(2,200,024)
<b>Total</b>	<b>(40,590,514)</b>	<b>(31,307,239)</b>
<b>Net</b>	<b>28,113,274</b>	<b>17,787,845</b>

## 7. Net fee and commission income

	31 December 2024	31 December 2023
<b>Fee and commission income:</b>		
Fee and commission related to credit	3,405,801	2,640,671
Trust and custody fees	44,825	39,562
Other fees	2,859,831	1,618,721
	<b>6,310,457</b>	<b>4,298,954</b>
<b>Fees and commission expense:</b>		
Other fees	(564,050)	(388,905)
<b>Total</b>	<b>(564,050)</b>	<b>(388,905)</b>
<b>Net</b>	<b>5,746,407</b>	<b>3,910,049</b>



## 8. Dividend income

	31 December 2024	31 December 2023
Securities at fair value through other comprehensive income	527,997	217,950
Subsidiary and Associate companies	130,018	65,561
<b>Total</b>	<b>658,015</b>	<b>283,511</b>

## 9. Net trading income

	31 December 2024	31 December 2023
Debt instruments for trading	32,708	23,865
Valuation Differences in Currency forward Contracts	--	20,451
Gains from foreign currencies contracts	137	110
<b>Total</b>	<b>32,845</b>	<b>44,426</b>

## 10. Administrative expense

	31 December 2024	31 December 2023
<b>Employee's cost</b>		
Wages and salaries*	(4,564,477)	(3,742,895)
Social insurance	(206,932)	(185,614)
Other retirement benefit (Note 30)	(500,421)	(351,695)
	(5,271,830)	(4,280,204)
Other administrative expenses	(5,700,026)	(3,870,778)
<b>Total</b>	<b>(10,971,856)</b>	<b>(8,150,982)</b>

\*The current year include EGP 44,167 thousand representing the Bank's share in the contributions of the Bank's special insurance fund.

## 11. Other operating revenues (expenses)

	31 December 2024	31 December 2023
Gains of translated monetary assets and liabilities in foreign currencies other than classified as held for trading items	(1,290,121)	(455,232)
Gains of sale property and equipment	51,549	56,068
Gains of sale assets revert to the bank	2,743	778
Reverse impairment of assets and other provisions (note: 22&28)	380,257	133,108
Charge impairment of assets and other provisions (note: 22&28)	(482,346)	(751,151)
Other	(792,377)	46,253
<b>Total</b>	<b>(2,130,295)</b>	<b>(970,176)</b>

## 12. (charged) reversed of expected credit losses

	31 December 2024	31 December 2023
Loans and advances to customers	(3,739,121)	(2,040,857)
Due from Banks	7,298	(4,267)
Financial investments at fair value through OCI	70,216	(114,444)
Loans and advances to banks	(6,046)	7,647
<b>Total</b>	<b>(3,667,653)</b>	<b>(2,151,921)</b>

## 13. Income tax expense

	31 December 2024	31 December 2023
Current tax	(5,757,807)	(4,152,729)
Deferred tax	197,777	(137,274)
<b>Total</b>	<b>(5,560,030)</b>	<b>(4,290,003)</b>
Profit before income tax	17,929,719	10,950,957
Tax Rate	22.50%	22.50%
Income tax calculated on accounting profit	4,034,187	2,463,965
Expenses are not deductible	1,525,843	1,826,038
<b>Net tax</b>	<b>5,560,030</b>	<b>4,290,003</b>
<b>Effective tax rate</b>	<b>31.01%</b>	<b>39.17%</b>

## 14. The basic earnings per share from net profit for the year

The earnings per share is calculated by dividing the net profit of shareholder equity by weighted average of common stock issued during the year.

	31 December 2024	31 December 2023
Net profit for the year available for distribution (note: 33)*	9,849,800	5,362,904
The weighted / common number of shares	8,430,328	5,000,000
<b>The basic earnings per share from net profit for the year</b>	<b>1.17</b>	<b>1.07</b>

\* Proposed amounts are subject to change according to GAM decision.

## 15. Cash and balances at Central Bank

	31 December 2024	31 December 2023
Cash*	11,530,290	10,759,745
Balances at Central Bank within the mandatory reserve ratio	17,045,649	26,798,483
<b>Total</b>	<b>28,575,939</b>	<b>37,558,228</b>
Non-interest-bearing balances	<b>28,575,939</b>	<b>37,558,228</b>

## 16. Due from banks

	31 December 2024	31 December 2023
Current Accounts	392,950	1,587,538
Deposits	140,846,679	65,938,447
ECL provision for due from banks	(26,834)	(21,079)
<b>Net</b>	<b>141,212,795</b>	<b>67,504,906</b>
Central Bank	46,070,882	18,703,212
Local Banks	65,391,029	42,365,185
Foreign Banks	29,777,718	6,457,588
ECL provision for due from banks	(26,834)	(21,079)
<b>Net</b>	<b>141,212,795</b>	<b>67,504,906</b>
Non-interest-bearing balances	392,950	1,587,538
Balances with fixed interest	140,846,679	65,938,447
ECL provision for due from banks	(26,834)	(21,079)
<b>Net</b>	<b>141,212,795</b>	<b>67,504,906</b>
<b>Current balances</b>	<b>141,212,795</b>	<b>67,504,906</b>

An analysis of the movement in the ECL provision for Due from banks during the year:

	31 December 2024	31 December 2023
<b>Balance at the beginning of the year</b>	<b>21,079</b>	<b>13,465</b>
(Reverse) charged ECL during year	(7,298)	4,267
Foreign currencies translation differences of provisions during year	13,053	3,347
<b>Balance at the end of the year</b>	<b>26,834</b>	<b>21,079</b>

## 17. Loans and advances to banks

	31 December 2024	31 December 2023
Term Loans	16,407,767	5,885,773
<b>Total</b>	<b>16,407,767</b>	<b>5,885,773</b>
Less: Expected credit loss provision	(33,624)	(16,502)
<b>Net loans and advances to banks</b>	<b>16,374,143</b>	<b>5,869,271</b>
<b>Current balances</b>	16,407,767	5,885,773
<b>Total</b>	<b>16,407,767</b>	<b>5,885,773</b>

An analysis of the movement in the ECL provision for loans and advances to banks during the year:

	31 December 2024	31 December 2023
<b>Balance at the beginning of the year</b>	<b>16,502</b>	<b>19,343</b>
Charged (Reversed) ECL during year	6,046	(7,647)
Foreign currencies translation differences of provisions during the year	11,076	4,806
<b>Balance at the end of the year</b>	<b>33,624</b>	<b>16,502</b>

