بنك القاهرة
Banque du Caire

Building Trust,
Fueling Dreams

2023 ANNUAL REPORT

20 ANNUAL
23 REPORT

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BANK OVERVIEW

At a **Glance**

Established in 1952, Banque du Caire continues as one of Egypt's premier commercial banks and a pillar of the Egyptian financial sector, with a rich legacy spanning over seven decades marked by awards, growth, and evolution. What once began as a state-owned banking entity has transformed into a dynamic force driving Egypt's economic prosperity.

Through a comprehensive array of tailored banking solutions, cutting-edge digital products, diverse non-bank financial services, and a strategically planned sustainable transformation, Banque du Caire serves a staggering client base exceeding 3 million, solidifying its position as the nation's foremost financial partner. Beyond national borders, its footprint extends to the UAE through a representative office and to Uganda via a strategic subsidiary, positioning it as a pivotal hub for regional financial management. With a steadfast commitment to customer-centricity, Banque du Caire continues to foster partnerships, deliver expertise, and offer unparalleled financial services, empowering individuals, and institutions alike to thrive in their financial endeavors while maintaining sustainable growth to ensure long-term growth.

Market Heavyweight

Total Assets	Market Share	Revenue
EGP **402** BN	**3%**	EGP **22.2** BN
#6 in Egypt	#6 in Egypt	41%+ Y-O-Y

Solid Foundations

Employees	Clients	Branches
8,581+	**3.9** MN	**249**
20% Women	#3 in Egypt	#3 in Egypt

Diverse Banking

Microfinance	SME Lending	Investments
EGP **10.5** BN	EGP **24** BN	EGP **117** BN
+ 45% Y-O-Y	+ 25% Y-O-Y	+ 12% Y-O-Y

** Rankings included in the figures are against the 27 banks that published their FS reports.*

AWARD WINNER

SME Financier of the Year
Global SME Finance Forum

Elite Quality Award
JPMorgan

ISO 27001 Certification

Best industry Deal
EMEA Finance

Best Restructuring in EMEA
EMEA Finance

Best Local Currency Loan in Africa
EMEA Finance

Best CSR Bank in Egypt
International Business Magazine

Business Model

Banque du Caire boasts a robust operational and financial framework, characterized by a resilient balance sheet, diversified business lines, an unwavering dedication to customer-centricity, innovation and sustainable growth. Throughout 2023, the bank harnessed these strengths to weather macroeconomic instability while ensuring the preservation of employee well-being, delivery of top-notch services to customers, and sustained profitable returns for shareholders across various lines of business, service offerings, and products.

Our Strengths and Capabilities

Strong Balance Sheet
The bank's enduring strength amid economic challenges is evident in its consistently robust balance sheet, instilling confidence in its strategic direction.

Exceptional Talent
Our team of 8581 dedicated professionals is deeply skilled, continuously trained, and passionately aligned with the bank's corporate ethos, driving productivity and sustainable growth.

Diversified Business Model
Banque du Caire offers a broad spectrum of tailored financial solutions and banking services to both retail and institutional clients, with ongoing adaptations to meet evolving market demands.

Customer Centricity
With over seven decades of industry expertise and a robust digital infrastructure, the bank leads in delivering seamless, customer-centric solutions.

Driving Economic Growth
Our expertise in institutional banking empowers us to support and foster growth in pivotal industries that drive economic development.

Adaptability
Banque du Caire excels in adapting to the evolving financial landscape, particularly in response to the rising demand for sustainable financing solutions.

Sustainable growth
Banque du Caire has continued to build on its legacy as a champion of Sustainability and Sustainable finance, through the development of strategies, policies and products. This direction embodies the bank's strategic direction toward financial profitability while safeguarding communities served.

Our Stakeholder Impact

Our Customers
We prioritize excellence in product delivery, placing customer needs at the forefront of our operations.

Our Employees
We cultivate an environment of empowerment and innovation, nurturing employee growth and fulfillment.

Our Shareholders
Sustainable returns are paramount in our commitment to building shareholder confidence amid economic fluctuations.

Our Partners
Our growth model fosters diverse and sustainable partnerships, enriching the national financial ecosystem.

Our Communities
We actively engage in initiatives aimed at fostering positive change within the communities we serve.

How We Create Value

Institutional Banking
Offers an array of capital financing products, services, and structured solutions for corporations and SMEs across various sectors.

Retail Banking
Central to our growth strategy, providing consumer banking products and digital services tailored to diverse needs and risk profiles.

Investments
Continuous efforts to establish and nurture ventures that complement our core activities and enhance the financial services landscape.

Representative Offices
Serve as gateways for regional capital management, exemplified by our presence in the UAE.

Cairo Bank Uganda

Cairo Exchange

taly

STRATEGIC **REPORT**

Our **Strategy**

Banque du Caire has served as a cornerstone of the national economy since its inception, with a long-standing commitment to fostering economic growth. Building upon this legacy of responsibility, the bank crafted its 2022-2024 strategic plan to sustain its portfolio's growth. 2024 will mark the conclusion of the bank's successful three-year plan, which delivered noteworthy results. The bank's management is excited to unveil the ambitious new three-year strategy, designed to leverage the momentum built and propel the bank forward, instilling confidence in investors about the bank's future prospects.

One Voice

Banque du Caire's ethos centers on the diligent implementation and monitoring of key performance indicators and capitalizing on emerging opportunities, guaranteeing efficient implementation of BdC's priorities, as demonstrated in the bank's pre-defined strategic pillars.

Banque du Caire's unwavering focus on its strategic pillars has fueled significant financial growth, allowing the bank to achieve substantial growth in net profit as well as the assets and liabilities portfolios. Banque du Caire's net profit grew by 112%, reaching EGP 6.7 billion, up from EGP 3.1 billion in 2022. Meanwhile, the total assets portfolio grew by 25% to EGP 402 billion, up from EGP 322 billion in the previous year and the total liabilities portfolio witnessed a 23% growth to reach EGP 369 billion, up from EGP 299 billion in 2022.

Banque du Caire is proudly a universal bank, offering a comprehensive suite of financial solutions for all clients' needs, from personal banking to micro, SME, and large corporates. The bank is dedicated to providing exceptional service to every client segment. The bank's commitment to product development ensures that the right solutions for all clients' financial goals are available, while extending and enhancing its reach and services remains a priority.

Total Assets	Total Liabilities	Net Profit
EGP 402 BN	EGP 369 BN	EGP 6.7 BN
25%	23%	112%

Putting Customers First: Building a More Diverse and Accessible Banking Experience

Over the past three years, Banque du Caire has embarked on a transformative journey, driven by a relentless focus on customer centricity. This commitment has fueled a range of exciting initiatives that have not only expanded the bank's product and service offerings but also revolutionized the way they are delivered.

The bank has significantly broadened its product portfolio, launching new lending programs and introducing a variety of long-term deposits with competitive interest rates to cater to individual needs. Similarly, a streamlined online loan application system was implemented for small enterprises, empowering them with faster access to credit. Recognizing the unique requirements of our corporate clientele, BdC introduced special offerings such as prepaid cards for enhanced control and convenience.

The bank is also extending its physical footprint, reaching a milestone of 1,670 ATMs and 249 branches across the country. These renovations further enhance service excellence and provide a welcoming environment for our customers.

A strategic partnership with MetLife, a leading insurance company, has been a major step forward. This collaboration allows the bank to offer a comprehensive suite of services, including insurance products, making Banque du Caire a true one-stop shop for all clients' financial needs.

The Power of Digital Innovation

At Banque du Caire, we understand the importance of speed and convenience in today's fast-paced world. That's why Banque du Caire has embraced digital transformation across the past three years, creating a more convenient, secure, and personalized banking experience for all client segments. Banque du Caire prioritizes providing a fast and seamless banking experience while remaining cost-competitive through diverse and innovative digital offerings.

The latest innovations included introducing the I-Sign service, a digital signature solution for corporate clients that eliminates the need for paper documents and branch visits. Additionally, our digital arm, Taly, has launched an e-commerce platform to empower our merchant clients.

The bank also automated over 20 operations service requests on its internal processes and is engaging its digital arm Taly to further optimize operational costs.

Optimizing Efficiency and Streamlining Processes

Agility and efficiency are fundamental to success in the dynamic banking landscape. Banque du Caire has continuously optimized its internal processes to ensure remaining responsive to evolving customer needs and market trends. Through a dedicated team for Business Process Reengineering, the bank launched numerous projects to enhance internal processes, elevate SLAs, and refine its business and service models.

The bank's recently implemented cutting-edge projects included a revamped individual account opening process, streamlined SME lending, and refurbished mortgage finance operations.

Investing in People, the Greatest Asset

Banque du Caire deems its people the cornerstone of its success and its most significant asset. Throughout this past year, the bank has cultivated a culture of

empowerment and growth for its workforce. By actively soliciting feedback through engagement surveys, the bank was able to tailor programs that address the needs and aspirations of its employees. Furthermore, a wide range of learning paths was introduced in areas like microfinance, organizational agility, and sustainability, ensuring the bank's workforce possesses the skills to excel. The establishment of five specialized academies, coupled with over 15 training partnerships, further reinforces Banque du Caire's commitment to employee development. These combined efforts have fostered a positive and enriching organizational culture, fostering employee well-being and solidifying Banque du Caire's position as an employer of choice.

Building a Sustainable Future

Banque du Caire is committed to building a resilient and future-proof business model that prioritizes sustainability. The bank is actively seeking innovative ways to serve its communities and contribute to a robust financial ecosystem. A significant milestone in this journey has been the partnership with IFC, a global leader in climate finance expertise. This collaboration has equipped the bank with a comprehensive climate finance strategy to guide its approach to climate risks and green investment activities. The bank also invested in enhancing its sustainable finance portfolio and environmental and social risk management systems. Additionally, a USD 5 million allocation from the French development agency has been designated for credit programs in the Egyptian microfinance sector. Banque du Caire commitment extends beyond financial offerings; the bank is actively integrating sustainable practices into its internal policies and procedures, ensuring a holistic approach to environmental responsibility.

The past three years have been a testament to Banque du Caire's unwavering dedication to customer centricity, digitization, agility and sustainability. We are confident that these advancements position us for continued success, solidifying our role as a leading financial institution in the region.

Chairman and **CEO's Note**

> **Banque du Caire's robust internal framework and profitable business model has allowed us to continue to thrive in the midst of various challenges. The bank has remained resilient while navigating global financial headwinds and the global pandemic.**

At Banque du Caire (BdC), we take immense pride in our commitment to support our clients and the economy, especially during the times we know that our support will be pivotal in their success. Throughout 2023, we witnessed several challenges, yet, we succeeded not only in delivering on all of our strategic priorities, but also on exceeding our targets.

To comprehend our journey throughout 2023, it is essential to recognize two fundamental qualities: resilience and dedication. Thanks to our high-performing teams who excelled to achieve impressive outcomes, resulting in a remarkable 112% growth in net profit, reaching EGP 6.7 billion. Total operating income increased by 41%, fueled by effective balance sheet management and a well-diversified portfolio. Net interest income rose by 39% year-over-year to EGP 17.8 billion, supported by strong growth and higher interest rates. Furthermore, non-interest income increased by 50% year-over-year to EGP 4.4 billion, contributing approximately 20% to the total operating income.

As a leading bank in Egypt, we proudly play a role in financial intermediation and inject liquidity into the economy, through our diversified lending activities, from top-tier corporates and financial institutions to SMEs, retail and microfinance activities we provide the full range of lending products suite. In 2023, our loan portfolio grew substantially by 28% y-o-y, reaching EGP 179.8 billion from EGP 140.5 billion in 2022.

Looking forward, we are focusing on supporting export-driven businesses and offering green lending solutions to top-tier corporations and SMEs. We are finalizing our Climate Finance strategy with the IFC to incorporate climate considerations into our business model, leading to the development of new green products. Our current initiatives, for financing eco-friendly products, highlight our commitment to sustainable finance.

Deposits growth came strong in 2023, increasing by 21% y-o-y, driven by new customer acquisitions and improved service quality. We have succeeded in attracting deposits from all clients segments whether large corporate or retail. Thanks to our long list of product offerings from basic placement to a full-fledged cash management solution that suits all types of clients coupled with increasing the customer base and tapping the banked population that compliments the financial inclusion initiative led by the Central Bank of Egypt.

While our current deposit composition was leaning towards CDs, our strategy is to transition towards a more diversified deposit product introducing a new tiered savings account offering up to 25% interest rate. We have also further developed our institutional banking product offerings, particularly in cash management and custody services, leading to a significant improvement in our CASA ratios, with approximately 40% CASA deposits in 2023.

Our FCY grew by 39% y-o-y, in line with our strategy in attracting foreign currency deposits. This as well shows clients confidence in the local banking sector.

As we continue to upgrade our network and enhance our digital offerings, 2023 marked a year of significant milestones. We inaugurated "Taly" a fully-fledged payment company offering the latest payment technology platforms serving a diverse spectrum of financial institutions ranging from startup fintech, Microfinance companies to banks. Our digital transformation journey includes several exciting new projects, and by the end of 2024, we aim to replicate all physical branch services digitally through our BDC mobile app.

We successfully concluded several significant transactions with multilateral development banks, including the EBRD, IFC, and the European Investment Bank (EIB). These transactions focused on sustainable finance, financing for micro, small, and medium-sized enterprises (MSMEs), and financing for women entrepreneurs, in addition to securing subordinated loans to support our equity. Securing these loans from multilateral institutions proves their confidence and support to BdC. I am proud to note that we have made substantial progress in developing and enhancing our partnerships with multilaterals. In 2018, our exposure to multilateral development banks was minimal, but today it has reached USD 1.1 billion. This increase not only strengthens our balance sheet but also represents a strong vote of confidence in the Bank and its management team.

BDC employs a dedicated workforce of over 8,500 well experienced and trained calibers. I firmly believe that during challenging times, supporting our employees is essential, to ensure that BDC retains its intellectual capital and remains the employer of choice.

One of the most notable initiatives has been the establishment of my regular meetings with small groups of employees from diverse levels within the bank "Breakfast with the Chairman" meetings, which have been ongoing for two years, provide a platform for open communication, innovation and knowledge sharing. These meetings have fostered enhanced collaboration and set s positive precedent for other divisions to emulate.

I'm proud to say that these sessions have significantly created a culture of transparency and fostered open door policy with senior executives.

Looking ahead, the bank remains committed to prioritizing training and development. In 2018, training expenditures represented just 0.3% of total salaries and wages, well below global industry standards. Today, training and development account for 3.5% of total salaries and wages. Our training programs encompass everyone in the institution, from senior management to junior staff. Two years ago, we launched a fast-track leadership program, and to date, we have 70 graduates representing the bank's young talent across two rounds. Additionally, 14 senior department heads participated in the Harvard Executive Management program in Boston. Additionally, our SME Academy trains Relationship Managers (RMs) with specialized skills to serve the SME sector. These initiatives and more have helped reposition BDC as a customer-centric bank with a long-term vision, attuned to the needs of its expanding and diversified customer base.

In the coming year, we plan to intensify our focus on digital transformation to enhance the bank's agility. While we have already made significant strides toward this goal, we continually seek ways to build on the strong foundation we have established. Our aim is to fully automate all internal processes, a milestone we expect to achieve with the completion of our core banking systems upgrade by the end of 2024. We are excited about launching more digital products in the future to serve both retail and institutional customers.

BDC maintains an optimistic look on national economic front, despite global economic uncertainties, the bank remains confident in Egypt's strong economic fundamentals and vast untapped opportunities.

The recent floatation of the Egyptian pound and the international monetary fund IMF approval of expedited funding have unlocked billions of dollars in new foreign investments, presenting a promising outlook for the country's economic growth.

I would like to take this opportunity to express my sincerest gratitude to the Board, Management team, and staff of Banque du Caire for their unwavering support and dedication. Your collective efforts have been instrumental in our success, and I am honored to lead such a talented and committed team. I would also like to extend my heartfelt appreciation to our partners and clients for their continued trust and confidence in us, your loyalty inspires us to excel in all what we offer. We will continue to deliver best in class products and services remaining an active contributor to Egypt's economic growth story.

TAREK FAYED
Chairman and Chief Executive Officer

2023 Financial Highlights

Banque du Caire's strategy prioritizes diversification, enabling the bank to solidify its position as a frontrunner in Egypt's banking industry and achieve impressive results despite worldwide economic constraints, rising inflation, and the ripple effects of geopolitical conflicts. 2023 operating income expanded by an impressive 41% y-o-y to EGP 22.2 billion, primarily driven by the bank's effective balance sheet management and portfolio expansion efforts. Portfolio expansion initiatives also saw its gross loan portfolio grow to EGP 179.8 billion from EGP 140.5 billion in 2022, a 28% y-o-y uptick. Net profit for the year recorded EGP 6.7 billion, a staggering 112% y-o-y increase.

Banque du Caire's total assets stood at EGP 401.6 billion, a 25% y-o-y increase, on the back of a 29% y-o-y increase in net loans to customers and banks (net of provisions), which recorded EGP 168 billion in 2023. The Institutional Banking group, including the SME portfolio, continued to show remarkable growth, recording EGP 95.7 billion, up 23% y-o-y. The retail lending portfolio, including microfinance, also demonstrated notable growth of 38% y-o-y to reach EGP 72.3 billion. Similarly, the bank's gross loan-to-deposit ratio inched up to 59.5%, on the back of Banque du Caire's successful portfolio expansion efforts over the course of the year.

Total liabilities for the year were up 23% y-o-y to EGP 368.9 billion on the back of a 21% y-o-y increase in customer deposits to EGP 302.1 billion.

Banque du Caire's total equity stood at EGP 32.8 billion in 2023, up 46% y-o-y. Meanwhile, the bank's capital adequacy ratio (CAR) stood at 17.4%, inching up from the 15.3% recorded the previous year. The bank delivered a return on average equity (ROAE) of 24.1%, up from the 15.1% recorded in 2022, owing to the bank's improved profitability.

Income Statement

	2022	2023	Y-o-Y Change	
	EGP mn	EGP mn	EGP mn	%
Net Interest Income	12,793	17,788	4,995	39%
Net Non-Interest Income	2,963	4,436	1,473	50%
Core Banking Income (Total Operating Income)	**15,756**	**22,224**	**6,468**	**41%**
Other Operating Income (Expense)	(1,409)	(970)	439	(31%)
Administrative Expense	(6,696)	(8,151)	(1,455)	22%
Expected Credit Loss	(2,056)	(2,152)	(96)	5%
Net Profit Before Tax	**5,595**	**10,951**	**5,356**	**96%**
Income Tax	(2,455)	(4,290)	(1,835)	75%
Net Profit	**3,140**	**6,661**	**3,521**	**112%**

Financial Position

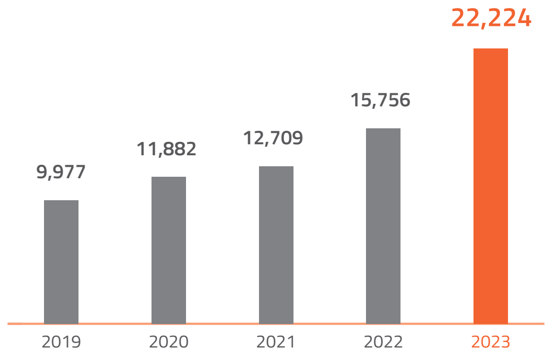
	Standalone			
	2022	2023	YTD Change	
	EGP mn	EGP mn	EGP mn	%
Cash and Balances with CBE	19,491	37,558	18,067	93%
Due from Banks	56,233	67,505	11,272	20%
Net Loans and Advances to Customers and Banks	130,172	167,979	37,807	29%
Financial Investments (including financial derivatives)	102,522	114,258	11,736	11%
Investments in Subsidiaries and Associates	1,790	2,543	753	42%
Other Assets	11,379	11,804	425	4%
Total Assets	**321,587**	**401,647**	**80,060**	**25%**
Due to Banks	19,984	6,817	(13,167)	(66%)
Customer's Deposits	250,184	302,066	51,882	21%
Other Loans	17,981	40,057	22,076	123%
Other Liabilities	10,959	19,942	8,983	82%
Total Liabilities	**299,108**	**368,882**	**69,774**	**23%**
Shareholders' Equity	**22,479**	**32,765**	**10,286**	**46%**
Total Liabilities and Shareholders' Equity	**321,587**	**401,647**	**80,060**	**25%**

Financial Indicators

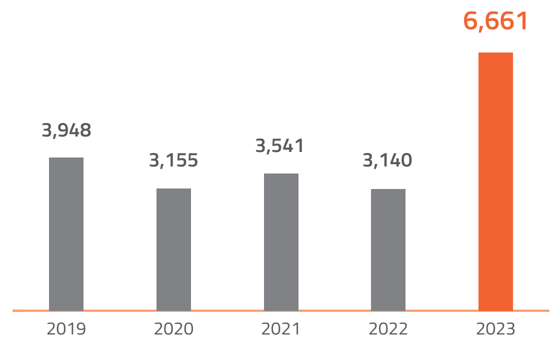
	2022	2023	Y-o-Y Change
Profitability			
ROAE	15.06%	24.11%	9.05%
ROAA	1.09%	1.84%	0.75%
Margins			
Net Interest Margin (NIM)	4.97%	5.57%	0.60%
Efficiency			
Cost-to-Income Ratio	42.50%	36.68%	(5.82%)
Liquidity			
Gross Loans to Deposits	56.16%	59.52%	3.36%
Net Loans to Deposits	52.03%	55.61%	3.58%
Asset Quality			
NPLs-to-Gross Loans	4.97%	4.92%	(0.05%)
Capital Adequacy Ratio	**15.25%**	**17.35%**	**2.10%**

Five-Year Progression

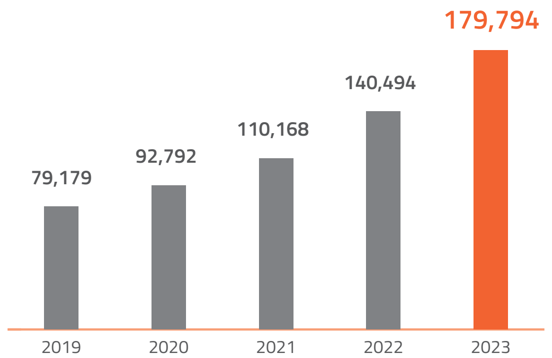
Total Operating Income
(Total Revenues) (EGP mn)



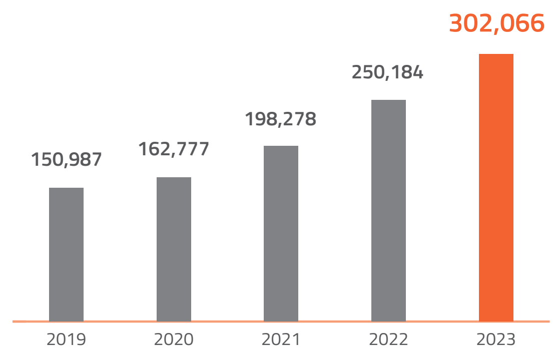
Net Profit
(EGP mn)



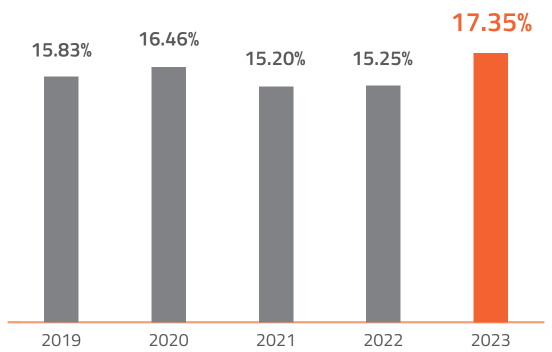
Gross Loans
(Customers & Banks) (EGP mn)



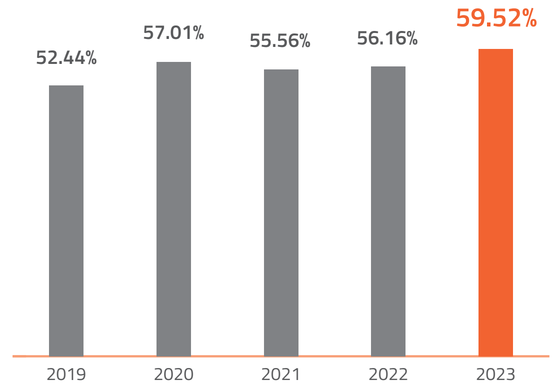
Customer's Deposits
(EGP mn)



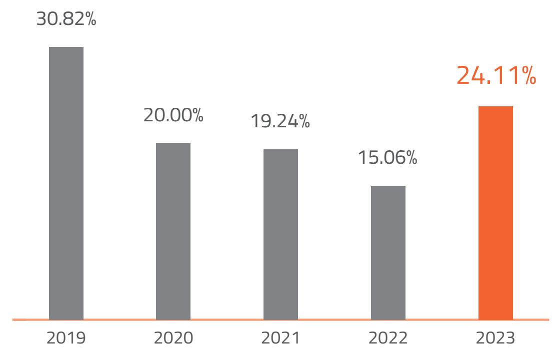
Capital Adequacy ratio



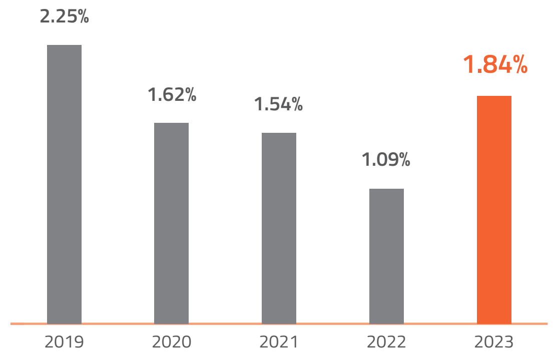
Gross Loans to Deposit Ratio



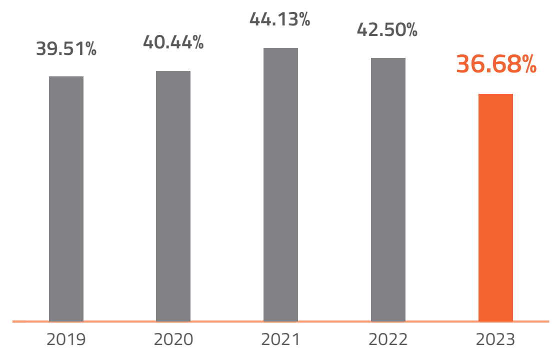
ROAE



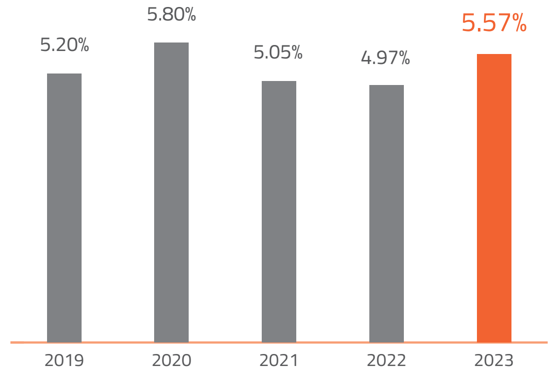
ROAA



Cost to Income Ratio



Net Interest Margin



OPERATIONAL REVIEW

Institutional **Banking**

Banque du Caire's Institutional Banking Group, with its assortment of innovative financial products and solutions, has established itself as a dependable banking ally for institutions of all sizes, with a focus on fostering the nation's economic progress by supporting various value-creating economic sectors. The array of comprehensive products and solutions offered by the group positions it as a primary driver of revenue growth within the bank, playing a pivotal role in Banque du Caire's distinct value proposition within the banking sector. In 2023, the bank remained dedicated to serving large corporations, multinational enterprises, and mid-sized firms, aiming to facilitate capital unlocking, business management, and expansion endeavors. The enduring and deep-seated partnerships that Banque du Caire maintains with its corporate clientele ensure its engagement with promising and high-value sectors within Egypt's multifaceted business landscape.

Aligned with Banque du Caire's strategic objective of propelling economic advancement, the group furnishes customized working capital solutions, medium-term and long-term financing options, and various credit alternatives. Its clients gain access to competitive overdraft facilities, short-term loans tailored to meet the specific needs of corporations, and flexible cheque purchasing services. The group's offerings encompass top-tier commercial services, including trade finance solutions, bill discounting, and refinancing via trust receipts.

The bank's dedication to fostering and facilitating investment and economic expansion is evident in its specialized medium and long-term loans and facilities, as well as its structured finance and syndicated loans. Banque du Caire has solidified its prominent position in the syndicated loans arena, having engaged in joint financing ventures with other banks and operating within key sectors of the economy.

Corporate Banking Group

Strategic Evolution

Amid the ever-evolving landscape of the banking sector, the Corporate Banking Group of Banque du Caire underwent a comprehensive review for strategic evolution. In response to shifting market dynamics and emerging trends, the group refined its strategic framework to ensure continued leadership and competitiveness. These strategic adjustments were guided by a commitment to agility, client-centricity, and sustainable growth. Embracing innovation and adaptability, the group remains poised to navigate future challenges and capitalize on emerging opportunities, further reinforcing Banque du Caire's position as a leader in corporate banking services.

Milestones and Key Transactions

Despite the prevailing economic challenges, the Corporate Banking group achieved significant milestones throughout the year, marked by notable transactions across various sectors. One such milestone was the facilitation of financing for the Urban Business Lane Project, a transformative mixed-use community development in New Cairo. With a total facility amounting to EGP 956 million, this project exemplifies the group's commitment to supporting initiatives that drive economic growth and development. Collaborating with key stakeholders, including co-developers UBL South and UBL North, the group played a pivotal role in securing the financial requirements of this ambitious project, underscoring its strategic importance and impact on the Egyptian economy.

Evolution and Digitization

In response to evolving market dynamics and regulatory requirements, the Corporate Banking Group implemented strategic adjustments to its asset portfolio. These initiatives were driven by a commitment to optimizing portfolio performance, managing risks effectively, and ensuring compliance with regulatory standards, thus demonstrating the bank's agility and versatility in catering to diverse client needs. By identifying and capitalizing on emerging opportunities in key sectors of the economy, the group reinforces Banque du Caire's position as a trusted partner for corporations seeking innovative financial solutions and strategic guidance. Through prudent portfolio management practices and a forward-thinking approach, the group remains well-positioned to navigate uncertainties and capitalize on growth opportunities, thereby safeguarding the interests of its stakeholders and contributing to Banque du Caire's long-term success.

The Corporate Banking Group continues to offer the latest digital solutions to its clients in coordination with GTB & Taly, providing an array of innovative digital products and services aimed at enhancing the client experience and driving operational efficiency. Leveraging cutting-edge technology and industry best practices, these offerings include I-sign for secure electronic signatures, E-commerce solutions through the Taly platform, CRM integration for enhanced client relationship management, Direct Integration for seamless connectivity with client systems, Custody Management system enhancements for optimized asset management, BDCbusiness Registration workflow optimization for streamlined business registration processes, and tailored ACH integration for efficient fund transfers. By empowering corporate clients with state-of-the-art digital tools and solutions, the group reaffirms its commitment to delivering value-added services and staying at the forefront of technological innovation in the banking industry.

Construction	26.9 %
Real Estate	11.7%
Brokerage and Leasing	7.5%
Building Materials	7.3%
Food, Beverage, and tobacco	6.9%
Pharmaceutical	5.4%
Aviation	5.1%
Chemicals, Petrochemicals	4.5%
Communication and IT	4.2%
Oil and Gas	3.3%

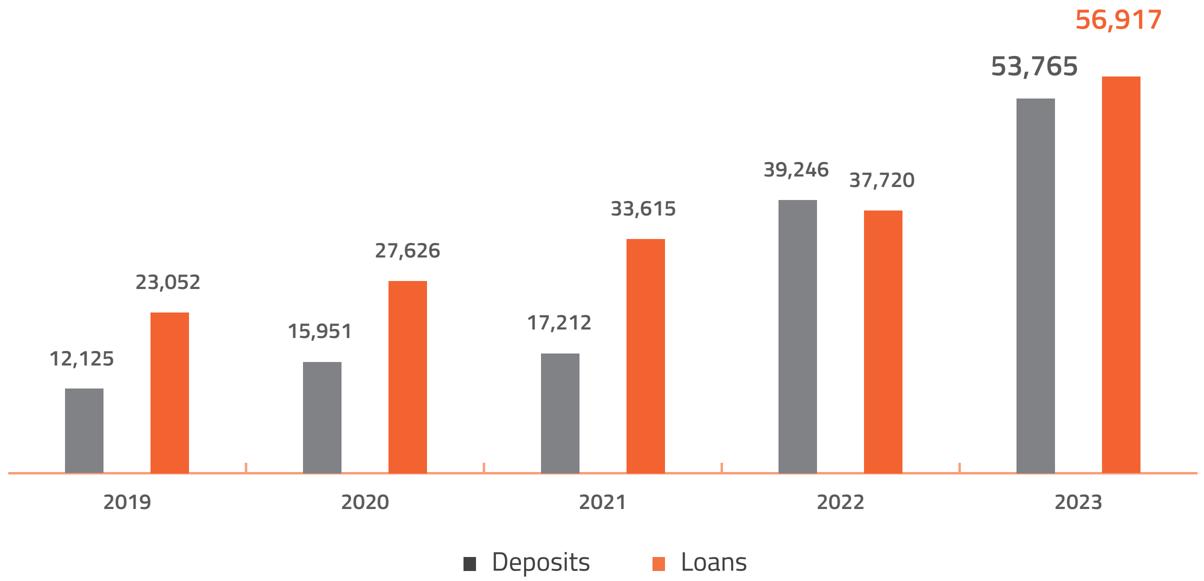
Forward-Looking Strategy

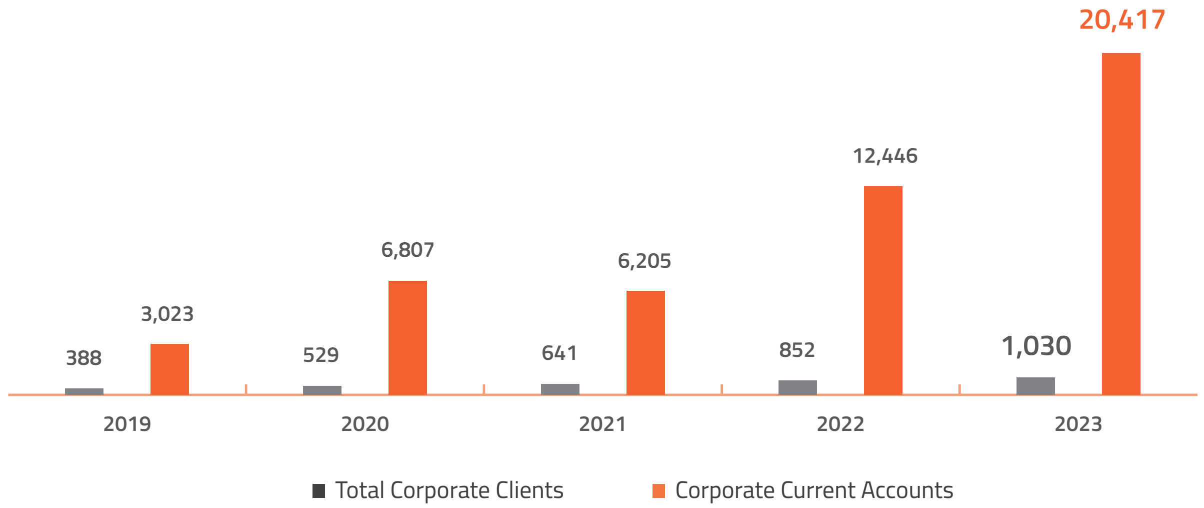
The Corporate Banking Group aims to increase Banque du Caire's market share by expanding the bank's presence in financing sizeable tickets with local, international, public, and private sector clients. The group also aims to increase the bank's wallet share by financing Sustainable & Green projects, aligning with the country's direction.

Looking ahead, the group will continue directing its efforts to avail the required financing needs for the industrial sector, adding value on the domestic level and positively impacting Egypt's GDP. Furthermore, cross-selling activities on all banking products will transform through an improved structure to enhance the overall client journey.

The group will also maintain its strategic focus on offering cash managements solutions to optimize and accelerate the cash flow for our corporate clients. Meanwhile, trade & supply chain financing will remain a top priority, as the group strives to support its clients with flexible financing while optimizing cash flow management.

In keeping with the fast-paced digital transformation, the Corporate Banking Group will continue to offer innovative digital solutions to its corporate clients, while working closely together with BdC's digital arm "Taly" to keep pace with market trends and evolving technology.





Debt and Structured Finance

Established during the bank's restructuring phase in 2018, the Debt and Structured Finance (D&SF) Division is an essential tool that helps the bank provide comprehensive banking and financial services to its corporate clients. This division is aligned with the bank's goal of becoming a fully-fledged financial services provider in the market.

The division has since expanded its variety of services and implemented unconventional and structured financing products, such as project finance, structured finance, debt capital market products, syndicated loans, and its related agency roles and financial advisory services. The vast range of services provided by Banque du Caire increased its business opportunities and strengthened its competitive edge, resulting in a higher market share in the banking industry.