## 18. Loans and advances to customers

	31 December 2024	31 December 2023
<b>Retail</b>		
Overdraft accounts	1,344,713	2,245,080
Credit cards	3,191,034	1,756,035
Personal loans	75,669,045	64,842,379
Mortgage loans	8,553,093	5,539,695
<b>Total</b>	<b>88,757,885</b>	<b>74,383,189</b>
<b>Corporate including small loans for economic activities</b>		
Overdraft accounts	41,174,504	42,766,167
Direct loans	49,554,949	33,526,214
Syndicated loans	30,608,776	22,990,775
Discount documents	850,200	241,920
<b>Total</b>	<b>122,188,429</b>	<b>99,525,076</b>
<b>Total loans and advances to customers</b>	<b>210,946,314</b>	<b>173,908,265</b>
Expected credit loss provision	(15,777,738)	(11,782,746)
Unearned discount of documents	(29,550)	(15,991)
<b>Net loans and advances to customers</b>	<b>195,139,026</b>	<b>162,109,528</b>
<b>Total is distributed as follow: -</b>		
Current balances	85,188,822	70,043,587
Non-current balances	125,757,492	103,864,678
<b>Total</b>	<b>210,946,314</b>	<b>173,908,265</b>

An analysis of the movement on the ECL provision for loans and advances to customers during the year:

	31 December 2024	31 December 2023
<b>Balance at the beginning of the year</b>	<b>11,782,746</b>	<b>10,265,302</b>
Charged ECL during year	3,739,121	2,040,857
Transfers	--	100,767
provision utilized from written off during the year	(2,357,014)	(1,733,227)
Proceeds from written off debts during the year	274,857	196,398
Foreign currencies translation differences of provisions during the year	2,338,028	912,649
<b>Balance at the end of the year</b>	<b>15,777,738</b>	<b>11,782,746</b>

	31 December 2024			31 December 2023		
	Corporate	Retail	Total	Corporate	Retail	Total
<b>Balance at the beginning of the year</b>	<b>9,721,701</b>	<b>2,061,045</b>	<b>11,782,746</b>	<b>8,447,869</b>	<b>1,817,433</b>	<b>10,265,302</b>
Charged ECL during year	2,477,563	1,261,558	3,739,121	1,320,003	720,854	2,040,857
Transfers	--	--	--	100,767	--	100,767
Provision utilized from written off during the year	(1,750,918)	(606,096)	(2,357,014)	(1,062,164)	(671,063)	(1,733,227)
Proceeds from written off debts during the year	11,408	263,449	274,857	2,623	193,775	196,398
Foreign currencies translation differences of provisions during the year	2,338,012	16	2,338,028	912,603	46	912,649
<b>Balance at the end of the year</b>	<b>12,797,766</b>	<b>2,979,972</b>	<b>15,777,738</b>	<b>9,721,701</b>	<b>2,061,045</b>	<b>11,782,746</b>

## 19. Financial investment

### Financial investments at fair value through other comprehensive income

	31 December 2024	31 December 2023
<b>a) Debt Instruments</b>		
- Listed (at fair value-Level 2)	22,823,320	15,656,882
<b>b) Treasury bills unlisted</b>		
- Treasury bills at fair value – local currency (Level 2)*	20,979,902	43,888,885
- Treasury bills– foreign currency	19,727,545	12,053,422
<b>Total Treasury bills at fair value</b>	<b>40,707,447</b>	<b>55,942,307</b>
<b>c) Equity instruments</b>		
- Listed (at fair value- Level 1)	111,370	54,904
- Unlisted (at cost)**	2,516,272	1,992,038
<b>d) Investment Certificates</b>		
- Unlisted Certificate – recoverable amount (at fair value-Level 1)	388,265	246,850
<b>Total financial investments at fair value through other comprehensive income (1)</b>	<b>66,546,674</b>	<b>73,892,981</b>

### Financial investments at amortized cost

<b>a) Debt Instruments-at amortized cost</b>		
- Listed	16,621,853	40,308,677
- Unlisted***	56,113	56,113
<b>Total financial investments at amortized cost (2)</b>	<b>16,677,966</b>	<b>40,364,790</b>
<b>Total financial investments (1)+(2)</b>	<b>83,224,640</b>	<b>114,257,771</b>
Current balances	52,987,745	85,468,107
Non-current balances	30,236,895	28,789,664
<b>Total</b>	<b>83,224,640</b>	<b>114,257,771</b>
Fixed interest debt instruments	64,599,115	98,569,337
floating interest debt instruments	15,609,618	13,394,642
<b>Total</b>	<b>80,208,733</b>	<b>111,963,979</b>

\* Treasury bills at fair value – local currency includes mortgaged treasury bills for Central Bank of Egypt due to Mortgage, Machines and equipment and its face value amounted to EGP 1,665,225 thousand as of 31 December 2024 (31 December 2023: EGP 1,682,275 thousand).

\*\* The following are the financial investments - unlisted equity instruments at cost:

	31 December 2024	31 December 2023
African export – import bank	2,301,952	1,805,095
Misr – Europe Bank	84,218	84,218
Arab Financial services company	242	2,420
Credit guarantee company	1,364	1,364
Taba Tourism development Co.	2,250	2,250
I-Score company	1,848	1,848
Misr for central clearing	1,396	137
Arab trade financing program –ATFP	11,028	11,028
Other companies♦	111,974	83,678
<b>Total</b>	<b>2,516,272</b>	<b>1,992,038</b>

#### **African export – import bank**

- The bank is unlisted.
- The main purpose of establishing the bank is funding and facilitating the trading business between African countries and the rest of the world countries, which makes it difficult to find similar listed banks.
- The bank owns a small share in African export – import bank (4.13%), which restrains the bank from reaching accurate and detailed information to reach fair value of the investment.
- The bank achieves positive net profit and net equity according to its financial statements, which are reflecting the absence of any indicators of impairment in the investment value.

#### **Misr – Europe Bank**

- The bank is unlisted
- The main purpose of establishing the bank is to organize the trade with middle Europe countries and Egypt, the bank has only one branch that makes it difficult to find similar listed banks.
- The bank owns a small share in Egypt Europe bank (10%), which restrains the bank from reaching accurate and detailed information to reach fair value of the investment.
- The Net equity for the bank is Positive according to its financial statement, which is reflecting the absence of any indicators of impairment in the investment value.

#### **Arab trade financing program – ATFP**

- Arab trade financing program is unlisted.
- Arab trade financing program aims to enhance and develops Arab trading, in addition to improve the competitive abilities of Arab exporters. This goal has been achieved by provide funding in the form of credit lines for exporters and importers to the member's countries through local organizations that has been designated by the central bank or any other concerned organization in Arab countries.
- The bank owns insignificant shares in Arab trade financing program (0.33%), which restrains the bank from reaching accurate and detailed information to reach fair value of the investment.
- The bank achieves positive net profit and net equity according to its financial statements, which are reflecting the absence of any indicators of impairment in the investment value.

♦It includes a customer whose part of his outstanding balance was transferred to financial investments - equity instruments with a memorial value for investment based on the settlement contract concluded with the customer on 31/07/2024.

\*\*\* Amount paid to the ministry of finance prepaid for the purchase of treasury bonds, in accordance with the presidential decision No, 1112 for year 1974 which stated that 5% from distribution net profit to the public sector should be invested in governmental bonds or deposit it in an account in the ministry of finance, it was deposited in an account in the ministry of finance with 3.5% interest annual, executing of this decision.