2023 Highlights

During 2023, the D&SF division significantly contributed to the growth of Banque du Caire's assets. An increase in syndicated loans recorded a 64% increase from EGP 14 billion in 2019 to an impressive EGP 23 billion by the end of 2023.

In the bank's efforts to expand its lending channels and products to capture all lending and investment opportunities, the D&SF sector created a Debt Capital Market arm during the restructuring phase. In FY 2023, this arm successfully participated in 13 of the largest Debt Capital Market (DCM) transactions, with a total production value of around EGP 3.8 billion – a significant increase from EGP 1.79 billion in FY 2022. With an ending balance of EGP 6.9 billion, Banque du Caire's position in the DCM map is highly distinguished. This was accomplished through Banque du Caire's participation as an underwriter and book-runner in the two largest securitization transactions in 2023, with a total issuance of EGP 30 billion. In addition, Banque du Caire acted as a placement agent for the first time in 2023, marking its position in the Egyptian Debt Capital Market and boosting overall profitability.

The D&SF division acted as the Initial Mandated Lead Arranger (IMLA) and Mandated Lead Arranger (MLA) in the organization of eight syndicated loans. The total value of these loans amounted to EGP 39.4 billion, with Banque du Caire's share valued at EGP 7.5 billion, representing a 19% share.

A prominent milestone for the D&SF Division for the year was the successful arrangement of a syndicated facility for one of the largest oil and gas upstream companies in Egypt for a transaction valued at EGP 3.75 billion. Banque du Caire acted as this transaction's facility agent, security agent, book runner, and account bank. The facility was the first transaction of its kind in the bank, requiring robust technical skills due to its complexity.

Additionally, the D&SF division also mandated other facility and security agency roles in two considerable real estate syndicated transactions, resulting in the

Awards

Best Restructuring in EMEA

Best local currency syndicated loan in EMEA

Best Industry Deal in EMEA

Best Industry Deal from GFC Media Africa

expansion of agency roles to ensure that the division's market positioning aligns with the bank's strategy. Syndicated loans accounted for 29.8% of the total Corporate Banking Group by the end of FY 2023.

Forward-Looking Strategy

The D&SF division aims to increase Banque du Caire's market share by expanding the bank's presence in large and complex transactions and building solid relationships with local, international, public, and private sector banks. This strategy will be implemented by taking visible roles in syndicated deals, including, but not limited to, facility agent, security agent, account bank, and global coordinator.

The division also aims to position the Bank as one of the leading players in the Debt Capital Market, encompassing all aspects such as securitization finance, Sukuk finance, corporate bonds, and more. By implementing this strategy, the bank can broaden its investment and lending portfolio, thereby minimizing potential risks and maximizing returns. Furthermore, it will enhance profitability by focusing on high-quality assets. This approach will reinforce the bank's position as a comprehensive financial services provider, enabling it to cater to the diverse financial needs of its customers with greater efficiency.

Given the nature of the country's commitment to sustainable development and the critical role that banks play in promoting sustainable finance, the D&SF division aims to increase its financing exposure in projects that have a positive environmental and social impact on the nation.

Furthermore, the D&SF division aspires to position Banque du Caire as one of Egypt's primary financial consulting providers and to be recognized as a fully-fledged financial service provider for clients.

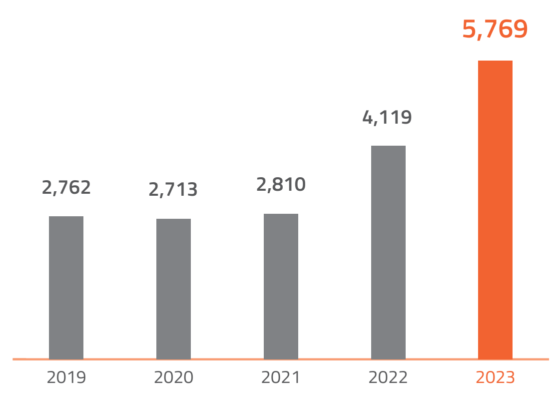
The division is working to establish Banque du Caire's position as the primary market player in syndication arrangement and agency services instead of merely being a participant bank. Maintaining this status will help increase the bank's profitability through arrangement and agency fees.

SME Banking Group

Banque du Caire (BdC) is positioned as a leading financial institution in Egypt, particularly for small and medium-sized enterprises (SMEs). The bank is widely regarded for its unwavering commitment to promoting financial inclusion across the country, supporting Egypt's Vision 2030 objectives. BdC is dedicated to assisting SMEs to reach their full potential. Recognizing the crucial role of SMEs in the growth of the national economy, the bank is committed to offering exceptional services to boost their success. The team continually works to improve, automate, and digitize SME Products and services, allowing clients to easily manage their daily transactions seamlessly. The bank provides various financial and non-financial services, believing that combining financial support with non-financial consultations and services is the most effective way to assist SMEs.

BdC's SME group adopts a decentralized approach to connect with clients through a vast network of 53 dedicated SME business centers. This strategy leverages the bank's extensive and rapidly growing network of 249 branches across Egypt's governorates, in addition to eight business development services (BDS) hubs under the umbrella of NilePreneurs initiative, established to serve all clients and provide non-financial services and consultations under the patronage of the Central Bank of Egypt.

Number of Borrowing Clients



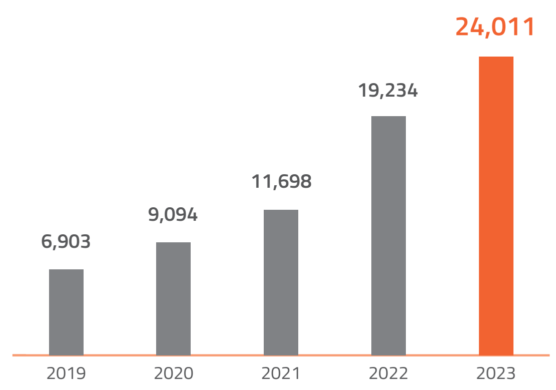
2023 Highlights

The SME Lending Portfolio expanded remarkably during 2023, growing 25% to reach EGP 24 billion by the end of the year, up from EGP 19.2 billion in 2022. The total lending portfolio recorded 31.8% of BdC's overall lending portfolio, with 11.7% dedicated to small segment businesses, successfully exceeding the CBE mandate. Meanwhile, deposits reached EGP 5.5 billion, an outstanding 52% increase from the EGP 3.6 billion recorded in 2022. The portfolio continues to be diversified across different liability products. Another notably positive performance came from Engaz loan digital/online platform, directed towards the very small segment clients. Since its launch, the platform has performed exceptionally well, with its portfolio now exceeding EGP 1 billion and serving more than 2000 clients. This tremendous achievement showcases the effectiveness and efficiency of Engaz loan.

Capitalizing on its end-to-end automated lending process, this year BdC successfully facilitated the renewal process of credit facilities through SME end-to-end automated workflow, allowing for a seamless and efficient borrowing experience for SMEs.

BdC is the first Egyptian bank to receive the Platinum Award as the Best SME Financier in the MENA region by the Global SME Finance Forum managed by the International Finance Corporation (IFC) in 2023.

SME Group Figures as per financials



Manufacturing	38%
Service	35%
Commercial	25%
Agricultures	2%

Manufacturing	67%
Service	17%
Commercial	15%
Agriculture	1%

Digitalization

As part of the bank's initiatives to modernize and upgrade its products and services, SMEs developed creative solutions to enrich the customer experience, optimize operational processes, and increase overall productivity. One of those digital products is Engaz loan, which is a scorecard Lending solution covering both financial and non-financial criteria. In addition to its online portal, designed specifically for very small-segment clients, allowing them to apply for loans through BdC's website seamlessly 24/7.

The primary focus of such digitalization efforts is to provide alternative channels for clients to access all services and enabling BdC to maximize market share and profitability by expanding SME portfolio base in terms of volumes and number of clients, Engaz Digital Lending Platform is a leading product in the market that guarantees a phenomenal customer experience.

Forward-Looking Strategy

In alignment with the bank's overall strategy, we will continue focusing on enlarging/expanding our lending portfolio while maintaining reasonable levels of quality considering the current economic challenges. In addition, expanding our liabilities' market share across the banking sector which will positively impact the group profitability, which will be achieved via approaching more customers and strengthening the relationship with existing clients in line of Egypt's financial inclusion agenda.

We are moving towards achieving our strategic plans via enhancing cross selling activities with respect to our existing portfolio liabilities and assets through optimizing the banks' diversified set of cash management products to ensure better "customer-bank" engagement/relationship.

We have a solid plan to deliver a fully automated internal process for Engaz scoring product for very small clients which will enhance the product process and reduce the "TAT" turnaround time of financing our clients.

Furthermore, we are planning to start introducing sustainable finance related products which will help SMEs group at BdC to be one of the market pioneers penetrating this market capitalizing on the existing business potentiality for sustainable finance in Egypt.

Financial Institutions

The Financial Institutions (FI) sector comprises of four arms: Correspondent Banking Relations, FI Structured Products, Non-Banking Financial Institutions (NBFI) and Remittances. The four teams are Banque du Caire's first point of contact for banks and non-banking financial institutions, managing the bank's relationship with institutions with regards to assets, liabilities, trade finance, and remittances.

The Correspondent Banking Department marked a substantial expansion of BDC's correspondent network, reaching more than 640 globally, with a spotlight on Egypt's top trade partner countries in Africa, Europe, Asia, and the Middle East. This is in addition to an intense focus on the African market to support Egyptian corporates in widening their trade business engagement with African counterparts through BDC's coverage of more than 45 countries on the continent.

A key highlight of the year was the FI Structured Products Department's ability to secure a EUR 70 million microfinance loan from the European Investment Bank, setting a precedent for such transactions in Egyptian market. By the end of 2023, total funding provided by multilateral financial institutions reached EGP 35.2 billion compared to EGP 13.2 billion in 2022.

The NBFI department celebrated a portfolio milestone, reaching EGP 33 billion through enhanced engagement with non-banking financial institutions in the local market (leasing, factoring, consumer finance, microfinance, mortgage, brokerage, e-payments, insurance, and investment funds).

In 2023, the Remittances Department also achieved commendable success, recording a remittance volume of USD 1.4 billion from Egyptian expatriates. It remained dedicated to its strategies, providing a major source of foreign currency and reinforcing the bank's stability.

Looking ahead, FI will continue to dedicate efforts to maintaining the bank's position as the bank of choice in the Egyptian market. In 2024, the sector aims to expand its strong business relationships with major financial institutions in regional and global markets. Concerning the local market, the FI sector's target is to increase the volume of the NBFI business by expanding business partnerships with clients and offering a competitive product mix.

Additionally, the FI sector is determined to enhance cooperation with multilateral and developmental financial institutions and, in turn, increase the foreign currency resources available to the bank.

Global Transaction Banking

The Global Transaction Banking Group (GTB Group) significantly contributed to the bank's portfolio by offering tailored solutions through unique digital channels to streamline financial transactions and optimize resources. In 2023, the group played a pivotal role in Banque du Caire's growth and success, spearheading efforts to drive digitalization and expand market reach across diverse segments. Building on the previous year's momentum, the group pursued an ambitious strategy aimed at harnessing the power of technology to deliver world-class digital solutions, enhance customer experience, and foster financial inclusion.

The group's strategic focus remained steadfast on accelerating digital transformation and seizing cross-selling opportunities. Leveraging a multi-faceted approach, the group intensified efforts to lead the digitalization agenda for institutional clients. The group successfully established the bank's corporate Internet banking (BDCbusiness) and Trade Digital Portal to boost export business, launching a second phase by end of 2023 with additional enhancements and benefits. Additionally, following the group's strategy, several cashless solutions were accessible, such as QR code payments through Merchant Wallets, ACH Tailored Integration, a comprehensive e-finance platform, digital signature services "Isign," and commercial cards.

The group's exceptional performance and commitment to excellence were duly recognized with prestigious accolades, including the esteemed Best International Banking Transactions – Egypt 2023 by The Global Economics, Best Cash Management Bank – Egypt 2023 by International Finance Magazine, and Best Correspondent/Regional Bank of 2023 by Trade Finance Global.

The group has achieved significant milestones throughout the fiscal year, emphasizing its dedication to innovation and operational excellence. With the successful launch of over ten new products and services tailored to our diverse customer based needs. The division demonstrated agility in addressing market demands, additionally, a notable 258% increase in the cross-selling ratio showcased the division's ability to maximize revenue opportunities and deepen client engagement. Furthermore, an impressive 327% expansion of the digital footprint underscored the division's commitment to leveraging technology for enhanced efficiency and customer experience.

Awards

Best International Banking Transactions – Egypt 2023 by The Global Economics

Best Cash Management Bank – Egypt 2023 by International Finance Magazine

Best Correspondent /Regional Bank of 2023 by Trade Finance Global

Cash Management and Liquidity Solutions

In 2023, the Cash Management and Liquidity Solutions division continued its strategic focus on advancing digitalization and fostering a cashless ecosystem while persistently delivering innovative solutions and bolstering treasury and liquidity offerings for corporate and institutional clients. To promote financial inclusion and encourage a cashless society, the division has introduced various innovative cash management solutions to provide clients with an enhanced experience and optimize cash flow dynamics. As part of our product portfolio, we have recently launched the Corporate Credit Card, which offers tailored financial solutions to corporate clients, providing them with convenient payment options and increased financial flexibility. Additionally, Mazaya Industrial Bundle Products were introduced, catering to the unique requirements of industrial clients, and facilitating smoother business operations and growth opportunities.

In 2023, the division witnessed outstanding performance of transaction baking operations, with volumes up 6% y-o-y and transaction value up 35% y-o-y. Corporate liabilities recorded a 20% growth y-o-y.

Trade and Supply Chain Finance

The group's Trade and Supply Chain Finance division continued to serve its pivotal role in the bank's operations, driving revenue and providing essential financial services to corporate clients, with a specific focus on SMEs. Building on its success from the previous year, in 2023, the division remained committed to offering a diverse range of structured trade products and financing solutions tailored to meet the needs of its clientele.

In 2023, the division continued the successful developments of the Supply Chain Finance Program, which entails strategic partnerships with leading fintech companies in the industry. This initiative aimed to enhance the efficiency of the supply chain cycle for customers while boosting profitability through innovative invoice discounting strategies. The division also continued to leverage the bank's corporate Internet banking platform to streamline trade processes, enabling clients to execute imports and guarantees seamlessly through a digitized trade portal.

Introducing up-to-date financial solutions to meet client demands remained a priority for the Trade and Supply Chain Finance Division in 2023. The division introduced a new product, Invoice Discounting, a flexible financing solution aimed at unlocking the value of their outstanding invoices and optimize cash flow management. Notably, this product was offered with recourse in local currency, providing clients with added flexibility and financial security.

Despite dynamic challenges in trade finance and evolving market demands, the division's proactive efforts significantly increased the bank's share of Egyptian exports. The value of export operations witnessed a remarkable 20% y-o-y growth, accompanied by a 27% increase in the volume of trade operations.

Securities Services Product

The Securities Service Product division continued its mission to consolidate the bank's role as a comprehensive service provider, catering to clients' needs in investment banking, asset management, and brokerage firms. The division offers an extensive portfolio of products and services, including both local and global custody clearing services, escrow accounts, depository agency solutions, and receiving bank services. In the past year, efforts were concentrated on enhancing customer experience by implementing automated internal operations mechanisms, focusing on custody and clearing services. Furthermore, the division expanded its service offerings by facilitating securities transactions in the capital market space and acting as a receiving bank for various investment funds. Notably, Banque du Caire experienced significant growth with a 216% y-o-y increase in the value of assets under custody and a 90% y-o-y increase in commissions. A key initiative introduced in this division was the Egyptian Central Securities Depository (ECSD) Transformation of Debt Securities. This initiative aimed to modernize and digitize government debt securities to improve market accessibility, liquidity, and transparency.

Innovation and Digital Banking

In 2023, Banque du Caire remained proactive in navigating the constantly changing banking landscape, including challenging importation regulations. By focusing on digital transformation, the bank expanded its cutting-edge digital agenda, developed through a longstanding partnership with a reputable advisory firm in 2018. Notably, the flagship corporate internet banking platform, BDCbusiness, experienced substantial adoption, with a marked increase in transactions that reached 90%, and active customers soaring to 25%, a significant rise from the previous year's figures. These advancements directly enhance financial inclusion through innovative digital strategies.

Throughout the year, the division introduced an array of innovative products and services tailored to boost client experiences and streamline operational processes. These included a comprehensive CRM (Customer Relationship Management) platform designed to optimize client engagement and relationship management alongside the BDCbusiness Registration Workflow, intended to simplify and expedite corporate client registrations on the BDCbusiness platform. Moreover, the division unveiled Direct Integration, sustaining seamless data exchange between banking systems and client platforms, and the Digital Signature "Isign" solution, offering secure electronic signatures to increase operational efficiency and security. Additionally, implementing the Custody Management System automated and restructured custody operations, safeguarding accuracy, transparency, and compliance with regulatory standards.

Notably, the establishment of Taly, Banque du Caire's first omni-channel payment platform, strengthened the bank's ecosystem, offering customers a comprehensive suite of digital payment solutions tailored to their evolving needs.

For more information about Taly, please refer to the Investments section of this report.

Business Development

In line with the bank's overall strategy, Business Development Management is committed to providing creative cash management solutions to augment the customer experience. Building on the previous year's successes, the division's primary objective is to improve the bank's product portfolio by introducing tailored financial solutions that address the needs of buyers and suppliers. By leveraging technological advancements, the division targets increasing accessibility and simplicity in its offerings.

In 2023, the division continued to refine its structured trade propositions, further improving the value proposition for clients across various industries. By closely monitoring industry needs and market trends, the division successfully introduced additional bundled solutions for cash management and supply chain finance, catering to specific sectors and assisting in seamless financial operations for clients. The division's relentless efforts in driving business development have yielded promising results, with call and visit numbers surpassing 676 in 2023 and a cross-selling ratio of 83%.

Forward-Looking Strategy

Moving forward, Banque du Caire remains committed to solidifying its position as a leading player in Egypt's institutional banking landscape, with a dedication to being clients' go-to bank, as well as maximizing market share and geographic footprint. The GTB Group is poised to consolidate its role as the preferred partner for Egyptian institutional clients, from large corporates, mid-caps, and with a particular focus on serving business banking and SMEs clients, optimizing their outcome driven by financial inclusion and cashless trends, all positively impacting the clients' journeys and experiences. GTB's strategic focus in 2024 revolved around three main pillars: digitalization, cross-selling across all lines of business and maximizing the utilization of e-payment solutions, creating innovative, unconventional full value chain cycles that not only impact the clients' cash cycles and working capital but also mutually serves the interests of "the client's client" closing the cycles' financial gaps, through customized Buyer's Led/Supplier's Led financing programs.

The group plans to continue utilizing its current products and services while simultaneously working on developing new offerings, including Internet banking services. These latest developments cater to clients' changing needs and capitalize on opportunities in foreign trade, export, and supply-chain financing.

Treasury and Capital Markets

Strategic Evolution

Throughout 2023, the Treasury and Capital Markets Group (TCMG) at Banque du Caire underwent strategic refinements to navigate the evolving landscape of the foreign exchange (FX) market. Embracing agility, TCMG adapted its approach to better serve Banque du Caire's clientele, ensuring the fulfilment of their foreign exchange requirements for strategic goods and services. Despite the formidable challenges posed by foreign exchange market conditions, TCMG demonstrated remarkable prowess, attracting foreign currency resources around USD 600 million from diversified channels of foreign exchange over the course of the year.

As part of its agile strategy, the group implemented a flexible pricing mechanism on the liabilities side, aimed at preserving and attracting new FCY liabilities. This initiative included the provision of preferential pricing for clients with cross-selling opportunities, fostering stronger client relationships and bolstering revenue streams.

The group's standout garnered recognition from prestigious institutions, being awarded Best Foreign Exchange Bank – Egypt 2023 by Global Business Outlook, Best Treasury and Correspondent Bank – Egypt 2023 by The Global Economics, and Best Foreign Exchange Bank – Egypt 2023 by International Finance Magazine.

2023 Highlights

In the dynamic landscape of 2023, TCMG stood at the forefront of financial innovation and resilience. Throughout the year, the group achieved remarkable milestones, showcasing its adaptability and commitment to excellence.

One standout achievement was witnessed in the Money Market Foreign segment, where TCMG executed a series of strategic transactions, yielding an impressive arbitrage revenue of EGP 70 million. This success underscored the group's adeptness in navigating market fluctuations and leveraging opportunities for profitable transactions.

Furthermore, the banknote business experienced a substantial rise in profitability, generating EGP 40 million in profits in 2023. This marked a remarkable 430% increase compared to the previous year, highlighting TCMG's proficiency in optimizing revenue streams and capitalizing on market dynamics.

In tandem with the buoyant performance of the banknote business, foreign exchange trading profits surged to EGP 535 million in 2023, representing a substantial 123% increase compared to the preceding year. This impressive growth reaffirmed the group's position as a key player in the FX market, driven by its strategic execution and deep market insights.

In a strategic move to broaden its offerings and cater to client demands, TCMG executed Eurobond trades with key clients, amounting to a considerable volume of around USD 80 million. These trades resulted in a profit of approximately EGP 90 million, further enhancing TCMG revenue streams and strengthening its client relationships. Additionally, TCMG was also at the forefront in offering EGP government debt securities such as T-bills & T-bonds to the banks' clients. This was facilitated on the back of the bank's presence in the secondary market for such securities.

Additionally, TCMG embarked on a journey of innovation, successfully developing and launching a new Treasury cash flow application. This application streamlined operational processes, enhancing efficiency, and enabling TCMG to deliver superior service to its clients.

As part of its commitment to global best practices and regulatory compliance, TCMG seamlessly transitioned from using LIBOR to the risk-free rate, aligning with international standards and mitigating risk in financial transactions.

Furthermore, Banque du Caire emerged as one of the leading banks to list CNY (Chinese Yuan) in its FX currency basket, a testament to the group's strategic foresight and commitment to offering diverse and comprehensive foreign exchange services to its clients.

> **TCMG introduced a new structured EUR trading product in 2023.**

On the balance sheet front, TCMG attracted fresh funds from treasury direct clients, generating a total net interest income of around EGP 85 million in 2023. This strategic initiative contributed to the bank's financial resilience and reinforced its position as a leading player in the banking sector.

The year also saw the group enhance the bank's NIM from 4.6% in June to 6.0% in December. This was achieved through the revision of the FTP curve to lower the cost of deposits and benefit from CBE hikes.

Product Innovation

In alignment with BDC's commitment to client-centricity, TCMG introduced a new structured EUR trading product in 2023. This innovative offering, comprising a blend of standard products such as time deposits, Eurobonds, FX spot, and FX forward contracts, was tailored to meet clients' diverse cash flow and investment requirements.

Forward-Looking Strategy

TCMG is poised to capitalize on opportunities for growth and innovation in 2024. Expansion of the group's systems infrastructure will pave the way for the introduction of new products, enhancing Banque du Caire's product portfolio and expanding its client base. Additionally, preparations for the rollout of phase 2 of the Kondor+ front office system will facilitate diverse activities such as derivatives, options, and interest rate swaps (IRSs). Moreover, the group is committed to engaging in robust succession planning, enhancing market share across all Treasury products, and maximizing trading profits and Net Interest Margin (NIM) to realize Banque du Caire's ambitious growth plans.

Retail and **Microfinance**

Leveraging Banque du Caire's extensive and deep industry knowledge, the Retail Banking Group is a leader in providing high-quality products for its retail clients. A successful transformation strategy across the bank has cemented the group's customer centric nature by leveraging the power of segmentation, cross selling, and digital infrastructure to develop bespoke products for a wide range of clients — from financing micro and small business owners to managing finances for high-net-worth individuals.

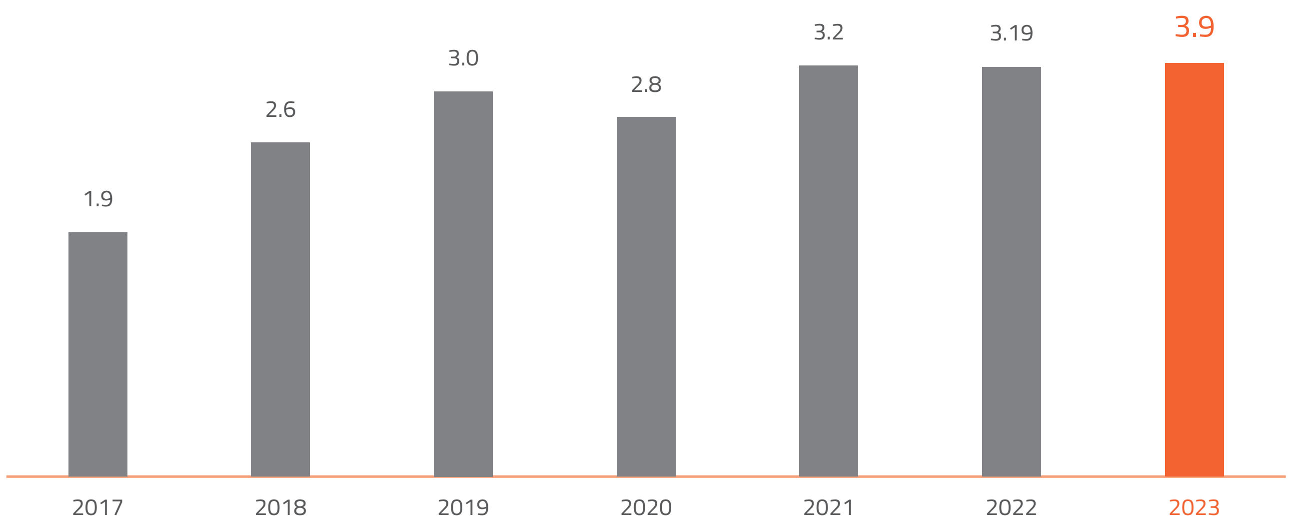
Banque du Caire offers a full suite of services across its country-wide branches and ATM networks, as well as unique and innovative online and mobile banking solutions that enable clients to manage their accounts from anywhere.

3.9 mn
Clients

1,670
ATMs

233 K
Cards

Retail Client Growth



Cards

In 2023, Banque du Caire continued to enhance its card offering to provide clients with the highest quality services. Card users are provided with credit cards with an E-statement ensuring more secure transactions, protecting user privacy, and maintaining confidentiality with card information.

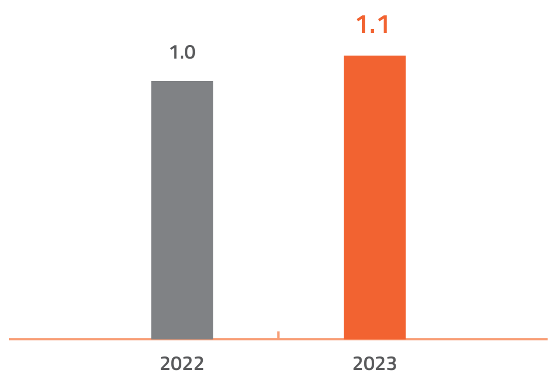
To boost card performance, the Retail Banking Group carried out targeted marketing strategies and spending activities throughout the year. Notably, the group launched a number of spending campaigns to increase credit card spending. It also launched a Mega spend campaign with the goal of increasing spending by 95% compared to 2022.

The Zero-Installment program, established in 2021, remained a value-creating offering, with 2023 seeing growth in the merchant network, providing financing deals and payment plans for credit cardholders to allow for a seamless shopping experience.

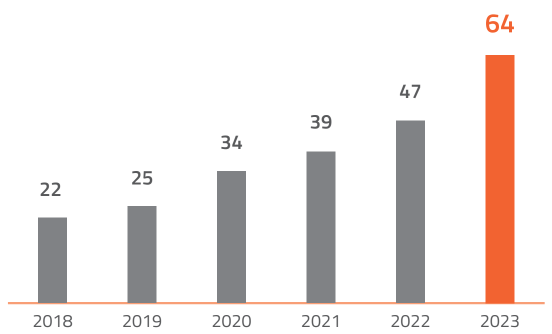
In keeping with the fast-paced advancements of the card landscape, Banque du Caire now offers a full range of card types across all segments for credit, debit, and prepaid cards, catering to different customer needs. In 2023, the bank introduced an instant discount offering at select merchants for its card users. To facilitate the card issuance process, and in line with its continued digitalization efforts, the bank implemented an automated credit card issuance system, further increasing its penetration on that front. For Telda cards, the Retail Banking group worked on the launch of two new deposit options for users, namely through ATMs and InstaPay.

The Group successfully issued 53,000 new credit cards in 2023, up 32% y-o-y, and reaching a credit card portfolio of 233,000 cards up from 180,000 in 2022. As a result, fees and commission recorded EGP 532 million, up from EGP 257 million in 2022. The Cards segment also reached 1.8 billion ENR, placing Banque du Caire with the top market players within the credit card business. Meanwhile, the debit and prepaid card portfolio reached 3.6 million, up 16% y-o-y.

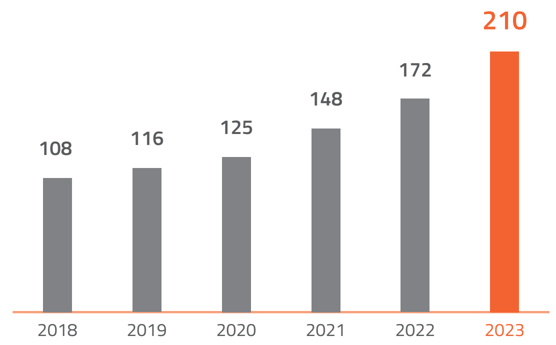
Credit Cards ENR (EGP bn)



Retail Loan Portfolio Progression (EGP bn)



Retail Deposits (EGP bn)



Loans

Banque du Caire is consistently seeking and pinpointing opportunities that align with the bank's customer-focused strategy to enhance the growth of its loan portfolio. The institution provides a range of cash and non-cash loans to individuals, including secured and unsecured loans, along with government-backed loans. Non-cash options encompass auto loans, mortgages, vehicles, and domestic electronic appliances. Since 2020, the bank has emphasized expanding cash financing with collateral backing, along with setting up competitive lending schemes for both public and private sector workers. These efforts are aimed at stimulating demand and fostering the expansion of the loan portfolio. 2023 saw these efforts continue to pay off, with the retail loan portfolio adding EGP 16.9 billion, up 36% y-o-y to reach EGP 64 billion. Auto loans demonstrated the largest growth, reaching EGP 4.2 billion, a 94% y-o-y increase. Mortgage loans were up 69% y-o-y to EGP 5.5 billion from EGP 3.3 billion in 2022. Meanwhile, personal loans also continued to demonstrate growth, reaching EGP 54.2 billion, up approximately 30% from the EGP 41.6 billion recorded in 2022.

Deposits

Banque du Caire saw a remarkable 22.1% year-on-year growth in its retail customer deposits, reaching EGP 210 billion in 2023. This impressive performance is attributed to the bank's successful product launches, improved services, and strong capacity to meet the demands of its retail clientele.

Bancassurance

Banque du Caire's bancassurance portfolio continued to demonstrate healthy growth in 2023, recording EGP 929 million versus EGP 872 million in 2022. Count of policies reached EGP 56.7 thousand at the end of 2023, compared to EGP 55.4 thousand at the end of 2022, up c.2% y-o-y. Meanwhile, portfolio fee income recorded EGP 126 billion, up c.6% y-o-y from EGP 119 billion in 2022.

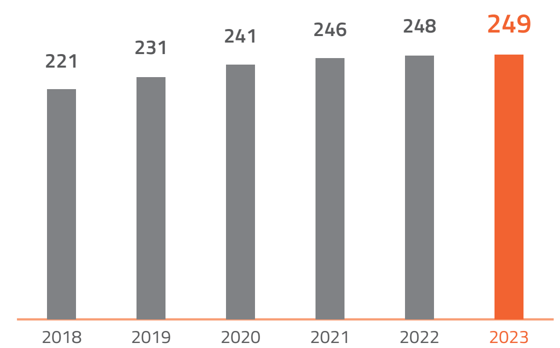
The division focused on expanding its offering by launching a new partnership with insurance provider MetLife, alongside its previous partnership with global insurance provider Allianz. These offerings stand as a testament to the bank's customer-centric approach and efforts to satisfy customers' growing insurance needs by providing a variety of insurance packages and programs. Banque du Caire also offers an integrated set of insurance and investment programs for education, a child's marriage, retirement, and life protection, ensuring the financial independence of families. The tailored programs offer a wide margin of flexibility in terms of premiums and insurance amounts, ensuring each customer's needs can be met. The division maintains a consistent line of communication with bank insurance clients to ensure their needs are met and to address any concerns.

Branch and ATM Network

Although Banque du Caire has taken significant strides towards digitalization, the bank stands firm in its belief that physical branches remain necessary as part of its financial inclusion initiatives. Banque du Caire's robust branch expansion and transformation strategy continued to make progress in 2023. The year saw the branch network expand to 249 branches, while three existing branches underwent improvements.

Meanwhile, the bank successfully installed 20 new ATMs throughout 2023, bringing the total to 1,670 across a variety of locations. Focus was placed on adding ATMs at high footfall tourist areas, as well as relocating nonprofitable ATMs. To optimize its ATM network, Banque du Caire activated an electronic journal service across its entire ATM network, to enhance cost savings. A review and increase of over-the-counter fees for deposits and small withdrawals is also underway. On the innovation front, following Telda's demonstrated success, 2023 saw the bank begin the implementation of enabling Telda Card deposits across the ATM network. In line with the bank's strategy to facilitate the banking process, Banque du Caire is also introducing InstaPay cash withdrawal through its ATMs. Deposit processes are also undergoing further enhancements with the addition of mandatory customer mobile number input before any deposit transaction.

Branch Progression



Digital Banking

In recognition of the fast-paced global digital transformation, particularly in the banking sector, Banque du Caire has continued to implement digital transformation initiatives to enhance operations and customer experience.

In 2023, the bank activated around 100 new bill payment billers, to seamlessly execute payments through the bank's Qahera Cash mobile application. The application also underwent several enhancements to improve the customer experience and enhance security, including the addition of a name verification for P2P feature, enabling customers to access their BDC loan installment and utility payment details, and launching a new Android operating system.

	2019	2020	2021	2022	2023
Total Customer Base Qahera Cash	304,506	527,144	780,369	866,054	743,222
Total Customer Base Online Banking	8,963	74,163	258,816	469,701	735,601

Wealth Management

Introduced in 2019, Banque du Caire's Tharwa is a tailored service targeting Egypt's affluent individuals, who maintain balances between EGP 1 million and EGP 5 million, and Very High Net Worth (VHNW) individuals, whose balances exceed EGP 5 million. Tharwa offers a bespoke advisory service offering through a dedicated team of relationship managers. It also offers a number of exclusive services to the bank's clients, with privileges such as access to Tharwa lounges across the bank's branch network, a dedicated call center, and a unique set of non-banking concierge services. Tharwa's tailored and unique offering led to significant growth in its portfolio in 2023. To further tailor and distinguish its services to best suit customer needs, Tharwa introduced a new segmentation model for thresholds:

Tharwa
EGP 100 thousand to EGP 1 million

Tharwa Prime
EGP 1 million to EGP 5 million

Tharwa Elect
+EGP 5 million

Microfinance

As part of its efforts to bolster financial inclusion and empower individuals in marginalized communities, Banque du Caire has continued to place focus on its microfinancing business. The bank has been a leader in the segment, taking actions that foster inclusive economic growth. Consequently, in 2023, the bank saw a 44.5% increase in its microfinance portfolio, reaching EGP 10.5 billion from EGP 7.2 billion in 2022. The bank added 63,000 new microfinance clients, bringing the total number of active clients to 218,000 in 2023, compared to 199,000 in 2022, up 10% y-o-y.

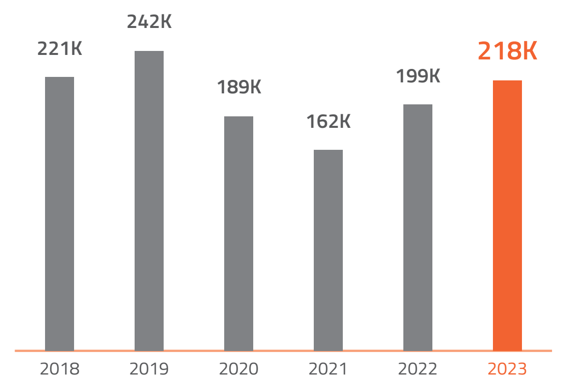
In supporting Egypt's youth to build a better future, Banque du Caire continued to provide the necessary financing for micro-projects for young people of both genders, closing out 2023 at EGP 5.7 billion provided to 89,300 youths.

The bank's continued to update its microfinance product offering throughout the year, adding funding for the purchase of transportation vehicles, as well as new buyout products.