**The following movements on financial investments through the year:**

	<u>Financial investments at fair value through other comprehensive income</u>	<u>Financial investments at amortized cost</u>	<u>Total</u>
<b>Balance of 01 January 2024</b>	<b>73,892,981</b>	<b>40,364,790</b>	<b>114,257,771</b>
Additions	213,765,213	4,497,456	<b>218,262,669</b>
Disposals (sales / redemption)	(233,489,986)	(28,234,441)	<b>(261,724,427)</b>
Translation differences resulting from monetary assets	11,442,519	--	<b>11,442,519</b>
Net changes	1,323,948	--	<b>1,323,948</b>
Amortization of (premium) / discount of issuance	(388,001)	50,161	<b>(337,840)</b>
<b>Balance as at 31 December 2024</b>	<b>66,546,674</b>	<b>16,677,966</b>	<b>83,224,640</b>

	<u>Financial investments at fair value through other comprehensive income</u>	<u>Financial investments at amortized cost</u>	<u>Total</u>
<b>Balance of 01 January 2023</b>	<b>47,431,343</b>	<b>55,031,456</b>	<b>102,462,799</b>
Additions	179,042,303	845,682	179,887,985
Disposals (sales / redemption)	(155,384,805)	(15,490,748)	(170,875,553)
Translation differences resulting from monetary assets	3,526,797	--	3,526,797
Net changes	(686,644)	--	(686,644)
Amortization of (premium) / discount of issuance	(36,013)	(21,600)	(57,613)
<b>Balance as at 31 December 2023</b>	<b>73,892,981</b>	<b>40,364,790</b>	<b>114,257,771</b>

**Gains from financial investments**

	<u>31 December 2024</u>	<u>31 December 2023</u>
Gain from selling Treasury bills	69,694	73,786
Gain from selling debt instruments at fair value through OCI	108,172	101,512
(Losses) Reverse impairment of associates	(28,884)	22,337
Gain from selling associate companies	--	570
<b>Total</b>	<b>148,982</b>	<b>198,205</b>



## 20. Investment in Subsidiary and Associate Companies

<u>31 December 2024</u> <u>Company</u>	<u>Currency</u>	<u>Country of residence</u>	<u>Last financial data</u>	<u>Assets</u>	<u>Liabilities</u>	<u>Revenues</u>	<u>Profit/ (Loss)</u>	<u>Share %</u>	<u>Value of the investment in EGP</u>
Cairo Bank Uganda	USHS	Uganda	12/2024	5,702,236	3,192,026	580,643	58,476	99.99	1,506,420
Cairo leasing Company	EGP	Egypt	12/2024	4,148,958	3,498,282	1,225,486	122,975	97.99	489,995
Tally for digital and electronic payments company	EGP	Egypt	12/2024	328,691	88,481	39,371	(178,820)	99.99	649,999
Cairo Exchange	EGP	Egypt	12/2024	188,972	44,438	36,741	(26,247)	99.99	200,000
Guards company for Security and guarding	EGP	Egypt	12/2024	44,770	29,141	132,578	6,865	30	2,160
Nile Holding Company for Development and Investment	EGP	Egypt	12/2024	470,350	2,404	29,355	19,667	33.33	50,000
Financial Sector Mutual Fund	EGP	Egypt	12/2024	198,557	43,561	81,855	62,646	46.28	71,726
Egy Serv for Postal Services	EGP	Egypt	12/2024	390,027	186,088	752,273	144,638	40	72,320
Misr for investment and export development	EGP	Egypt	12/2023	55,210	24,267	10,420	(5,978)	20	12,500
NCLude Fintech Innovation Fund	USD	UAE	09/2024	1,552,668	14,082	25,419	(18,063)	23.57	168,193
Misr real-estate fund 1	EGP	Egypt	12/2024	609,139	3,831	110,126	98,525	27.8	100,010
Misr for investments funds management	EGP	Egypt	12/2024	16,646	2,101	7,200	5,980	20	1,667
<b>Total</b>				<b>13,706,224</b>	<b>7,128,702</b>	<b>3,031,467</b>	<b>290,664</b>	<b>--</b>	<b>3,324,990</b>

<u>31 December 2023</u> <u>Company</u>	<u>Currency</u>	<u>Country of residence</u>	<u>Last financial data</u>	<u>Assets</u>	<u>Liabilities</u>	<u>Revenues</u>	<u>Profit/ (Loss)</u>	<u>Share %</u>	<u>Value of the investment in EGP</u>
Cairo Bank Uganda	USHS	Uganda	12/2023	3,278,898	1,920,989	259,217	26,065	99.99	1,072,561
Cairo leasing Company	EGP	Egypt	12/2023	4,019,375	3,513,110	839,070	84,126	97.99	391,996
Tally for digital and electronic payments company	EGP	Egypt	12/2023	364,267	95,222	28,166	(152,711)	99.99	500,000
Cairo Exchange	EGP	Egypt	12/2023	120,551	43,984	13,807	(23,433)	99.99	100,000
Guards company for Security and guarding	EGP	Egypt	12/2023	32,637	20,189	79,625	4,917	30	2,160
Nile Holding Company for Development and Investment	EGP	Egypt	12/2023	370,967	2,834	20,239	5,602	33.33	50,000
Financial Sector Mutual Fund	EGP	Egypt	12/2023	227,352	9,932	103,474	87,009	46.28	100,610
Egy Serv for Postal Services	EGP	Egypt	12/2023	304,796	155,724	643,692	101,823	40	72,320
Misr for investment and export development	EGP	Egypt	--	--	--	--	--	20	12,500
NCLude Fintech Innovation Fund	USD	UAE	12/2023	869,652	33,790	--	(32,631)	23.57	139,462
Misr real-estate fund 1	EGP	Egypt	12/2023	501,541	2,760	145,082	135,189	27.8	100,010
Misr for investments funds management	EGP	Egypt	12/2023	10,324	1,239	7,200	4,871	20	1,667
<b>Total</b>				<b>10,100,360</b>	<b>5,799,773</b>	<b>2,139,572</b>	<b>240,827</b>	<b>--</b>	<b>2,543,286</b>