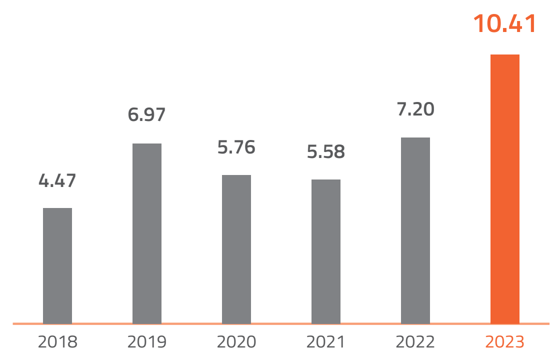
Financial Inclusion

As of December 2023, customers who have financial inclusion accounts reached more than 72,000 new to bank. Of those, 45% are female and 57% are from the youth segment (16-35 years). BDC also launched several initiatives to spread financial literacy, including visiting more than 60 villages across Egypt that fall under the national Hayah Karima initiative to provide financial literacy sessions. During these visits, the bank issues participants prepaid cards and opens financial Inclusion accounts, in addition to providing training.

Microfinance Clients



Microfinance Loan Portfolio



Contact Center

BDC's contact center contributed to increasing the bank's profitability through handling installment requests for credit card transactions amounting to EGP 834 million, up 55% y-o-y in 2023. Customers' reliance on the bank's official Facebook and Instagram pages increased due to the quick resolution of customer inquiries by the Contact Center team, which reached 99%, and reducing the response time from 25 hours to an average of 11 minutes, resulting in a significant growth in online followers from 51,000 to 2.5 million during 2023.

The contact center also handled 41 marketing campaigns in 2023, resulting in a lot of sales deals. The increase in inbound calls is due to increased customers' reliance on the contact center as a first line to meet their needs, resulting in high levels of customer satisfaction. Operational capabilities were expanded to cope with the significant increase in incoming calls.

Finally, the contact center supported the bank's departments and branches by adding new services such as sending SMS to branch customers to update their data, reset debit card pins, receive requests to activate dormant accounts, promote interest-free installment services, implement colleagues' requests in branches and departments, link credit accounts to direct debit cards, activate new credit cards, retention team, serve corporate customers, and serve clients with disabilities.

Forward-Looking Strategy

Looking ahead, Banque du Caire plans to continue to enhance and expand its offering and services, with the objective of providing clients with their exact needs. The bank plans to deploy further upgrades to its mobile wallet to provide the best experience. New services are also in the pipeline for the mobile application, including a companion card, digital savings, and salary in advance. The application interface will also be updated.

Marketing and Corporate Communications

Marketing

In 2023, Banque du Caire (BdC) implemented a comprehensive marketing strategy, encompassing both digital and offline efforts, aimed at significantly increasing brand awareness, driving customer engagement, and enhancing lead generation. Utilizing data-driven insights, the marketing team crafted personalized campaigns, optimized the bank's presence across multiple platforms, and invested in innovative technologies to streamline marketing efforts. These initiatives were meticulously aligned with BdC's broader business objectives, which include expanding market reach, improving customer satisfaction, and driving revenue growth. This cohesive strategy ensured that the bank's marketing efforts directly contributed to heightened customer engagement, increased brand visibility, business growth, and customer loyalty.

Website Traffic

20%

increase in unique visitors compared to 2022

Conversion Rate

10%

improvement, reflecting the success of targeted campaigns

Social Media Engagement

50%

rise in likes, shares, and comments across social media platforms

Digital Marketing

BdC's multi-channel digital marketing approach included extensive use of social media platforms (Facebook, YouTube, Instagram, LinkedIn) and search engine marketing (SEM) to drive engagement and lead generation. This strategy led to a 30% increase in the bank's follower base on Instagram, a result of consistent posting, high-quality content, and strategic advertising campaigns.

Retail Marketing

The retail marketing strategy of Banque du Caire (BdC) focused on targeted objectives, leveraging digital innovation and customer segmentation to enhance existing offerings and introduce new digital banking solutions. Specifically aimed at VIP/Elite customers, BdC tailored differentiated propositions to meet evolving customer needs and align with industry advancements.

BdC's retail marketing initiatives were meticulously crafted to translate diverse business propositions into impactful campaigns that resonate across various customer segments. Utilizing a comprehensive range of marketing communication channels, the bank ensures optimal outcomes for its product offerings. This strategic approach not only drives customer engagement but also fosters business growth and innovation.

Key processes supported by this strategy include:

Customer Onboarding and Retention: Banque du Caire (BdC) utilizes a multi-platform marketing approach to attract new customers and encourage existing ones to explore and adopt new products and services. By deploying differentiated offerings with exclusive pricing and promotions, BdC enhances awareness and consideration of its services, thereby strengthening customer retention.

Tactical Offerings and Propositions: BdC strategically launches targeted offerings designed to guide customers through each stage of the buyer's journey, from initial awareness to decisive action in acquiring the product or service. These tactical initiatives are instrumental in effectively engaging customers and driving conversions.

Promotional Activities: Our promotional activities included:

Cards Partnerships: BdC has developed strategic partnerships to offer significant discounts and flexible installment options for credit card holders and targeted customers. Additionally, exclusive agreements with selected merchants provide BdC debit card holders with unique benefits. A noteworthy success is the ongoing partnership with TELDA, which continues to attract a substantial number of young customers, thereby diversifying BdC's customer base and enhancing its market reach.

New Liabilities Products: BdC is introducing a range of innovative products featuring competitive rates and enhanced benefits. These new offerings are designed to meet the evolving needs of customers, providing them with attractive financial solutions and added value.

Qahera Cash Wallet Services: BdC is launching distinctive promotional offerings through its Qahera Cash Wallet services. These promotions are crafted to provide users with unparalleled convenience and value, promoting the adoption and usage of BdC's digital wallet solutions.

Branding and Activations

Since its brand relaunch in 2019, Banque du Caire (BdC) has successfully positioned itself as a forward-thinking and dynamic business-oriented bank. By effectively communicating its core values to the market, BdC has emerged as a leader in the banking sector. The bank is dedicated to staying abreast of the latest trends, underscoring its ambition and commitment to innovation. BdC prides itself on its elegance and trustworthiness, complemented by a strong passion for digital advancements.

At BdC, professionalism and friendliness are integral to every interaction, reinforcing its reputation as a supportive and expert partner in the industry. These attributes contribute to BdC's ongoing success and prominence in the financial landscape.

Campaigns

Aligned with Banque du Caire's strategic mission to empower Egyptian entrepreneurs, startups, and business owners in their pursuit of growth and innovation, a significant campaign was launched during Ramadan 2023 targeting these pivotal sectors. Titled "Every success story started with an opportunity. You have endless opportunities," the campaign introduced specialized financing programs tailored to businesses of diverse scales and sizes. These programs were complemented by a robust suite of non-financial and advisory services.

Key components of the campaign included:

- **Tailored Financing Programs:** Customized financial solutions designed to meet the specific needs of businesses at different stages of development.
- **Non-Financial and Advisory Services:** A comprehensive array of services aimed at providing essential guidance and support beyond monetary assistance.

This strategic initiative underscores Banque du Caire's unwavering commitment to nurturing entrepreneurship and fostering sustainable business growth in Egypt. By equipping businesses with the resources and expertise needed to thrive, BdC empowers them to realize their full potential and contribute meaningfully to the country's economic landscape.

Activations and Sponsorships

Throughout 2023, Banque du Caire (BdC) executed a variety of activations and sponsorships aimed at diverse segments:

Summer Activations: BdC sponsored La Vista Bay North Coast, targeting compound owners and visitors through the distribution of summer gift bundles and promotion of BdC products and services at the main booth. The bank also sponsored volleyball and a padel court at La Vista, organizing a series of tournaments throughout the summer featuring monetary prizes and giveaways.

Notch Beach Club Sponsorship: BdC extended its sponsorship to Notch Beach Club in Alamien, supporting several evening events and providing tickets to customers in the Wealth segment.

These initiatives underscore BdC's commitment to engaging with different customer segments through strategic sponsorships and activations, enhancing brand visibility and promoting its products and services in key leisure and social settings.

Sports Sponsorships:

As the primary sponsor of the Egyptian Basketball Federation and the Egyptian Padel Federation, BdC demonstrates its commitment to supporting national teams and athletes under the inspiring slogan "Sponsor of Egypt's Champions / راعــي أبطــال مصر." In January, BdC hosted an exclusive and high-profile sporting event to officially announce its sponsorship of several distinguished athletes. These esteemed athletes include Big Ramy, a world-renowned bodybuilder; Farida Othman, an Olympic swimmer; Mayar Sherif, a top-ranking tennis player; Nour El Sherbiny, a world champion squash player; Bassant Hemida, a record-breaking sprinter; Samar Hamza, a champion wrestler; Omar Assar and Khaled Assar, celebrated table tennis players; Ibrahim Hamadtto, a Paralympic table tennis champion; and Sherif Othman, a Paralympic powerlifter.

The event was attended by a distinguished audience, including H.E. the Minister of Youth and Sports, the heads of various Egyptian sporting federations, and BdC executives. This gathering underscored BdC's strategic initiative to foster and promote Egyptian sports talent on both national and international stages. The event not only highlighted BdC's dedication to sports development but also provided a platform for these athletes to share their aspirations and engage with key stakeholders in the

sports community. Through such initiatives, BdC aims to enhance the visibility and success of Egyptian athletes, reinforcing its role as a pivotal supporter of sports excellence in Egypt.

School Activations: Sponsored student activities, marathons, and Christmas bazaars, distributing giveaways and prepaid cards in collaboration with Telda.

Branch Marketing

The primary objective of BdC's branch marketing initiatives was to effectively address the diverse needs of its varied customer base. This comprehensive approach involved updating and enhancing the product offerings and promotional strategies across retail, SME, and corporate segments. Specifically, the initiatives focused on introducing new products, refining existing ones, and crafting tailored promotions to meet the distinct requirements of each customer group. Additionally, the strategic placement of marketing materials was prioritized to ensure that customers remained well-informed about the latest products and engaged with the brand. This multi-faceted strategy aimed to foster customer satisfaction and loyalty, ultimately driving business growth.

INVESTMENTS

Subsidiaries and Affiliates

Cairo Bank Uganda Limited (CBU)

Cairo Bank Uganda Limited (CBU), a subsidiary of Banque du Caire, stands firmly established in Uganda's banking sector, embodying a commitment to excellence, innovation, and customer-centricity. Since its rebranding from Cairo International Bank Uganda in 2020, CBU has positioned itself as the preferred banking partner for small and medium-sized enterprises (SMEs), educational institutions, government organizations, and other corporate entities. With a comprehensive network of six branches strategically located across Uganda, CBU serves a growing clientele of over retail and corporate customers, offering a wide array of banking solutions tailored to meet their diverse needs.

6
Branches

UGX **5.9** BN
Retail Loan Portfolio

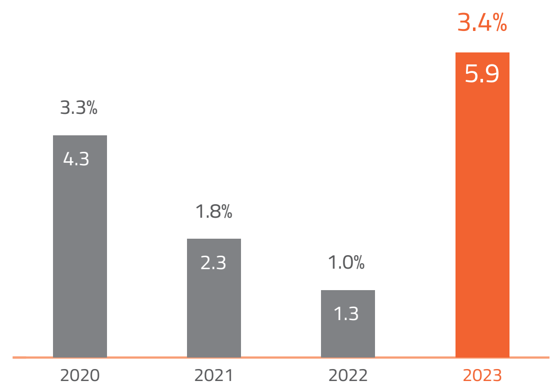
UGX **43.8** BN
Revenue

UGX **166.5** BN
Corporate Loan Portfolio

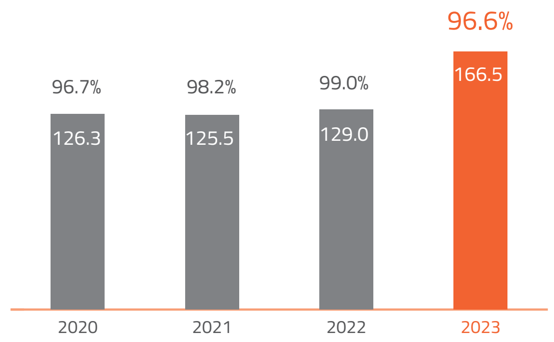
2023 Highlights

Amounts in Ugx bn'	2019	2020	2021	2022	2023
Revenue	21.6	27.3	30.9	29.4	43.8
Operating Profit	(5.6)	(0.0)	(0.5)	(2.4)	8
Net Profit	(2.8)	2.6)	(1.9)	(5.3)	1.7
Financing to Deposit Ratio	89%	87%	87%	76%	81%
Capital Adequacy Ratio	23.50%	24.90%	22.70%	26.90%	43.19%
Cost to Income	133%	100%	102%	112%	87%
ROAE	-6.40%	-4.80%	-3.30%	-7.50%	1%
ROAA	-1.80%	-1.30%	-0.80%	-2.10%	0.40%
Net Interest Margin	13.10%	12.20%	9.90%	8.20%	12%

Retail (UGX bn)



Corporate (UGX bn)



Operational Enhancements

Throughout the fiscal year, Cairo Bank Uganda (CBU) underwent significant operational transformations aimed at bolstering its market position and enhancing customer service. Foremost among these changes was the adoption of a revised business structure, which saw branches reimagined as dynamic business centres. The recruitment of branch managers was pivotal in driving this transition, empowering these centres to proactively engage with clients and drive business growth. Additionally, the establishment of an Institutional Banking team further fortified CBU's operations, facilitating deposit growth by tapping into previously untapped sectors.

Key Milestones

In a year marked by steadfast growth, CBU achieved several key milestones. Notably, the bank witnessed its highest year-on-year absolute growth in Customer Deposits, surpassing the significant milestone of UGX 200 billion. Similarly, CBU recorded its second-highest year-on-year absolute growth in Loans and Advances, exceeding budget projections and underscoring its resilience in a challenging economic landscape.

Driving Portfolio Growth

The bank's portfolio composition reflects a strategic balance between retail and corporate sectors. As of the reporting period, the retail portfolio constituted 3.4% of the overall portfolio, with the corporate portfolio comprising the remaining 96.6%. This strategic allocation aligns with CBU's overarching goal of catering to diverse customer segments while maximizing returns.

Fueling Product Innovations

CBU continued its commitment to innovation by introducing new products tailored to both retail and corporate clientele. Among these offerings are the Cairo Salam account, designed to meet the diverse financial needs of customers, and the Al Ansari and Sasula payment channels, enhancing convenience and accessibility for both segments.

Digitalization Initiatives

Embracing the digital frontier, CBU launched a series of initiatives aimed at enhancing customer experience and operational efficiency. These include automated management fee charge recovery, monthly e-mail transaction statements, instant transaction SMS alerts, and a bank-to-wallet alternative banking option. Such advancements not only streamline processes but also bolster CBU's position as a leader in digital banking solutions.

Forward-Looking Strategy

To ensure sustainable growth and profitability, Cairo Bank Uganda has outlined a comprehensive set of forward-looking strategies. The bank will focus on continuous optimization of business team structures, aiming to enhance capacity and drive growth in the institutional portfolio. Additionally, CBU plans to implement a variable cost model approach, utilizing incentives to mobilize deposits and bridge short-term balance sheet gaps effectively.

Furthermore, the bank aims to prioritize local currency loan tickets and explore new lending segments with higher returns, thereby enhancing net interest margins and maximizing profitability. Accelerating non-funded income will be another key focus area, achieved through the uptake of collection solutions and the leveraging of new profit enhancement products. Finally, CBU is committed to advancing its digital capabilities, scaling up digital solutions to increase market competitiveness and further engage customers in the evolving digital landscape.

Cairo Leasing Corporation

Cairo Leasing Corporation (CLC) is a leading provider of corporate leasing solutions in the market, having been established in early 2018 to expand the Banque du Caire's service portfolio into the nascent non-bank commercial lending space. The company provides a wide variety of leasing products and services ranging from commercial and administrative real estate, systems and IT, and fleet management. Seeking to further diversify its operations, CLC introduced factoring services in 2022, unlocking necessary working capital for clients through a tailored set of financial services.

With a team of experienced professionals, CLC leans on both its exemplary advisory services and a streamlined operating model to ensure its portfolio management strategy is sound and that it continues to offer clients an exemplary service experience. Being a fully owned subsidiary of one of the largest banks in the country, CLC can leverage synergies and cross-selling with Banque du Caire to drive maximum value for clients.

CLC leverages Banque du Caire's reputation as one of Egypt's longest-standing and most established banks to both expand its client reach and capitalize on the synergies inherent between the two organizations. The bank's support enables CLC to capitalize on its resources to generate maximum value for its stakeholders as they pursue their strategic business goals.

2023 Highlights

CLC has demonstrated stability and successful performance throughout 2023, reaffirming its strong position in the Egyptian leasing market. Despite prevailing challenges due to market conditions and devaluation in the Egyptian market, CLC's steadfastness and reliable track record have contributed to positive financial outcomes.

In a significant development, CLC successfully increased its paid-in capital by EGP 50 million, reaching a total of EGP 400 million. This notable increase underscores the company's commitment to growth, and enhances CLC's capacity to accommodate larger single obligors, heightening its efficiency in serving clients.

CLC achieved several key milestones in 2023, showcasing its leadership and diversification efforts. Notably, the company led a project finance transaction within the healthcare industry in the Egyptian market. Collaborating with two other leading companies, CLC successfully financed a total amount of EGP 800 million, demonstrating its prowess in navigating complex financial transactions.

Furthermore, CLC ventured into a new business stream by providing financial leasing services to vendor financing companies operating in various sectors, with a particular focus on the healthcare and printing and packaging industries. This strategic move expands CLC's service offerings and highlights its agility in identifying and capitalizing on emerging opportunities.

In 2023, CLC maintained its market share and solidified its position as one of the top 10 companies in the leasing industry. Despite the challenges posed by the company's maturity and the size of the market, CLC successfully sustained growth and competitiveness through expertise and a strategic approach.

Forward-Looking Strategy

Looking ahead, CLC has outlined several key forward-looking strategies to enhance its operations and offering. The company is set to introduce a cutting-edge electronic invoicing system to optimize its accounting procedures. This development will simplify financial workflows and enhance overall operational efficiency throughout the organization. CLC also plans to venture into full mortgage finance services, aiming to increase market share while also providing comprehensive financial solutions to its customers. This significant move reflects CLC's commitment to business integration and sustaining the evolving needs of its clients. These proactive strategies emphasize CLC's dedication to innovation, operational effectiveness, and addressing the changing demands of its clients, positioning the company for long-term success in the leasing industry.

Cairo Exchange Company

Launched in November 2022, Cairo Exchange Company is Banque du Caire's first standalone foreign currency exchange provider. The company's objective is to trade in foreign currency against the value of the Egyptian pound and vice-versa. Governed by the Central Bank of Egypt and the Anti-Money Laundering Unit's regulations, the company serves a vast client base and complements Banque du Caire's financial services. Offering a range of solutions to its customer base and targeting the unbanked population in Egypt, Banque du Caire, through Cairo Exchange Company, aims to promote financial inclusion and align with the state's vision by addressing challenges associated with the parallel market. Cairo Exchange Company centers on enhancing customer experience; from the establishment of branches that are both attractive and comfortable to the specialized training provided to all employees, the culture of the company prioritizes customer retention and satisfaction.