**-The following table shows the structure of subsidiaries & associates shareholders at 31 December 2024:**

<u>Company</u>	<u>Cairo Bank Uganda</u>	<u>Cairo Leasing Company</u>	<u>Guards company for security and guarding</u>	<u>Nile Holding Company</u>	<u>Financial Sector Mutual Fund</u>	<u>Egy Serv for Postal Services</u>	<u>Misr for investment and export development</u>	<u>Tally for digital and electronic payments company</u>	<u>Cairo exchange Company</u>	<u>NClude Fintech Innovation Fund</u>	<u>Misr real- estate fund 1</u>	<u>Misr for investments funds management</u>
	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>
Banque Du Caire	99.99	97.99	30	33.33	46.28	40	20	99.99	99.99	23.57	27.8	20
National Bank of Egypt	--	--	--	33.33	--	40	20	--	--	28,29	--	--
Banque Misr	--	--	--	33.34	--	--	20	--	--	28,29	27.8	60
Egyptian Export Development Bank	--	--	--	--	--	--	20	--	--	--	--	--
Arab African Bank	--	--	--	--	--	--	20	--	--	--	--	--
Misr Insurance Co.	--	--	--	--	24.26	--	--	--	--	--	--	20
Misr Life Insurance Company	--	--	--	--	26.80	--	--	--	--	--	27.8	--
Misr Insurance Holding Co.	--	--	--	--	2.66	--	--	--	--	--	--	--
National Security Sector	--	--	30	--	--	--	--	--	--	--	--	--
Insurance Fund for employee at Banque du Caire	--	2	10	--	--	--	--	--	0.005	--	--	--
Al Baraka bank	--	--	10	--	--	--	--	--	--	--	--	--
Agricultural Bank of Egypt	--	--	20	--	--	--	--	--	--	--	--	--
Cairo leasing	--	--	--	--	--	--	--	--	0.005	--	--	--
Other (Individuals and Corporate)	0.01	0.01	--	--	--	20	--	0.01	--	19.85	16.6	--
<b>Total</b>	<b><u>100 %</u></b>	<b><u>100 %</u></b>	<b><u>100 %</u></b>	<b><u>100 %</u></b>	<b><u>100 %</u></b>	<b><u>100 %</u></b>	<b><u>100%</u></b>	<b><u>100 %</u></b>	<b><u>100%</u></b>	<b><u>100%</u></b>	<b><u>100%</u></b>	<b><u>100%</u></b>

## 21. Intangible Assets

Intangible assets represent the Bank's computer software programs as following:

	<u>31 December 2024</u>	<u>31 December 2023</u>
<b>Beginning balance of the year</b>		
Cost	675,812	534,336
Accumulated amortization	(493,856)	(335,665)
<b>Net book value at the beginning of the year</b>	<b>181,956</b>	<b>198,671</b>
Additions during the year	193,206	141,476
Amortization for the year	(177,152)	(158,191)
<b>Net book value at the end of the year</b>	<b>198,010</b>	<b>181,956</b>

## 22. Other Assets

	<u>31 December 2024</u>	<u>31 December 2023</u>
Accrued revenues	4,941,225	4,162,834
Prepaid expenses	493,226	353,569
Advanced payments under purchase of property and equipment	2,941,176	2,332,965
Assets reverted to the bank in settlement of debts	214,270	214,974
Insurance and custodies	247,746	170,265
Clearing transactions	1,255,250	919,891
Tax authority	196,166	186,001
Other debit balances	1,604,054	1,218,734
Impairment Provision for other assets	(224,587)	(212,232)
<b>Total</b>	<b>11,668,526</b>	<b>9,347,001</b>

An analysis of the movement on impairment provision for other assets during the year as follows:

	<u>31 December 2024</u>	<u>31 December 2023</u>
<b>Balance at the beginning of the year</b>	<b>212,232</b>	<b>208,239</b>
Impairment charged on income statement of the year	17,147	4,388
Reversed during the year	(259)	--
Utilized during the year	(4,533)	(396)
Foreign currencies exchange differences of provisions during the year	--	1
<b>Balance at the end of year</b>	<b>224,587</b>	<b>212,232</b>

**23. Property and equipment**

	<u>Land</u>	<u>Buildings &amp; Constructions</u>	<u>Integrated automated systems</u>	<u>Vehicles</u>	<u>Machinery &amp; Equipment</u>	<u>Furniture</u>	<u>Fixtures &amp; fittings</u>	<u>Fixtures &amp; fittings rental</u>	<u>Total</u>
<b>Balances at 01 January 2023</b>									
Cost	307,416	676,045	1,233,259	52,925	154,807	274,958	653,890	282,614	<b>3,635,914</b>
Accumulated depreciation	--	(392,568)	(826,544)	(50,290)	(75,463)	(170,628)	(319,821)	(113,456)	<b>(1,948,770)</b>
<b>Net book value</b>	<b>307,416</b>	<b>283,477</b>	<b>406,715</b>	<b>2,635</b>	<b>79,344</b>	<b>104,330</b>	<b>334,069</b>	<b>169,158</b>	<b>1,687,144</b>
Additions	40	45,657	119,987	--	22,805	45,405	123,859	82,150	<b>439,903</b>
Transfers*	--	--	433	--	929	11,936	(7,534)	(5,764)	<b>--</b>
Disposals	(606)	(12,307)	(1,158)	(593)	--	(179)	(1,740)	(1,035)	<b>(17,618)</b>
Disposals' accumulated depreciation	--	11,192	932	593	--	173	1,740	1,035	<b>15,665</b>
Transfers' accumulated depreciation	--	--	(48)	--	(852)	(1,502)	722	1,680	<b>--</b>
Depreciation	--	(18,820)	(170,149)	(1,137)	(23,976)	(41,569)	(89,856)	(55,633)	<b>(401,140)</b>
<b>Net book value at 31 December 2023</b>	<b>306,850</b>	<b>309,199</b>	<b>356,712</b>	<b>1,498</b>	<b>78,250</b>	<b>118,594</b>	<b>361,260</b>	<b>191,591</b>	<b>1,723,954</b>
<b>Balances at 01 January 2024</b>									
Cost	306,850	709,395	1,352,521	52,332	178,541	332,120	768,475	357,965	<b>4,058,199</b>
Accumulated depreciation	--	(400,196)	(995,809)	(50,834)	(100,291)	(213,526)	(407,215)	(166,374)	<b>(2,334,245)</b>
<b>Net book value</b>	<b>306,850</b>	<b>309,199</b>	<b>356,712</b>	<b>1,498</b>	<b>78,250</b>	<b>118,594</b>	<b>361,260</b>	<b>191,591</b>	<b>1,723,954</b>
Net book value at 01 January 2024	306,850	309,199	356,712	1,498	78,250	118,594	361,260	191,591	1,723,954
Additions	--	18,384	672,900	--	181,326	56,462	350,189	63,005	<b>1,342,266</b>
Transfers*	--	--	23,300	--	112,338	85,847	(127,882)	(93,603)	<b>--</b>
Disposals	(45)	(2,794)	(78,172)	--	(6,724)	(11,977)	(8,084)	(684)	<b>(108,480)</b>
Disposals' accumulated depreciation	--	611	78,131	--	6,704	11,951	7,983	596	<b>105,976</b>
Transfers' accumulated depreciation	--	--	(8,898)	--	(48,656)	(45,225)	59,392	43,387	<b>--</b>
Adjustments	--	--	--	--	--	--	--	(66)	<b>(66)</b>
Depreciation	--	(16,174)	(210,696)	(714)	(74,859)	(69,442)	(87,096)	(53,643)	<b>(512,624)</b>
<b>Net book value at 31 December 2024</b>	<b>306,805</b>	<b>309,226</b>	<b>833,277</b>	<b>784</b>	<b>248,379</b>	<b>146,210</b>	<b>555,762</b>	<b>150,583</b>	<b>2,551,026</b>
<b>Balances at 31 December 2024</b>									
Cost	306,805	724,985	1,970,549	52,332	465,481	462,452	982,698	326,683	<b>5,291,985</b>
Accumulated depreciation	--	(415,759)	(1,137,272)	(51,548)	(217,102)	(316,242)	(426,936)	(176,100)	<b>(2,740,959)</b>
<b>Net book value</b>	<b>306,805</b>	<b>309,226</b>	<b>833,277</b>	<b>784</b>	<b>248,379</b>	<b>146,210</b>	<b>555,762</b>	<b>150,583</b>	<b>2,551,026</b>

\* Represents transfers among categories.

- Property and equipment include specifically (land & buildings) unregistered assets by an amount EGP 256,506 thousand, legal procedures are being undertaken to register them.
- The cost of depreciation includes amount by EGP 8,190 thousand this value was charged to the deferred revenue account, and represents the cost of depreciation of the gifted asset to the bank.

## 24. Due to Banks

	31 December 2024	31 December 2023
Current accounts	2,069,786	427,952
Deposits	6,146,165	6,389,003
<b>Total</b>	<b>8,215,951</b>	<b>6,816,955</b>
Central Bank	1,478,739	1,532,285
Local Banks	53,326	2,036,198
Foreign Banks	6,683,886	3,248,472
<b>Total</b>	<b>8,215,951</b>	<b>6,816,955</b>
Non-interest-bearing balances	2,069,786	427,952
Balances with Fixed interest	6,146,165	6,389,003
<b>Total</b>	<b>8,215,951</b>	<b>6,816,955</b>
Current balances	<b>8,215,951</b>	<b>6,816,955</b>

## 25. Customers' deposits

	31 December 2024	31 December 2023
Demand deposits	101,767,738	69,400,497
Term and notice deposits	95,038,848	87,002,742
Certificates of Savings and deposits	94,684,965	100,335,284
Saving deposits	55,074,955	40,155,878
Other deposits	5,705,636	5,171,699
<b>Total</b>	<b>352,272,142</b>	<b>302,066,100</b>
Corporate deposits	154,518,351	138,006,534
Retail deposits	197,753,791	164,059,566
<b>Total</b>	<b>352,272,142</b>	<b>302,066,100</b>
Non-interest-bearing balances	60,803,590	59,329,722
Balances with fixed interest	291,468,552	242,736,378
<b>Total</b>	<b>352,272,142</b>	<b>302,066,100</b>

## 26. Other loans

	<u>Currency</u>	<u>31 December 2024</u>	<u>31 December 2023</u>
Micro, Small and Medium Enterprises Development Agency (MSMEDA)	EGP	608,849	1,378,584
Arabic Trade financing program (ATFP)	USD	552,872	559,937
Arab economic development fund loan-Kuwait	USD	2,558,208	1,297,510
Green for Growth Fund (GGF)	USD	277,303	224,677
European Investments Bank (EIB)	USD	5,610,017	4,416,359
European Bank for Reconstruction & development (EBRD)	USD	3,268,209	1,632,467
African Export-Import Bank (Afreximbank)	USD	28,596,825	22,011,334
Saudi Fund for Development	EGP	60,000	80,000
International Finance Corporation	USD	2,541,940	--
Agence Francaise De Development (AFD)	USD	1,564,266	159,991
KfW Development Bank	EUR	264,603	--
P.V of CBE subordinated deposit*	EGP	1,536,809	1,306,600
P.V of Banque Misr subordinated deposit**	EGP	2,283,490	2,047,092
Green for Growth Fund (GGF) (subordinated loan)	USD	1,525,164	926,793
Sanad Fund for MSME (subordinated loan)	USD	1,525,164	926,793
European Bank for Reconstruction & development (EBRD) (subordinated loan)	USD	2,541,940	1,544,655
British International Investment (BII) (subordinated loan)	USD	2,541,940	1,544,655
<b>Total</b>		<b>57,857,599</b>	<b>40,057,447</b>
Current balances		726,269	19,435,666
Non- current balances		57,131,330	20,621,781
<b>Total</b>		<b>57,857,599</b>	<b>40,057,447</b>

\* Banque Du Caire has been granted a subordinated deposit from CBE by amount EGP 2 billion for 10 years without any interest or commission to meet the requirements of capital adequacy standard from 23/8/2016 due to 22/8/2026.

\*\* Banque Du Caire has been granted a subordinated deposit from Banque Misr by amount EGP 3 billion for 7 years from 30/06/2020 due to 29/06/2027 to support the bank's capital base.

## 27. Other Liabilities

	<u>31 December 2024</u>	<u>31 December 2023</u>
Accrued interest	2,186,781	3,109,107
Prepaid revenues	390,643	461,434
Accrued expenses	511,957	379,273
Clearing transactions	5,326,846	4,250,421
Tax authority	776,141	1,204,407
Creditor's banknote- export foreign currencies	1,220,155	2,407,026
Creditors	61,653	60,057
Other credit balances	3,378,084	3,368,551
<b>Total</b>	<b>13,852,260</b>	<b>15,240,276</b>

## 28. Other Provisions

	31 December 2024	31 December 2023
<b>Balance at the beginning of year</b>	<b>1,696,588</b>	<b>1,020,590</b>
Foreign currency exchange	244,269	87,712
Provision charged to income statement during the year	465,199	746,763
Reversed during the year	(379,998)	(133,108)
Utilized during the year	(43,060)	(25,632)
Proceed during the year	37	263
<b>Balance at the end of the year</b>	<b>1,983,035</b>	<b>1,696,588</b>
<b>Other provisions details:</b>	<b>31 December 2024</b>	<b>31 December 2023</b>
Provision for operation risks	3,838	4,738
Provision for legal claims	256,077	309,630
Provision for other claims	460,717	405,487
Provision for tax	207,610	136,101
ECL Provision for contingent liabilities & commitments-corporate	478,173	464,853
Commitments on unused corporate loans-corporate	508,126	347,219
ECL Provision for contingent liabilities & commitments-SMEs	13,865	5,018
Commitments on unused corporate loans-SMEs	21,051	6,785
ECL Provision for contingent liabilities-Due from Banks	33,578	16,757
<b>Total</b>	<b>1,983,035</b>	<b>1,696,588</b>

## 29. Deferred income tax

Deferred income tax was fully recognized on the temporary difference according to the obligation method using tax rate 22.5%.

Clearing is made between deferred assets and liabilities if the bank has legal rights to make clearing between deferred tax assets and liabilities if they both have to be settled with the same tax administration.