Key Milestones

Cairo Exchange Company strives to offer unparalleled accessibility and improved financial inclusion. The year saw the volume of currency transactions demonstrate robust performance, with significant figures in major currencies such as USD, EUR, and Saudi Riyal, recording an impressive USD 2.1 million, EUR 1.3 million, and SAR 2.2 million. The overall trading volume, measured in Egyptian Pounds (EGP), amounted to approximately EGP 314 million through both purchasing and selling activities.

In expanding its network, the company successfully opened and completed nine new branches in 2023. Moreover, Cairo Exchange Company received Central Bank of Egypt (CBE) approval to open three branches at Cairo Airport. This recognition ranks Cairo Exchange as the first and only exchange company in Egypt authorized to conduct exchange activities within the airport premises, marking a significant accomplishment in the company's operational landscape.

Cairo Exchange Company plans to further expand its reach to all governorates in Egypt by establishing 50 branches over the next three years. In response to dynamic market conditions, Cairo Exchange's forward-looking strategy involves vigilant monitoring of ever-changing market developments. Management remains equipped to adjust the company's expansion strategy to align with developing market demands. Simultaneously, focus will be placed on optimizing profitability per branch through the introduction and enhancement of additional services, as permitted by the CBE. Cairo Exchange Company is committed to providing flexibility and responsiveness to consumers, while concurrently seeking avenues to enrich overall profitability and customer value.

Taly

Taly is Banque du Caire's first omni-channel digital payment platform, launched in March 2023. Taly implements a world-class technology infrastructure that enables a fully digital payment ecosystem for customers. The company links banks, merchants, and consumers through an end-to-end, secure digital payment processing platform. Taly establishes connectivity among its stakeholders through an integrated digital flow ecosystem encompassing bundled products, as part of the bank's efforts to support Egypt's financial inclusion initiatives. Taly specifies payments as a digital settlement of dues from one party to another for various scenarios, such as walk-in customers settling bills with merchants or corporate entities, merchants handling payments to their corporate suppliers, and corporations managing settlements with their supply chain and service providers. Additionally, the service provides users with various payment networks, encompassing card schemes and wallets such as MA, Visa, Meeza, IPS, and ACH.

Key Milestones

During the year, Taly successfully commenced operations and implemented the POS Android service, effectively providing users with payment solutions and accessibility. The company also launched the E-Commerce payment gateway and Authenticated Control Services (ACS), expanding its suite of services to meet various market demands. Key partnerships were established with prominent entities such as Banque du Caire (BdC) and Telda, Egypt's first full digital card payment experience without the need for users to have a bank account. This partnership underscores Taly's commitment to catering to a diverse market and providing convenience.

Forward-Looking Strategies

Taly aims to enhance its point-of-interaction focus, ensuring a seamless and efficient service through the incorporation of a Value-Add Matrix, featuring offerings such as Buy-Now Pay-Later (BNPL) and Tokenization to diversify and expand Taly's footprint in the digital payment landscape. To implement these services, Taly will allocate additional resources towards technology-enabling assets and building expert software development and processing teams internally. Furthermore, by incorporating extra agility in tools and strategies, Taly aims to capture a broader spectrum of revenue streams.

Herasat for Security and Guarding Services

Herasat for Security and Guarding Services (HSS) was established in 2019 by Banque du Caire, in partnership with Al Baraka Bank and Agricultural Bank of Egypt. Launched with the initial aim of strengthening the bank's security network, Herasat has since expanded and improved its service portfolio and now provides security guard services across diverse sectors, including Banking, Hotels, Factories, Companies, Embassies, and Residential areas.

Herasat distinguishes itself within the competitive landscape of the security sector by leveraging several strategic advantages. Herasat boasts a substantial and seasoned team of security and services experts, ensuring a robust foundation of expertise, coupled with continuous training and meticulous service quality measurement. The company is committed to innovation, reflecting the use of new and advanced technology and site risk analyses. Clients benefit from tailored, flexible security plans, and nationwide presence ensuring comprehensive coverage. Furthermore, Herasat maintains robust coordination with official security authorities and institutions, increasing reliability.

Key Milestones

In 2023, Herasat continued to expand its portfolio, winning key contracts, and diversifying into the SME space. The year also saw the establishment of a new headquarters in Maadi, with the aim of solidifying Herasat's presence at a vital and central location and strengthening its ties with clients and partners. Herasat also conducted a strategic marketing campaign which led to the development of a company profile and website, as well as social media pages, enhancing brand visibility. Unique to the security industry in Egypt, Herasat implemented mobile attendance technology for guards' performance measurement. Notably, the company secured a partnership with the Agricultural Bank of Egypt, further expanding its esteemed network.

Forward-Looking Strategies

Moving forward, Herasat will implement key strategies, including bolstering the company's image while maintaining service quality. The company will continue to develop its services, in line with its historical growth, and invest in its people through the Investors in People (IIP) initiative to position itself as an employer of choice. As Herasat further expands and diversifies its offering and portfolio, focus will be placed on market share expansion and enhancing profitability.

Services

Guarding	Training	Risk Assessment	Event Management
Risk Analysis and Loss Prevention	Corporate and Industrial Investigations	Beat Patrol	VIP Protection

Key Clients

Portfolio **Investments**

Nclude Fintech Fund

Nclude Fintech Fund (Nclude) stands as a testament to collaborative innovation, established through a partnership between Banque du Caire, Banque Misr, National Bank of Egypt (NBE), and Dubai-based Global Ventures, alongside other esteemed investors such as eFinance Investment Group and the Egyptian Banks Company. With a collective commitment to fostering entrepreneurial endeavors and advancing financial inclusion, the fund targets total commitments of USD 105 million. This initiative not only aligns with the Central Bank of Egypt's (CBE) strategic objectives for promoting digital transformation but also serves as a catalyst for nurturing the ever-growing fintech ecosystem in Egypt and beyond. By providing vital support services, financing, and strategic insights, Nclude empowers early- and growth-stage fintech start-ups, with investment ticket sizes ranging between USD 500,000 and USD 5 million.

2023 Highlights and Investment Portfolio

The anticipated value of the fund remains steadfast at USD 150 million, underscoring its robust commitment to fueling innovation and driving sustainable growth within the fintech landscape. Investors can anticipate an expected Internal Rate of Return (IRR) of 25%, a testament to the fund's potential to deliver attractive returns while fostering positive socio-economic impact.

Nclude's investment portfolio boasts a diverse array of fintech-centric companies, each poised for transformative growth and impact. Notable investments include Paymob, a firmly established entity in digital payment and infrastructure solutions. Paymob empowers financial service providers and facilitates seamless transactions across regions, with over 12 million users and EGP 6 billion in volumes, it continues to redefine the payment landscape.

Another significant investment is Khazna, which serves as a lifeline for Egypt's underbanked population. Khazna offers premier financial services through a customer-centric platform, including cash advances, BNPL options, transfers, and bill payments. This fosters financial inclusivity within the country, addressing a critical need.

Lucky is another noteworthy investment, elevating consumer experiences through discounts, promotions, and cashbacks. This embodiment of convenience and value enhances the retail landscape and drives customer engagement.

Additionally, Mozare3 bridges the gap between farmers and buyers, revolutionizing agricultural finance. It enables farmers to meet local and international standards while bolstering supply chain efficiency, contributing to sustainable agricultural practices.

Lastly, FlapKap pioneers revenue-based financing in the e-commerce realm. It maximizes growth potential for online stores through data analytics and inventory funding, fueling e-commerce evolution. Furthermore, strategic investments in platforms such as Partment, OneOrder, and Grinta underscore Nclude's commitment to fostering innovation across diverse sectors, driving sustainable growth and shaping the future of finance.

Avanz Fund

The Avanz Fund is a first-of-its-kind investment vehicle in Egypt. It was launched as a joint initiative by Banque du Caire, Banque Misr, NBE, Ahli United Bank, Suez Canal Bank, United Bank, and Attijariwafa Bank, along with other local institutions, including Misr Insurance Holding, Avanz Capital Associates Egypt, and Avanz Capital Egypt for Formation and Management of Securities Portfolios and Investment Funds. The fund aims to create an ecosystem of private equity and venture capital funds in Egypt while providing financing opportunities to small and medium-sized enterprises. The Avanz fund's lead investors have raised approximately EGP 400 million in accordance with CBE directives to fund and support SMEs, distinguishing their vital role in economic development and job creation.

> "USD 105 MN targeted total commitments for Nclude Fintech Fund.

2023 Highlights

In 2023, the Avanz Fund exceeded expectations with total commitments of EGP 905 million and an authorized capital of EGP 2 billion. Investors can expect a target Internal Rate of Return (IRR) of around 20%. The fund invested in several successful companies, including Ezdehar, Trella, Disruptech Egypt Fund I, and Bosta, with each investment showing positive growth and success. These achievements highlight the fund's commitment to investing in innovative and promising companies with the potential to transform their respective industries.

Misr Real Estate Investment Fund

The Misr Real Estate Investment Fund was launched in 2022, with the joint forces of Banque du Caire, Banque Misr, Misr Insurance Holding, and Allianz Egypt, generating considerable value. With the rapid growth of the Egyptian real estate sector, the fund focuses on investing in a diversified portfolio of income-generating real estate assets. These assets offer a periodic rental return and have a high occupancy rate, making them a reliable source of passive income.

Additionally, the fund aims to benefit from the expected opportunities for an increase in the market value of these assets. This dual approach of generating rental income and capital appreciation makes this fund an attractive option for investors looking to grow their wealth steadily over the long term.

The Misr Real Estate Investment Fund aims to raise a total capital of EGP 750 million and achieve an IRR of 18%. The fund has invested in commercial real estate assets, including Talaat Moustafa Group (TMG) properties in Al-Rehab City and Madinaty. The value of these assets has increased by 40% since their acquisition. Since 2022, the fund has reached a first close of EGP 360 million, with each of the two banks and Misr Insurance Holding contributing EGP 100 million and Allianz contributing EGP 60 million.

Catalyst

The Catalyst Capital Egypt Fund (CCE) represents a groundbreaking initiative as the first impact investing fund in Egypt and the Middle East. The CCE falls under the Catalyst Partners investment firm in the MENA region. The firm operates as a channel for business growth, providing developmental support and capacity building in crucial areas like governance, accounting, and strategic planning. The firm also commits to private equity investments, vital in fostering sustainable businesses and contributing to a positive ecosystem. Catalyst Private Equity targets businesses such as NBFIs, pharmaceuticals, logistics, agriculture, education, food and beverage, and industrial, aiming to create value and promote responsible investment practices.

The Catalyst Capital Egypt Fund, with a value extraction timeframe of 36–60 months, follows a structured investment process encompassing sourcing and assessment, design, due diligence, presentation, stake acquisition, implementation phase, and exit phase. The fund's commitments include Banque du Caire with a commitment worth EGP 50 million, while other investors such as Insurance Holding, Misr Insurance, Misr Life Insurance, Misr Fund for Finance and Investment, and others collectively commit the remaining amount, totaling EGP 500 million. The fund anticipates a return for investors with an internal rate of return (IRR) between 20% and 25%.

CCE has strategically invested in Alexandria for Industrial Development (AID), which collaborated with TEDA SeZone to fabricate turnkey factories for industrial development, showcasing a commitment to impactful and sustainable investments. Catalyst is transforming into a leading merchant bank in the MENA region, remaining steadfast in its mission to foster growth, innovation, and sustainability in numerous business ventures.

Sawari Ventures Fund

Sawari Ventures is a venture capital firm that invests in innovative technologies across North Africa. It provides funding to early-stage startups operating in various industries, including consumer internet, fintech, ed-tech, health tech, deep tech, e-commerce, and enabling infrastructure. With a team of experts, Sawari Ventures is dedicated to helping entrepreneurs achieve their goals. Prominent shareholders include Banque du Caire, Banque Misr, National Bank of Egypt, Egypt Kuwait Holding, Canal Suez Bank, Misr Insurance Company, Misr Life Insurance, and Misr Insurance Holding Company. Banque du Caire's commitments to the fund and the Sawari Ventures Investment Fund Company value EGP 50 million, and the total fund value equates to EGP 444 million, with an IRR of 25%. During the last quarter of 2023, Almentor, Moneyfellows, Fatura, and Pearl Semiconductor, some of the companies in which Sawari Ventures invested, delivered promising results with increased IRR.

SUSTAINABILITY
APPROACH

Sustainability **Strategy**

Banking with a Purpose

Through innovative strategies and a commitment to sustainability, Banque de Caire has laid the groundwork for long-term growth that encompasses financial profitability and social advancement. Banque du Caire's sustainability framework is built on pillars that form the foundation for the bank's second phase of transformation.

Strategy	Capacity Building	Internal Sustainability and Governance	Sustainability Reporting and Disclosures

Strategy
The bank's sustainability strategy remains central to its success, with ongoing integration of its overarching One Voice strategy. Building upon the foundation established in 2015, the bank continues to evolve its approach, ensuring alignment with national and international standards. Whether internally within its operations or externally through lending practices, sustainability remains a cornerstone of its strategic vision.

Capacity Building
The bank's development of tools and resources to enhance awareness and knowledge among all stakeholders is intrinsic to its sustainable transformation. Through various initiatives, including training programs and collaborations with industry experts, the bank's staff and stakeholders are encouraged to embrace sustainability as a fundamental aspect of their roles and responsibilities.

Internal Sustainability and Governance
As part of its commitment to sustainability, Banque du Caire has implemented significant changes to ensure a smooth transition toward becoming a sustainable bank. Key milestones achieved include the establishment of a Sustainable Finance department, the development of new lending policies with environmental and social considerations, and the formation of a Sustainability Steering Committee to oversee its transformation journey.

Sustainable Finance
In pursuit of sustainable finance, Banque du Caire has mobilized the investments needed to support green initiatives and renewable energy products, as part of the bank's commitment to financing sustainable projects that contribute to Egypt's sustainable growth.

Ensuring Responsible Lending Practices
Banque du Caire upholds its commitment to sustainability and transparency by adhering to the Principles for Responsible Banking and complying with the Central Bank of Egypt's regulations. The bank's lending practices are guided by a robust framework that integrates environmental and social risk management into its procedures. It has invested in capacity building initiatives to ensure its staff are equipped to identify and mitigate environmental and social risks associated with its lending activities.

Green Lending Initiatives and Sustainable Bonds
Banque du Caire currently offers green lending initiatives, including financing for solar panels and electric vehicles, exploring the potential for green bonds as part of its future strategy.

Risk Management
Integrating ESG perspectives into its risk management framework is a top priority for Banque du Caire as it is actively developing a Climate Finance strategy aligned with corporate objectives, integrating core sustainability issues into its risk management practices. This risk framework is undergoing enhancements to consider economic, environmental, and social impacts, with a focus on developing credit screening processes that account for environmental and social impacts.

Reporting and Disclosures
Banque du Caire remains at the forefront of sustainability reporting, with a history of transparent disclosures dating back to 2015. Its commitment to accountability is evident through initiatives such as GRI reporting, participation in the United Nations Environment Programme Finance Initiative, and the publication of its Principles for Responsible Banking. Additionally, Banque du Caire publishes its annual commitment to the United Nations Global Compact Principles and the Carbon Footprint report.

Moving Forward
Banque du Caire remains committed to raising awareness among its clients regarding the importance of sustainable business choices. Through education and advocacy, the bank aims to empower its clients to make informed decisions that prioritize sustainable growth, ensuring profitability while mitigating risks.

Environmental **Impact**

Banque du Caire remains steadfast in its commitment to addressing environmental challenges and accelerating the transition towards a net-zero future. The bank's resilient environmental strategy and proactive measures underscore its dedication to minimizing its environmental footprint through climate risk management.

Exercising Environmental Consciousness

The bank continues to fuel its efforts to minimize the environmental impact of its operations and branches, leveraging its digital infrastructure and innovative products to achieve this objective.

Compliance and Regulatory Commitments

Banque du Caire strictly adheres to all national environmental regulations and mandates set forth by the Central Bank of Egypt (CBE). Its comprehensive approach ensures full compliance across the entirety of the bank's operations.

Supporting Sustainable Practices

The bank remains active in exploring avenues to assist its customers in decarbonizing their operations. Through strategic initiatives and awareness campaigns, Banque de Caire aims to empower its clients to integrate sustainability principles into their business practices.

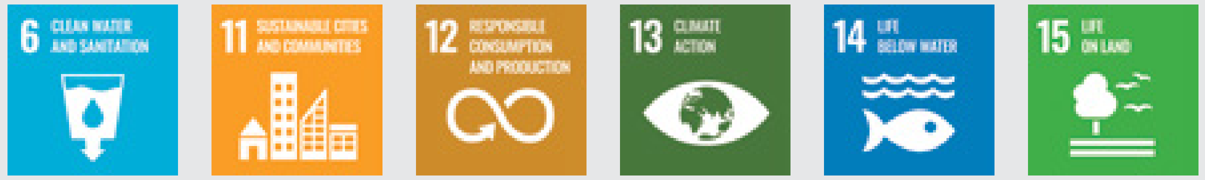
Quantifying Climate Risk Exposure

As part of its strategic direction, the bank is intensifying efforts to quantify and manage climate risk exposure, particularly concerning loan recipients. Banque du Caire has thus developed its own E&S lending policy to ensure its business' compatibility with national and international agreements to promote a more sustainable financial model while mitigating environmental risks. This includes the incorporation of climate risk management into the bank's overarching strategy.

Moving Forward

Building on the bank's sustainability journey, it plans on evolve its Carbon Footprint Report by transitioning into the next phase of its climate risk management strategy. This phase will involve assessing the carbon intensity of the sectors to which it extends its lending, reaffirming its commitment to responsible financing practices.

SDG Commitments



Management Approach

- Reducing the Environmental Footprint of Operations
- Sustainable Financing
- Raising Awareness Among Stakeholders
- Funding Environmental Preservation Initiatives
- Supporting Environmental Bodies
- Reporting and Monitoring

Social **Impact**

Our Community

Banque du Caire has a long-standing commitment to community engagement. The bank firmly believes in giving back to the communities in which it operates and considers social responsibility a crucial element of its mission to promoting socio-economic growth throughout Egypt. Banque du Caire's social initiatives are aligned with its values and priorities as one of Egypt's leading banking institutions and are carried out in collaboration with trusted partners. The bank focuses on developing partnerships and projects that align with the UN SDGs and Egypt's Vision 2030. By doing so, Banque du Caire aims to showcase Egypt's potential and highlight the country's ability to achieve monumental achievements. The bank plays a pivotal role in society and recognizes the significance of integrating social responsibility into our actions.