### Deferred tax assets (liabilities)

Deferred tax assets and liabilities resulting from temporary differences attributable to the following:

	Deferred tax assets	Deferred tax liabilities
	31 December 2024	31 December 2024
Property and equipment and other items	--	(167,920)
Changes in fair value of investments through OCI* provisions (other than ECL provision for loan) and other items	33,081	(77,418)
	796,841	--
<b>Total deferred tax assets (liabilities)</b>	<b>829,922</b>	<b>(245,338)</b>
<b>Net deferred tax assets (liabilities)</b>	<b>584,584</b>	<b>--</b>
<b>Movement of deferred tax assets and liabilities: -</b>		

	31 December 2024	31 December 2024
Balance at the beginning of year	550,838	(119,057)
Additions / disposal	279,084	(126,281)
<b>Balance at the end of year</b>	<b>829,922</b>	<b>(245,338)</b>
<b>Unrecognized deferred taxes assets (before tax)</b>		
Unrecognized deferred taxes assets for these items:	31 December 2024	31 December 2023
Expected Credit Loss for loan other than 80%	3,162,272	2,359,850
Other provisions and other items	1,728,508	1,317,955
<b>Total</b>	<b>4,890,780</b>	<b>3,677,805</b>

\*The net change in the fair value of deferred tax assets (liabilities) directly included in equity at 31/12/2024 is EGP 44,337 thousand.

## 30. Retirement benefit liabilities

	31 December 2024	31 December 2023
<b><u>Liabilities included in the financial position</u></b>		
Medical benefits after retirement	1,780,898	1,621,321
<b><u>Recognized in income statement</u></b>		
Medical benefits after retirement	500,421	351,695
<b><u>Amount recognized in financial position represented in</u></b>		
Present value of unfinanced liabilities	2,256,620	2,162,797
Unrecognized auctorial losses	(475,722)	(541,476)
<b><u>Balance included in financial position</u></b>	<b>1,780,898</b>	<b>1,621,321</b>
<b><u>Liabilities movement during the year</u></b>		
<b><u>Beginning balance of year</u></b>	1,621,321	1,509,212
Current service cost	21,212	19,683
Interest cost	466,084	312,939
Recognized auctorial losses	13,125	19,073
Paid benefits	(340,844)	(239,586)
<b><u>Ending balance of year in financial position statement</u></b>	<b>1,780,898</b>	<b>1,621,321</b>
<b><u>Amount recognized in income statement represented in</u></b>		
Current service cost	21,212	19,683
Interest cost	466,084	312,939
Recognized auctorial losses	13,125	19,073
<b><u>Ending balance (included in the cost of employees note 10)</u></b>	<b>500,421</b>	<b>351,695</b>

### 31. Issued and paid-up capital

#### A- Issued and paid capital

The Bank's authorized capital amounted to EGP 50 billion. The issued and paid-up capital amounted to EGP 19 billion divided into 9.5 billion shares with a par value of EGP 2 each share.

#### B- Amounts paid under capital increase

On 24 October 2023, the Board of Directors of CBE approved the request of Bank Misr to increase its shareholding in Banque du Caire through a cash increase of EGP 1.5 billion, so that the bank's issued and paid-up capital after the increase became EGP 20.5 billion, and was marked in the commercial register on 05 February 2025.



### 32. Reserves and retained earnings

<u>Reserves</u>	<u>31 December 2024</u>	<u>31 December 2023</u>
General reserve	184,253	184,253
General Banking Risk Reserve*	1,474,643	1,284,824
Legal reserve	1,708,106	1,377,861
Capital reserve	362,505	306,437
Regular reserve	438,930	438,930
Fair value reserve – financial investments at fair value through other comprehensive income	21,473	(754,999)
Expected credit loss for Debt instrument at fair value through other comprehensive income	618,330	427,363
General risk reserve**	68,481	68,481
<b>Total reserves</b>	<b>4,876,721</b>	<b>3,333,150</b>

\* General Banking Risk Reserve at 31 December 2024 consists of EGP 3,640 thousand, represented of reserve formed for Assets reverted to the bank in settlement of debts and hadn't been sale for 5 years, as well as the amount of EGP 1,471,003 thousand, which represents the credit gap on 31 December 2023, and the credit gap is in 31 December 2024 amounted to EGP 1,601,670 thousand, which represent the difference between provisions of expected credit loss for loans and contingent liabilities and to obligors risk rating provisions as per Central Bank of Egypt instructions, thus requiring a transfer of EGP 130,667 thousand from the profit account by approving the dividend distribution project for 2024.

\*\* Formed according to the Central Bank's instructions issued in 26 February 2019.

#### Movement at reserves as follow:

##### a) General banking risk reserves

	<u>31 December 2024</u>	<u>31 December 2023</u>
Beginning balance for the year	1,284,824	1,158,124
Transferred from profit of the previous year	190,734	126,940
(Reverse) reserve of assets reverted to the bank	(915)	(240)
<b>Ending balance at the end of the year</b>	<b>1,474,643</b>	<b>1,284,824</b>

##### b) Legal reserves

	<u>31 December 2024</u>	<u>31 December 2023</u>
Beginning balance for the year	1,377,861	1,222,385
Transferred from profit of the previous year	330,245	155,476
<b>Ending balance at the end of the year</b>	<b>1,708,106</b>	<b>1,377,861</b>

In accordance with the Bank's Articles of Association and Law No. 159 of 1981, 5% of the net profit for the year is reserved for the legal reserve until the balance reaches 50% of the capital, which is a non-distributable reserve.

##### c) Fair value reserve – financial investment at fair value through other comprehensive income:

	<u>31 December 2024</u>	<u>31 December 2023</u>
Beginning balance for the year	(754,999)	(852,676)
Net change in fair value for financial investments (after tax)	776,472	97,677
<b>Ending balance at the end of the year</b>	<b>21,473</b>	<b>(754,999)</b>

**d) Expected credit loss – Debt instrument at fair value through other comprehensive income:**

	<b>31 December 2024</b>	<b>31 December 2023</b>
Beginning balance for the year	427,363	251,477
Charged of expected credit losses for the year	(70,216)	114,444
Foreign currency exchange	261,183	61,442
<b>Ending balance at the end of the year</b>	<b>618,330</b>	<b>427,363</b>

**The movement in retained earnings is as follows:**

	<b>31 December 2024</b>	<b>31 December 2023</b>
Beginning balance for the year	7,285,674	3,678,739
Net profits for the year	12,369,689	6,660,954
Transferred from (to) fair value reserve for equity instrument	4,340	(666)
Paid dividends	(1,298,050)	(2,712,000)
Transferred (to) general banking risk reserves	(189,819)	(126,700)
Transferred (to) legal reserve	(330,245)	(155,476)
Transferred (to) capital reserve	(56,068)	(30,386)
Banking Sector Development Fund	(64,137)	(28,791)
<b>Ending balance at the end of the year</b>	<b>17,721,384</b>	<b>7,285,674</b>

**33. Dividends income**

Dividends are not recorded nor deducted from retained earnings as a financial liability until it is approved by the shareholder's general assembly at the end of the financial year proposed dividend to the shareholder's and also employees share and board of director's bonus will be presented to the general assembly, which will be held to approve end of financial year after which it will be deducted from shareholder's equity under retained earnings for the year through dividends.

**34. Cash and cash equivalent**

For the presentation of the cash flow statement, cash and cash equivalents include the following balance with maturities of no more than three months from the acquisition date.

	<b>31 December 2024</b>	<b>31 December 2023</b>
Cash and balances at the Central Bank	11,530,290	10,759,745
Due from banks	141,239,629	60,843,190
Treasury bills and other governmental notes	24,122,467	39,163,168
<b>Total</b>	<b>176,892,386</b>	<b>110,766,103</b>

### 35. Contingent Liabilities and Commitments

#### A- Legal Claims:

There are a number of existing legal cases filed against defaulters to recover all bank rights, there are a number of existing legal cases filed against the bank as of 31 December 2024 where no provision was allocated for this purpose, as there are no expected losses.

#### B- Capital commitments

The bank capital commitments amounted to EGP 2,348,222 thousand which are represented in purchases of property and equipment and intangible assets and the management have enough confidence of making enough profits and availability of finance to cover those commitments. Also, the commitments related to financial investments were not yet required to pay until year end amounted to EGP 9,416,852 thousand related to financial investments at fair value through other comprehensive income and financial investments in subsidiaries and associates.

#### C- Commitments related to loans, guarantees, and facilities

	31 December 2024	31 December 2023
Loans commitments	17,475,187	6,709,768
Accepted Documentation	1,994,637	1,448,442
Letters of credit (import)	3,906,660	2,254,277
Letters of credit (export)	1,062,120	2,678,436
Letters of guarantee	46,208,249	28,092,386
<b>Total</b>	<b>70,646,853</b>	<b>41,183,309</b>

### 36. Related party transactions

#### A- The Main Shareholder, subsidiaries and associates companies

##### - Our transaction with Banque Misr (Main Shareholder related party):

	31 December 2024	31 December 2023
<b><u>Due from banks</u></b>		
Current accounts	6,075	3,903
Deposits	12,000,000	16,267,930
<b><u>Other assets</u></b>		
Other	22,398	22,382
Accrued revenues	27,250	47,502
<b><u>Other loans</u></b>		
P.V of Banque Misr subordinated deposit	2,283,490	2,047,092
<b><u>Owner equity</u></b>		
Difference between the present value and face value for subordinated deposit	716,510	952,908

##### - Our transaction with Cairo Bank Uganda (subsidiary company):

	31 December 2024	31 December 2023
<b><u>Due to banks</u></b>		
Current accounts	20,156	30,912
Deposits	177,936	123,572
<b><u>Other liabilities</u></b>		
Accrued revenues	119	40

**- Our transaction with Cairo Leasing Company (subsidiary company):**

	<u>31 December 2024</u>	<u>31 December 2023</u>
<b><u>Loans and advances to customers</u></b>		
Corporate loans (Over drafts)	--	122
Corporate loans (Direct)	1,423,337	1,641,653
<b><u>Other assets</u></b>		
Accrued revenues	21,153	17,603
<b><u>Customers' deposits</u></b>		
Demand deposits	37,408	26,758

**- Our transaction with Tally for digital and electronic payments company (subsidiary company):**

	<u>31 December 2024</u>	<u>31 December 2023</u>
Demand deposits	26,079	41,358
Term and notice deposits	10,000	10,000
<b><u>Other liabilities</u></b>		
Accrued revenues	4,060	952
Others	10,131	3,540
<b><u>Other assets</u></b>		
Other	5,166	5,166

**- Our transaction with Cairo exchange company (subsidiary company):**

	<u>31 December 2024</u>	<u>31 December 2023</u>
<b><u>Customers' deposits</u></b>		
Demand deposits	--	25,890

**- Our transaction with Guards Company for Security and guarding (Associate Company):**

	<u>31 December 2024</u>	<u>31 December 2023</u>
<b><u>Customers' deposits</u></b>		
Demand deposits	11,277	8,884
<b><u>Loans and advanced to customers</u></b>		
Corporate loans (Over drafts)	3,198	15
<b><u>Other liabilities</u></b>		
Accrued expenses	4,200	--

**-Our transaction with International Postal Services Company – Egy serv. (Associate Company):**

	<u>31 December 2024</u>	<u>31 December 2023</u>
<b><u>Customer's deposits</u></b>		
Demand account	3,926	935
<b><u>Other liabilities</u></b>		
Accrued expenses	29,000	17,030

**-Our transaction with Nile Holding Company for Development and Investment (Associate company):**

	<u>31 December 2024</u>	<u>31 December 2023</u>
<b><u>Customer's deposits</u></b>		
Demand account	73	33

**B- Directors and other key management personnel (and close family members)**

	<u>31 December 2024</u>	<u>31 December 2023</u>
Loans and advanced to customers (credit card)	1,500	1,715

According to the CBE's instructions issued on 23 August 2011 regarding the governance of banks, the average monthly salaries and bonuses received by the twenty highest salaries and bonuses in the bank totaled to EGP 8,045,576 during the financial year ending 31/12/2024.

### **37. Banque Du Caire Mutual Funds**

#### **A- Banque Du Caire first fund (with accumulated return)**

The fund is one of investment activities licensed for the Bank under Capital Market Law No. 95 for the year 1992 and its executive regulations; the fund is managed by Hermes Funds Management Company.

This fund consists of 20 million Certificates amounted to EGP 200 million with face value of EGP 100 each according to the approval from the Capital Market Authority (CMA) on 30 October 1997.

According to Banque du caire first fund's holder meeting dated 13 March 2007 and the approval of the Capital Market Authority the face value was amended to EGP 10 instead of EGP 100 each, the amendments have been effective from June 2007.

The number of outstanding certificates as of 31 December 2024 was 2,163,495 certificates with a redeemable value of EGP 301.04 each. 500,000 Certificates were allocated to the Bank in the initial offering until 31 December 2024 with total amount of EGP 151,790,000 which should be held by the Bank till the end of the Fund's year as required by laws, it appears as investments in unlisted equity instruments within financial investments at fair value through other comprehensive income on the same date.

According to the fund's management contract and its prospectus, the Bank receives fees and commissions in return for its supervision of the fund and other administrative services rendered thereby. Total fees and commissions are amounted to EGP 13,755,848 for year ended 31 December 2024 (31 December 2023: EGP 4,767,416) which is presented under the item of "other fees and commissions income" in the income statement.

#### **B- Banque Du Caire second fund (Money Market Fund) – daily**

Banque Du Caire S.A.E. established the second accumulated daily return fund in Egyptian pound as one of its licensed banking activities under license No. 526 issued by the Egyptian Financial Supervisory Authority on 18 June 2009 according to the capital market regulations law No. 95 for 1992 and its executive regulations. The Fund is managed by Belton for funds Management Company.

The number of certificates in the initial offering amounted to 10 million certificates with a face value of EGP 10 per certificate, the documents in the portfolio of other comprehensive income according to what was allocated during the year from the initial launch of the fund until 31 December 2024 numbered 500,000 documents with a book value of EGP 26,885,615.