Banque du Caire's dedication to sustainability is more than just a principle. The bank is a proud signatory of the United Nations Global Compact, affirming its commitment to upholding its principles in daily operations. The bank's progress is tracked through an annual submission of a Communication on Progress report (CoP), where efforts are transparently demonstrated to integrate sustainability into business practices further and implement a positive impact on our community.

Goals 01 and 02
"No Poverty, Zero Hunger"

Since 2013, the bank has organized an annual food drive of iftar meals during the Holy Month of Ramadan. During Ramadan, the bank distributes Ramadan boxes to people all over Cairo in collaboration with the Tahya Masr fund, Rotary Club, and Sonaa El Kheir Foundation. Additionally, over the past years, Banque du Caire has been assisting those in need during winter, particularly in Upper Egypt. The bank prioritizes contribution to national development, having proudly donated to funds such as Tahya Masr, collaborating on its winter campaign to provide necessities for survival in cold weather.

Banque du Caire has collaborated with the Misr El Kheir Foundation's Back-to-School program, which provides essential school supplies to underprivileged children from various governorates in Egypt.

Goal 03
"Good Health and Well-being"

Egypt's healthcare sector has undergone a substantial transformation to offer state-of-the-art medical facilities and exceptional treatment standards. Banque du Caire has engaged with the Ministry of Health and various medical institutions to support the medical community.

Banque du Caire made significant contributions throughout 2023 to support several hospitals such as Magdi Yacoub's Hospital for Cardiology, Ahl Masr Hospital, 57357 Hospital, Al-Nas Hospital, Red Crescent Hospital, Qasr El Einy University Hospital, Ayady El Mostakbal, Mansoura University Hospital, and Ain Shams University Hospital. With the bank's support, these institutions could build new campuses, cover operational costs, and purchase top-notch medical equipment.

In partnership with the Orman Association, the bank provided donations to establish solar energy to generate electricity for Dar Shifa El Orman Hospitals, called "Green Energy." This initiative led to providing free-of-charge oncology treatments in the hospital by creating a safe and clean environment that is free of harmful emissions and reducing electricity consumption costs. In addition, the bank partnered with the Orman Association to fund treatment for cases at Mansoura University Hospital.

Furthermore, in efforts to battle cancer and raise public awareness on the issue, the bank collaborated with Baheya Hospital and Foundation to support the fight against breast cancer. The bank has provided over EGP 100 million and reached 1,000 beneficiaries. The bank also launched a volunteering program, with regular planned visits to the hospital and internal awareness campaigns.

The bank has partnered with Al-Nas Children's Hospital, which is one of the largest and most established medical centers in the Arab region and Africa. The hospital has been actively fighting chronic heart diseases since it opened its doors in 2019. Additionally, the bank has extended its support to 57357 Children's Cancer Hospital by covering operational expenses, providing new equipment, and helping them construct and maintain an arts and music activity room for the children. This initiative aims to improve the psychological well-being of young patients while they undergo treatment.

Goal 04
"Quality Education"

Scholarships in universities and technical and vocational schools

Banque du Caire proudly serves educational initiatives that increase accessibility and development for individuals in the community. The bank has a firm stance regarding the prominence of the educational sector and its impact on Egypt's future. Focusing on the improvement of the educational sector in Egypt is critical in increasing potential and economic development. Collaborating with the Federation of Egyptian Banks, the bank strategically partners with local NGOs to construct new elementary and high school campuses in underprivileged areas. In partnership with the Federation of Egyptian Banks, the bank strategically partners with local NGOs to build new elementary and high school campuses in disadvantaged areas. In 2023, Banque du Caire proudly sponsored outstanding students at various universities such as:

- El Sewedy Polytechnic University
- Nile University
- Arab Academy for Science, Technology, and Maritime Transport (AAST)
- King Salman International University
- New Mansoura University
- El Alamein University
- Zewail City for Science and Technology

Banque du Caire holds education in high regard and recognizes its impact on future generations. Therefore, the bank has sponsored a scholarship program to support higher education and bridge the gap between the demands of the labor market and the shortage of competencies in the technology field. This initiative also aligns with the UN sustainable development goals and Egypt's Vision 2030. Under the name "Banque du Caire Scholarship," the scholarship program sponsors exceptional students pursuing degrees in Computer Science Technology, Data Sciences Technology, Network and Cybersecurity, and Electrical and Electronic Engineering Technology Program.

Moreover, the bank also partnered with ENACTUS Egypt to connect students with the entrepreneurship and startup communities.

Goals 06 and 11
"Sustainable Cities and Clean Water"

Banque du Caire is committed to supporting social development in underprivileged areas of Egypt by collaborating with different organizations and financing various projects that directly contribute to community development. This commitment aligns with the country's strategy to ensure effective community development in underprivileged areas of Egypt.

The bank collaborated with the "Sonaa El Kheir" organization and was among the first to join the "Decent Life" initiative, which aims to develop 12 villages in Nubia, Aswan. In addition, the bank provided professional development training to help build the heritage handicraft industry and create new revenue sources for the most vulnerable communities.

Goal 8
"Decent Work and Economic Growth"

Women and Youth

The bank is actively involved in donating to initiatives that enhance the skills of young people, providing them with the necessary tools to embark on their careers and prepare them to enter the job market. To achieve these goals, the bank utilizes its prominent position in microfinance. Banque du Caire has collaborated with the Misr El Kheir Foundation to provide training and employment opportunities to 210 young adults in the Sohag Governorate. This initiative aims to alleviate unemployment in the region.

In partnership with the Orman Association, the bank launched the Good Loan Project, which aims to finance 2,000 small projects for women and young breadwinners. This collaboration has supported income-generating projects and increased the number of people in Upper Egypt who are included in the financial system.

Goal 10
"Reducing Inequalities"

The bank has partnered with the Helm Foundation to launch a project called "SEED." The primary objective of this initiative is to increase the inclusivity of individuals with disabilities in the workplace and provide to enter the labor market successfully.

Goals 12,13,14,15,16
"Environment"

In 2020, the bGreen Initiative was launched in support of President Abdel Fattah El-Sisi's "Prepare for the Green" campaign, which aims to promote eco-friendliness among Egyptians. Various initiatives have been implemented to raise awareness about environmental issues and to build a more prepared ecosystem to tackle global environmental challenges.

MSMEDA – Turathna Exhibition

Banque du Caire collaborated with MSMEDA for the "Turathna" exhibition as part of the bGreen initiative. The bank promoted the production of eco-friendly products and the significance of preserving handicrafts and heritage. As a result of this partnership, Banque du Caire featured more than 20 skilled artisans from various governorates at their booth. The exhibition created a lively atmosphere at the event and attracted visitors to the exhibitors while promoting sustainable craftsmanship.

Goal 17
"Partnership for the Goals"

- UN Agencies
- International Agencies (GIZ, DEDI, Swiss Embassy)
- Ministries
- Embassies
- NGOs

Our People

Banque du Caire is recognized as one of the leading banks in attracting new employees and is known for its dynamic work environment. The bank is dedicated to attracting, developing, and retaining the best talent in the industry by providing them with the necessary tools to grow and succeed, both individually and as a part of the bank. To achieve this goal, Banque du Caire strives to be an employer of choice by fostering a positive, diverse, and ethical work environment by implementing industry-leading practices. The bank's Human Resources Group is responsible for recruiting, training, and ensuring the well-being of our employees. The bank values employee satisfaction and recognizes its direct impact on productivity. As a result, we strive to cultivate a culture that encourages employee engagement.

338

New Hires in 2023

8,581

Employees

23.67%

Female New Hires in 2023

Banque du Caire highly values maintaining open communication channels with its employees and ensuring transparency throughout the institution. Sharing the bank's goals, challenges, and decision-making processes is critical to success. Additionally, the bank prioritizes the health and wellness of its employees by offering health insurance, fitness programs, and stress management resources. These initiatives play a crucial role in maintaining the bank's success and its employees' well-being. In 2023, the bank launched its first Employees Engagement Survey. The aim was to gather insights on employee engagement gaps and work on enhancing these dimensions, to have highly engaged human capital in the organization and to cement Banque du Caire as the Employer of Choice across Egypt's banking sector.

Remuneration and Benefits

Banque du Caire remains dedicated to fostering a work environment that aligns with strategic goals while prioritizing the well-being and satisfaction of its employees. The remuneration policy reflects this commitment, emphasizing long-term sustainable performance and offering competitive compensation and benefits packages.

In 2023, the bank continued the tradition of providing market-competitive compensation, including a monthly salary and performance-driven increases to valued employees. Additionally, the bank expanded the benefits scheme to enhance the overall employee experience:

- A comprehensive health insurance plan covers all employees, spouses, and children. Even after retirement, the bank's staff and their spouses benefit from medical coverage.
- The inclusion of a bank-sponsored life insurance policy that ensures all employees are protected, providing them and their families with financial security. Moreover, the bank offers disability insurance coverage to safeguard employees against unforeseen circumstances.
- In adherence to legal mandates, female employees are entitled to a paid maternity leave of 90 days. Additionally, they can take an additional two years of unpaid leave per child.
- All employees are offered an optional end-of-service benefit program where the bank contributes double the employee's contribution to a special fund on a monthly basis, which provides a generous reward at the end of service, complementing the government-mandated pension program.

Diversity and Inclusion

At Banque du Caire, we are committed to fostering a culture of diversity and inclusion that celebrates the unique backgrounds, experiences, and perspectives of all our employees. Our policy surrounding diversity and equal opportunity encompasses various dimensions, including race, gender, levels of ability, and age. We believe embracing diversity enriches the workplace while enhancing our ability to serve our clients and communities effectively.

Our Human Resources team actively promotes diversity in our recruitment efforts by broadening our hiring outreach and leveraging diverse channels and partnerships to reach a wider pool of qualified candidates. To encourage equal opportunity for career advancement, we promote clear and transparent internal career paths, ensuring that all employees have equal opportunities for growth and development. The bank has established transparent and consistent promotion criteria across all departments and roles, highlighting that promotions are based on merit and performance.

The bank has implemented transparent and standardized grievance procedures managed by a diverse and independent committee to minimize bias in conflict resolution. Additionally, we offer confidential reporting channels, including online and anonymous reporting options, to address discrimination or harassment concerns effectively and impartially.

Ensuring equal opportunity within our organization is vital, and one way to achieve this is by maintaining a transparent compensation system. We make it a point to communicate clear criteria for promotions, adjustments, and evaluations to all employees. This fosters transparency and fairness in our compensation practices, which is crucial. Our commitment to diversity and inclusion is reflected in our employee bylaws, code of ethics, whistleblower policies, and disciplinary bylaws, which are designed to uphold strong policies in this regard.

2.5%

Employees with disabilities, 8 in positions of management or governance

20%

Of employees are women

34

Female employees in senior management positions

0

Incidents of discrimination reported in 2023

A total of 338 hires during 2023 are classified as the below:
2023 Employee Count

By Gender	
Female	80
Male	258
Total	**338**

By Age	
Under 30	245
From 30 to 50	88
Above 50	5
Total	**338**

By Region	
Headquarters	162
Network	176
Total	**338**

Under 30 years	30–50 years old	Over 50 years old
1,605	3,543	3433

Management and governance positions by age bracket

Under 30 years	30–50 years old	Over 50 years old
7	7	17

Employee Engagement and Retention

Employee engagement is crucial for the success of our bank, as it is directly related to job satisfaction and employee morale. Engaged employees tend to be more productive, perform better, and are often retained for extended periods. We believe employee retention is crucial to our strategy, so we invest in training and skill development. Our employee engagement strategy offers our employees a range of unique opportunities, fostering a learning culture and developing specialized skill sets across various functions within the bank. Our learning and development tracks are open to all employees, regardless of their gender or level within the organization. We engage our staff in dynamic simulation sessions, virtual and e-learning solutions, specialized growth opportunities for every line of business, and continuing general awareness initiatives.

Total Turnover for 2023 was 8.81%

By Gender	
Female	1.27%
Male	7.54%
Total	**8.81%**

By Age	
Under 30	2.79%
From 30 to 50	2.00%
Above 50	4.02%
Total	**8.81%**

By Region	
Headquarter	4.73%
Network	4.08%
Total	**8.81%**

Employees entitled to parental leave in 2023

131 Female **0** Male **131** Total

Employees that took parental leave in 2023

66 Female **0** Male **66** Total

Training and Development

To further support the bank's employees, they are provided discounted rates on various bank products, including loans, credit cards, and extended repayment durations.

In line with the bank's commitment to transparency and fairness, compensation packages are regularly reviewed against industry benchmarks. Additionally, the bank actively engages in initiatives to attract, train, and recruit top talent within the banking industry.

Banque du Caire strives to cultivate a diverse and inclusive workforce through participation in employment fairs, partnerships with educational institutions, and internship programs. The bank's dedication to talent development is evident through programs like succession planning and fast-track initiatives, demonstrating the significance of investing in the growth and advancement of our employees. Banque du Caire adopts the philosophy of prioritizing our employees' well-being and professional development, continuing to achieve success while fostering a positive impact on the community.

Training hours by managerial level

Band	Hours
Executive	84
General Services	671
Middle Management	51,535
Professional	161,171
Senior Management	9,575
Supervisory	87,001
Technician Services	16
Total	**310,053**

8,110
Employees Trained

310,053
Training Hours

38.2
Average Training Hours per Employee

51.8
Average Training Hours for Women

Training hours by function

Function	Hours
Admin Affairs and Real Estate Group	5,850
Africa Business Development Department	11
Banking Operations Group	29,015
Branches Network Group	95,969
CEO Technical Office and Secretariat Division	369
Chairman and CEO Office	22
Change, Transformation, and Reengineering Sector	2,062
Compliance and Corporate Governance Group	10,864
Core Banking Development Sector	3,599
Corporate Banking Group	4,790
Corporate Communication and Sustainable Development Sector	1,079
Debt Recovery and Workout Sector	1,049
Deputy CEO Office	46
Financial Affairs Group	4,530
Financial Inclusion Division	192
Financial Institutions sector	3,468
Global Transaction Banking Group	1,782
Human Resources Group	10,982
ICU Sector	6,552
Information Technology Group	13,885
Internal Audit Group	4,269
Investment Sector	1,520
Legal Affairs Group	6,140
Micro finance Sector	30,096
Researches and Analytical Studies Division	123
Retail Banking Group	13,090
Risk Management Group	34,431
Security Sector	2,680
SME Banking Group	15,675
Structured Finance and Syndicated loans Sector	2,938
Sustainable Finance Department	61
Treasury and Capital Market Group	2,786
UAE Representative Office - Dubai	76
Vice-Chairman and CEO Office 1	22
Total	**310,053**

GOVERNANCE **AND CONTROLS**

Corporate **Governance**

To protect its professional integrity, Banque du Caire has in place extensive corporate governance frameworks that govern its business practices, in alignment with international best practices. The bank ensures transparency, sustainability, and efficiency are at the forefront of all operations.

Corporate Governance Strategy

Banque du Caire is committed to professional integrity and adding value to its stakeholders. To achieve this, the bank has implemented a robust corporate governance framework that aligns with international best practices across all its operations. The bank adheres to all Egyptian laws and regulatory requirements and holds its employees to the highest ethical standards. The governance framework in place safeguards the interests of all stakeholders, including customers, shareholders, employees, and the communities in which it operates. This commitment to integrity is evident in the bank's institutional culture, which motivates all employees to perform their duties with diligence. The bank also promotes a transparent, ethical, and corruption-free environment in Egypt's banking industry by adhering to the highest ethical standards.

Board of Directors

The Board of Directors comprises eight members, including the Chairman, Vice Chairman, and six independent Non-Executive members, four of whom are male and two females. Each member is committed to supporting the bank's operations, ensuring its activities are ethical and compliant with relevant laws, and overseeing its growth strategy.

The bank boasts a young and diverse board that leverages its experience to set and uphold strategies, key policies, and frameworks, as well as risk management oversight, in line with Egyptian law, the Central Bank of Egypt's (CBE) guidance, and the bank's own corporate governance framework. Board members' varying perspectives allow for a dynamic decision-making environment, allowing the board to guide the bank's leadership and strategic vision with agility.

In line with the bank's corporate governance policy, non-executive board members do not perform executive duties or hold full-time or part-time positions within the bank.

Duties of Board Members

Members of the board are obligated to fulfill their duties of diligence, loyalty, and compliance with institutional authority as outlined in relevant laws and regulations. Additionally, they are required to adhere to corporate governance guidelines issued by the CBE and Banque du Caire. Members must work based on accurate information, in good faith, with the level of attention required, and in the interests of the bank and its shareholders.

Chairman of the Board

The Chairman is a strategic leader responsible for overseeing the bank's long-term direction, ensuring effective governance, risk management, and compliance with regulations. By fostering a positive corporate culture, representing the bank to stakeholders, and driving sustainable growth, the Chairman plays a pivotal role in guiding the bank toward long-term success and stability.

Secretary of the Board of Directors

The secretary of the board is responsible for recording, coordinating, and keeping minutes of the board's meetings, in addition to keeping track of records, books, and reports submitted to and from the board. The secretary also secures the right to communicate and coordinate with the members of the board. They also distribute information to the board, shareholders, executive management, and all employees.

Board Remuneration

The bank established a policy for determining the remunerations of board members based on Company Law No. 159/1981 and its amendments. A mechanism was established to assess board remuneration, which is disbursed annually to the general assembly for approval. It should be noted that non-executive board members do not receive remuneration.

Board of Directors

Name	Title	Director Since
Mr. Tarek Fayed	Chief Executive Officer and Chairman of the Board	1/1/2018
Mr. Bahaa El Shafei	Executive Vice Chairman	03/10/2021
Mr. Wael Ziada	Independent Non-Executive Board Member	26/9/2017
Mr. Ashraf Bakry	Non-executive Board Member	26/9/2017
Mrs. Amal Esmat	Independent Non-Executive Board Member	26/9/2017
Mr. Hisham Sanad	Independent Non-Executive Board Member	28/2/2018
Ms. Leila Mokaddem	Independent Non-Executive Board Member	31/3/2021
Mr. Hisham Hendi	Independent Non-Executive Board Member	31/3/2021

Mr. Tarek Fayed
Chairman and Chief Executive Officer

Mr. Tarek Fayed is the Chairman and CEO of Banque du Caire, with over 33 years of banking experience in various fields including banking supervision, risk management, as well as corporate and investment banking.

Mr. Fayed is currently a board member of the Egyptian Banking Institute, Social Fund for Mortgage Finance, Egyptian Stock Market, Union of Arab Banks, Credit Guarantee Company (CGC), Cairo Leasing Company (CLC), General Assembly Egyptian Holding Company for Aviation, the Federation of Egyptian Chambers of Commerce, and EgyptAir Ground Services.