The number of outstanding certificates as of 31 December 2024 was 77,108,965 certificates with a redeemable value of EGP 53.74 each.

According to the fund's management contract and its prospectus, the Bank receives fees and commissions in return for its supervision of the fund and other administrative services rendered thereby. Total fees and commissions are amounted to EGP 21,750,960 for year ended 31 December 2024 (31 December 2023: EGP 11,931,630) which is presented under the item of "other fees and commissions income" in the income statement.

#### **C- Principal Bank for Development & Agricultural Credit and Banque du Caire Fund with accumulated return according to Islamic Sharia (Al Wefak)**

The Fund is one of the investments activities licensed for the bank under Capital Market Law No. 95 for the year 1992 and its executive regulations.

HC Securities manage the Fund. Which was replaced by CI Assets Management as of 01/04/2021 The number of certificates was 5 million certificates amounted to EGP 50 million with face value EGP 10 each according to the approval No. 625 dated 06 Jan 2011 from the Capital Market Authority (CMA), the fund's year is 25 years from the date of the license.

The number of outstanding certificates as of 31 December 2024 was 1,152,250 certificates with a redeemable value of EGP 33.46 each. 250,000 Certificates were allocated to the Bank in the initial offering until 31 December 2024 with total amount of EGP 8,421,333 which should be held by the Bank till the end of the Fund's year as required by law, it appears as investments in unlisted equity instruments within financial investments at fair value through other comprehensive income on the same date.

According to the fund's management contract and its prospectus, the Bank receives fees and commissions in return for its supervision of the fund and other administrative service rendered thereby. Total fees and commissions are amounted to EGP 84,016 for year ended 31 December 2024 (31 December 2023: EGP 63,525) which is presented under the item of "other fees and commissions income" in the income statement.

#### **D- Banque Du Caire Fund for debt instruments (Fixed)**

On 8 May 2012 Banque Du Caire's Board of Directors approved to establish Banque Du Caire Fixed Income Fund, and the approval of Central Bank of Egypt was on 15 August 2012, it was decided that subscription offering year is two months starting from 4 December 2012. The fund is managed by CI Asset Management Company. The fund consists of 1 million certificates amounted to EGP 100 million with a face value of EGP100 per certificate each. The number of outstanding certificates as of 31 December 2024 was 80,832 certificates with a redeemable value of EGP 377.82 each. 50,000 Certificates were allocated to the Bank in the initial offering until 31 December 2024 with total amount of EGP 19,053,000 which should be held by the Bank till the end of the Fund's year as required by law, it appears as investments in unlisted equity instruments within financial investments at fair value through other comprehensive income on the same date. According to the fund's management contract and its prospectus, the Bank receives fees and commissions in return for its supervision of the fund and other administrative service rendered thereby. Total fees and commissions are amounted to EGP 186,825 for year ended 31 December 2024 (31 December 2023: EGP 163,395) which is presented under the item of "other fees and commissions income" in the income statement.

### **38. Tax position**

#### **38-1 Income tax**

##### **- Years from beginning of the activity till 31 December 2018**

The inspection and final settlement for those years has been done, with the exception of years 1991/1992 where the tax due to the bank were paid by paying the tax differences for years 1991/1992 according to the judgement number 49 for the year 2008 amounted EGP 77Mn and the bank paid this amount and recorded it on debit account waiting the results of the raised lawsuit before the administrative judiciary court.

##### **- Years from 2019 till 2020**

We are in the process of preparing the documents for this period as per the notification from the Tax Authority.

##### **- Years from 2021 till 2024**

The tax returns have been submitted in the legal deadlines and the solidarity contribution and tax due for these years were paid.

#### **38-2 Stamp Duty**

##### **- Periods from beginning of the activity till 31 July 2006**

The Bank's branches and head office have been inspected, and the inspection resulted in claims, some of which have been paid, while other claims remain in dispute and are pending before the administrative judiciary court and have not yet been decided upon.

##### **- Periods from 01 August 2006 till 31 December 2009:**

These years have been settled finally.

##### **- Period from 01 January 2010 till 31 December 2013:**

The final inspection has been done and the disputed items have been referred to the administrative judiciary and have not yet been decided upon.

##### **- Period from 01 January 2014 till 31 December 2019:**

These years have been settled finally.

##### **- Period from 01 January 2020 till 31 December 2020:**

The inspection was completed and an appeal was filed by our bank for one of the items of the inspection, which was decided by Decision No. 609 of 2023, and Mr. Minister of Finance filed an appeal No. 78176 of 78 against the decision of our appeal committee.

##### **- Period from 01 January 2021 till 31 December 2024:**

The tax due for these periods has been paid per quarter regularly and in the legal deadlines.

### **38-3 Salary tax**

**- Periods from beginning of the activity till 31 December 2020**

The inspection and payment have been done.

**- Periods from 01 January 2021 till 31 December 2022**

Under inspection.

**- Periods from 01 January 2023 till 31 December 2024**

The bank pays the tax monthly and submits the annual and quarterly tax returns on the legal deadlines.

### **38-4 Sales tax & Vat**

**- First: Sales tax for periods from 2002 till 07 June 2016 (date of issuance of Law 67 of 2016)**

The years have been inspected by tax authority and the bank paid the due tax, and challenged the incoming claims in the legal deadlines and the dispute is still pending before the administrative judiciary court till to date.

**- Second: VAT for Periods from 08 June 2016 till 31 December 2024**

The administrative court was issued not to register our bank in VAT and the judgment was executed in favor of our bank and was appealed by the Tax Authority and the Supreme administrative court issued a ruling upholding the ruling and the Tax Authority is in the process of announcing the executive version and until the deregistration form is issued.

### **38-5 Real estate tax**

Our bank pays the real estate tax on the legal dates with the exception of some units whose tax value is overvalued and part of the claim is paid with the submission of challenged and a provision is made of the difference, due to the different methods of calculating the tax between our bank and the Tax Authority, since 01 July 2013 till 31 December 2024 also the real estate Tax Authority also sends claims for ATM machines, which are paid with an appeal against them, due to the Authority's lack of entitlement to claim them as it is considered a movable asset.

## **39. Important events**

On 08 April 2024, Banque du Caire and the lending banks signed a debt settlement agreement in exchange for financial and tangible assets with a major client, aiming to settle the syndicated loan including a number of settlement tools, mainly the transfer of ownership of shares for one of subsidiary companies of our client to the lending banks with a restriction on the lending banks to sell these shares for an agreed upon period of time as well as the existence of call and put options for the debtor and creditor parties. This is in addition to the transfer of ownership of real estate assets to the lending banks as well as the opening of an intermediary bank account in favor of the lending banks, and the technical opinion is being obtained to evaluate all components of the contract through the specialized consulting firms.

## **40. Translation**

These financial statements are a translation into English from the original Arabic statements. The original Arabic statements are the official financial statements.