Prior to his tenure with Banque du Caire, Mr. Fayed spent 10 years working for the CBE, having joined the bank during the second wave of the banking sector reform program. He has overseen several departments under banking supervision including ongoing surveillance, licensing and macroprudential supervision. He successfully shifted the supervisory framework from a compliance to a risk-based approach and introduced new supervisory tools such as early warning and stress testing. He also participated in the introduction of a large range of prudential regulations including Basel Standards. Additionally, he established Egypt's first financial stability report in 2016 and was also part of the CBE negotiation team with the International Monetary Fund (IMF) to facilitate Egypt's economic reform program in 2016.

Mr. Fayed represented the CBE in several regional and international organizations such as the Arab Monetary Fund Financial Stability Working Group, at the Arab Monetary Fund. He was a board member of the PTA Bank, currently known as the African Trade and Development Bank (TDB), and Deputy Chairman of the Islamic Financial Services Board (IFSB), an international standard-setting organization for Islamic financial institutions. He also represented the CBE at the General Assembly of the Egyptian Electricity Authority, and is a non-executive director for a number of financial institutions as part of their transformation. These include the Agriculture Bank of Egypt, United Bank, Arab International Bank, and the National Committee for Refund of Funds.

Prior to his tenure with the CBE, Mr. Fayed was the General Manager and Chief Risk Officer at the Arab International Bank in Cairo, where he also held a position on the bank's Risk and Steering Committees. Mr. Fayed worked at Samba Financial Group, an affiliate of Citigroup, in Riyadh, Saudi Arabia in the position of Audit Director.

Mr. Fayed holds a BA in Commerce from Ain Shams University, in addition to various certifications in Credit and Risk Management. He also led and attended numerous study tours and seminars with supervisory bodies and international institutions, such as the Federal Reserve, European Central Bank, Bank of England, Deutsche Bundesbank, and Bank for International Settlements.

Mr. Bahaa El Shafei

Executive Vice Chairman at Banque du Caire

Bahaa El Shafie has 30 years of banking experience in Corporate and Investment Banking.

Throughout the last 10 years, El Shafie headed the Corporate and Investment Banking Division at QNB Al-Ahli (previously National Société Générale Bank).

Besides managing the bank's large corporate portfolio, he managed the bank's Private Equity Portfolio in addition to Custody services and Mutual Funds. He was a leading member of several committees at QNB Al Ahli including; Management Committee, Assets and Liability Committee, Risk Review Committee, Recovery Committee as well as the Investment Committee.

Mr. El Shafie multidisciplinary background resulted in becoming the representative for QNB Al Ahli in a number of companies in various sectors including tourism, petroleum, and asset management, where he was assigned as member of the Board of Directors representing QNB Al Ahli.

El Shafie had spent several years working as the Head of Project Finance and Structured Finance at QNB Al Ahli, during which he arranged and managed several Syndicated loans for mega projects in different economic sectors including Petroleum and Petrochemicals, telecommunications, Construction, as well as large National Projects that required coordination amongst multiple Egyptian and foreign banks and Multilateral Institutions.

El Shafie led his team in assuming several leading Agency and Security agency roles as well as leading the arrangement of almost all Syndicated transactions in the local market. He Structured and Managed the execution of complex transactions including Mergers, acquisitions and leveraged buy-outs.

As an Executive Director and a core member of the committees at QNB Al Ahli, El Shafie has actively participated in multiple financial mergers throughout his career including the initial merger between National Société Générale Bank and Misr International Bank which was then followed by Qatar National Bank's acquisition of National Société Générale Bank.

During El Shafie's career, he managed to consolidate a range of certifications. After receiving a post-graduate degree in Investment Appraisal and Risk Management from Harvard University in Massachusetts, USA, El Shafie continued advancing his knowledge by having training courses - internally and externally - in the fields of Advanced Capital Market and Portfolio Management and Advanced Credit Analysis at the American University in Cairo, Derivatives and Options at SOGEMARC – Paris.

As El Shafie continues to stay well versed in the industry's on-goings, he most recently took part in the Future Leaders Program at the Egyptian Banking Institute, the Leadership Program at London Business School as well as the Executive Leadership Program at Harvard University - Harvard Business School to be exact - in the USA.

Mr. Wael Ziada

Non-Executive Board Member

Mr. Wael Ziada was appointed as a Non-Executive Board Member on 26 September 2017.

Mr. Ziada has over two decades of experience in money markets in the Middle East and is the Founder of Zilla Capital, a regional investment bank and one of Egypt's largest private investment advisors.

Mr. Ziada served as the Executive Chairman of Zilla Capital until mid-2023, when he was appointed as a Minister Assistant for Investments and Economic Affairs to the Minister of Planning and Economic Development.

Prior to that, Mr. Ziada was the Executive Chairman and CEO of EFG Hermes Finance and a member of the Executive Committee of EFG Hermes Holding. He led the vision and executive plan for EFG Hermes to venture into the field of non-bank financial activity, which is now among the fastest growing lines of business for the group.

He also led EFG Hermes' award-winning and internationally recognized research division from 2008 to 2014. Under his leadership, the department underwent a significant turnaround that saw its coverage expand to more than 12 countries, with output expanding threefold and its services offered over digital platforms.

Mr. Ziada holds a BA in Economics from the American University in Cairo.

Mr. Ashraf Bakry
Non-executive Board Member

Mr. Ashraf Bakry was appointed as an independent Non-executive Board Member in Banque du Caire on 26 September 2017.

Mr. Bakry is the Vice President of Future Fit Operations in North Africa and the Middle East and a member of the North Africa and Middle East (NAME) Leadership Team. He has over 29 years of experience in both Supply Chain and General Management in Multinational Organizations.

He started an academic career in 1992 as a demonstrator in the Faculty of Engineering then moved a year later to join Procter and Gamble in 1993. He spent six years in various manufacturing assignments in Saudi Arabia as well as regional category international assignments, which involved working in the UK and France looking after a consolidation project in the Middle East, Africa, and Pakistan.

Mr. Bakry moved back to Egypt in 1999 and joined Unilever Egypt as a Plant Manager. He joined the Unilever board in 2001 as the Supply Chain Director, then moved to General Management in 2006 to manage Levant and Iraq. In January 2009, he joined the NAME board as NAME Supply Chain Vice President looking after the operations in the 20 countries spanning from UAE to Morocco.

In 2014, he was assigned as the CEO and chairman of the board leading the Unilever business in the Mashreq region and in 2021 moved to become the regional Future Fit Operations Vice President for North Africa, Middle East and Turkey.

Mr. Bakry co-chairs the Industrial and Trade Committee in the American Chamber in Egypt, is a non-executive board member in banque du Caire, Cairo bank Uganda, Oriental weavers company and Misr for Investment and Export Development.

Mrs. Amal Esmat
Non-Executive Board Member

Mrs. Amal Esmat joined Banque du Caire as a Non-executive Board Member on 26 September 2017. Mrs. Esmat has 30 years of banking experience, mostly with Citigroup in the Middle East. In her latest assignment with Citi, she was the Middle East Regional Risk Management Head for Citigroup Global Markets Limited, Dubai, from 2006 to 2016.

Prior to that, she was the deputy Regional Risk Management Head for the Middle East based in Bahrain from 2005 to 2006. Mrs. Esmat joined Citibank in Cairo in 1997 as a Relationship Manager in the Corporate Banking team. In 2003, she joined the Risk Management Group under the Credit Risk Analytics Department Head for Citibank Egypt. During the period from 2018 to 2029, Esmat was appointed as the Chief Risk Officer for Banque Misr International responsible for their international branches and representative offices (UAE, France, Lebanon, etc). Prior to Citi, Mrs. Esmat worked for three years as a Project Finance Officer with the Export Development Bank of Egypt.

Aside from her banking career, which focused mostly on Corporate Banking and Credit Risk Management, she conducted audits on numerous bank branches in Africa, the Middle East, North Africa, and London.

Mrs. Esmat holds an MBA in International Banking and Finance from the University of Birmingham, UK, and a BSc in Chemical Engineering from Cairo University.

Mr. Hisham Sanad
Non-Executive Board Member

Mr. Hisham Sanad joined Banque du Caire as a Non-Executive Board Member in 28 February 2018. Mr. Sanad's experience extends over more than 32 years in the IT services sector supported by vast business and organizational planning expertise punctuated by expert knowledge of regional markets, various economic sectors, and services provided by the ICT sector.

Mr. Sanad is currently the Chairman and CEO of Egabi Solutions. In mid-2006, he co-founded Egabi Group, a leading IT Solutions and Services Company with regional coverage across a number of subsidiaries and branches in Egypt, Saudi Arabia, and the UAE as well as a technical training company and a specialized company focused on the delivery of dedicated technology solutions and services to the Banking and Financial Services sector.

He is a Board Member of the Technology Development Fund (TDF), former Board Member and Chairman of the Chamber of Information Technology and Communication, and former Board Member of the Information Technology Industry Development Agency (ITIDA), the executive IT arm of the Ministry of Communications and Information Technology. Mr. Sanad is a member of the American Chamber of Commerce and a member of the Information and Communications Systems Division in the Chamber.

He was the Managing Director of Raya Software and Raya Regional Services, the General Manager of Raya Integration, and the General Manager of Solutions and Technology Services (STS).

Mr. Sanad holds a BSc in Electronics and Communication Engineering from Ain Shams University. He graduated from the Strategic Executive Leadership Program at Harvard Business School, USA in 2004.

Mrs. Leila Farah Mokaddem
Non-Executive Board Member

Mrs. Leila El Mokaddem joined Banque du Caire as Non-Executive Board Member in March 2021.

She is Director-General Southern Africa of the African Development Bank (AfDB), responsible for 13 countries in the region and a Board member of the West African Development Bank and Alternate Board member at Afreximbank.

Prior to that, Mrs. Mokaddem was the Country Manager and Resident Representative of the AfDB in Morocco and Egypt from 2014 to 2020.

She occupied the position of Regional Resident Representative in Dakar, Senegal, from 2011 to 2013.

Mrs. Mokaddem started at the AfDB in 2002 as Head of Financial Institutions, where she supported the financing and capacity building of financial institutions across Africa, including regional commercial banks and capital market development. She designed innovative financial solutions for Africa, including the African SME Guarantee Fund, AfDB trade finance Initiative, and the Women in the Business initiative.

Mrs. Mokaddem led the origination and management of multi-billion investment portfolios in 35 African countries, particularly in the infrastructure and financial services sectors.

Prior to AfDB, she was the long-term fiscal advisor to the IMF. She started her career at the Ministry of Economy of Tunisia, later becoming a Board Member of the West Africa Development Bank and Microfinance Advans Holding.

Mrs. Mokaddem has an MBA in Finance and International Trade.

Mr. Hisham Hendi
Non-Executive Board Member

Hisham Hendi is an Egyptian currently living and working in Kingdom of Saudia Arabia, Riyadh. He is the Chief Commercial Officer at Mobily (Etihad El Etisalat), with more than 20 years of global experience across the UK, Spain, Egypt, South Africa, and Tanzania.

He has been a Non-Executive Board Director at Banque du Caire for the past 3 years, and also leading the investment committee within the board governance.

As an accomplished strategist, Hisham has extensive experience leading multi-billion and multi-million dollar businesses across EMEA. His expertise lies in shaping and operationalizing plans to drive business transformation and turnaround within the telecommunications sector, driving mobile financial services, growing market share and sales, advancing digital agendas and IoT, and delivering excellent customer valuemanagement and service.

Over the last two decades at Vodafone and Vodacom, he has taken up the mantle of various senior leadership roles including the CEO of Vodafone Tanzania, the Consumer Business Unit Director at Vodafone Spain, Chief Commercial Officer For international Markets in Africa based in South Africa, he was also leading the Consumer Marketing at Vodafone Egypt where he started his Telecom Career.

Prior moving to Riyadh, he spent 3 years in Spain, one of the most active European markets in the Telecom sector, where he restructured many areas within the Vodafone consumer business to enhance customer experience and drive business profitability.

Mr. Hendi worked in Vodafone Egypt, for more than 8 years across different areas within the commercial business, prior heading to South Africa Previously, he was in Vodafone Group in London, where he focused on growing partner networks consumer revenue across 13 different markets in Latin America, Europe & Middle East.

As the CEO of Vodafone Tanzania, he was leading a high performance diverse team, responsible on a customer base over 15.5 million customers. He was also P&L accountable for all business functions of the organisation with a focus on profitable revenue and market growth.

Hisham has also pioneered the innovative Mobile Money services for customers, he has also been the backbone for the digitalization and automation of processes.

Hisham holds a bachelor's degree in Business Management from the Faculty of Commerce (English Section) at Cairo University in Egypt. He is also a graduate of executive programs at IMD Business School in Switzerland and London Business School in the UK.

Committees and Attendance

Banque du Caire's board is assisted by various committees that have their individual charters and mandates, defining their responsibilities and composition requirements. These committees hold regular meetings throughout the year and conduct ad hoc meetings, when necessary, to support the board in effectively fulfilling its responsibilities. The board adheres to the provisions of the Corporate Governance Manual which stipulates that the board meets no less than six times a year. The board met eight times in 2023, and director attendance was 90%.

Audit Committee
The Audit Committee plays a pivotal role in overseeing the bank's financial reporting process and internal control systems, supervising internal and external audit functions, and ensuring compliance with regulatory standards.

Risk Management Committee
The Risk Management Committee oversees the bank's risk assessment and management functions, ensuring compliance with board-approved risk strategies and policies.

Remuneration Committee
The Remuneration Committee provides guidance to the board regarding suitable compensation for executive officers and board members. This committee ensures that Banque du Caire's compensation schemes are consistent with the bank's strategic goals and that they enable the institution to recruit and retain top talent.

Corporate Governance and Nomination Committee
This committee aids the board in its governance oversight duties and efforts to foster a culture of integrity and robust corporate governance at the bank. It also assists in identifying and nominating candidates for director positions.

Investment Policy Committee
The committee is responsible for following up on the implementation of the bank's investment policy to achieve high returns by creating an investment portfolio with diversified asset classes.

Banking Information Systems and Technology Committee
The committee oversees the development of digital banking services, monitoring their operational efficiency and accuracy. Additionally, the committee seeks to avoid risks and ensure uninterrupted service availability and data protection.

Executive Committee
The Executive Committee oversees Banque du Caire's corporate and investment portfolio to ensure quality and the effective allocation of funds in line with overarching strategic goals.

Committee Meetings in 2023

	Total # of Meetings
Audit	8
Risk Management	4
Remuneration	4
Corporate Governance and Nomination	4
Investment Policy	2
Banking Information Systems and Technology	3

Executive Management

Mr. Tarek Fayed

Chairman and Chief Executive Officer

Mr. Tarek Fayed is the Chairman and CEO of Banque du Caire, with over 32 years of banking experience in various fields including banking supervision, risk management, as well as corporate and investment banking.

Mr. Fayed is currently a board member of the Egyptian Banking Institute, Social Fund for Mortgage Finance, Egyptian Stock Market, Union of Arab Banks, Credit Guarantee Company (CGC), Cairo Leasing Company (CLC), General Assembly Egyptian Holding Company for Aviation, the Federation of Egyptian Chambers of Commerce, and EgyptAir Ground Services.

Prior to his tenure with Banque du Caire, Mr. Fayed spent 10 years working for the CBE, having joined the bank during the second wave of the banking sector reform program. He has overseen several departments under banking supervision including ongoing surveillance, licensing and macroprudential supervision. He successfully shifted the supervisory framework from a compliance to a risk-based approach and introduced new supervisory tools such as early warning and stress testing. He also participated in the introduction of a large range of prudential regulations including Basel Standards. Additionally, he established Egypt's first financial stability report in 2016 and was also part of the CBE negotiation team with the International Monetary Fund (IMF) to facilitate Egypt's economic reform program in 2016.

Mr. Fayed represented the CBE in several regional and international organizations such as the Arab Monetary Fund Financial Stability Working Group, at the Arab Monetary Fund. He was a board member of the PTA Bank, currently known as the African Trade and Development Bank (TDB), and Deputy Chairman of the Islamic Financial Services Board (IFSB), an international standard-setting organization for Islamic financial institutions. He also represented the CBE at the General Assembly of the Egyptian Electricity Authority, and is a non-executive director for a number of financial institutions as part of their transformation. These include the Agriculture Bank of Egypt, United Bank, Arab International Bank, and the National Committee for Refund of Funds.

Prior to his tenure with the CBE, Mr. Fayed was the General Manager and Chief Risk Officer at the Arab International Bank in Cairo, where he also held a position on the bank's Risk and Steering Committees. Mr. Fayed worked at Samba Financial Group, an affiliate of Citigroup, in Riyadh, Saudi Arabia in the position of Audit Director.

Mr. Fayed holds a BA in Commerce from Ain Shams University, in addition to various certifications in Credit and Risk Management. He also led and attended numerous study tours and seminars with supervisory bodies and international institutions, such as the Federal Reserve, European Central Bank, Bank of England, Deutsche Bundesbank, and Bank for International Settlements.

Mr. Bahaa El Shafei

Executive Vice Chairman at Banque du Caire

Bahaa El Shafie has 30 years of banking experience in Corporate and Investment Banking.

Throughout the last 10 years, El Shafie headed the Corporate and Investment Banking Division at QNB Al-Ahli (previously National Société Générale Bank).

Besides managing the bank's large corporate portfolio, he managed the bank's Private Equity Portfolio in addition to Custody services and Mutual Funds. He was a leading member of several committees at QNB Al Ahli including; Management Committee, Assets and Liability Committee, Risk Review Committee, Recovery Committee as well as the Investment Committee.

Mr. El Shafie multidisciplinary background resulted in becoming the representative for QNB Al Ahli in a number of companies in various sectors including tourism, petroleum, and asset management, where he was assigned as member of the Board of Directors representing QNB Al Ahli.

El Shafie had spent several years working as the Head of Project Finance and Structured Finance at QNB Al Ahli, during which he arranged and managed several Syndicated loans for mega projects in different economic sectors including Petroleum and Petrochemicals, telecommunications, Construction, as well as large National Projects that required coordination amongst multiple Egyptian and foreign banks and Multilateral Institutions.

El Shafie led his team in assuming several leading Agency and Security agency roles as well as leading the arrangement of almost all Syndicated transactions in the local market. He Structured and Managed the execution of complex transactions including Mergers, acquisitions and leveraged buy-outs.

As an Executive Director and a core member of the committees at QNB Al Ahli, El Shafie has actively participated in multiple financial mergers throughout his career including the initial merger between National Société Générale Bank and Misr International Bank which was then followed by Qatar National Bank's acquisition of National Société Générale Bank.

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As El Shafie continues to stay well versed in the industry's on-goings, he most recently took part in the Future Leaders Program at the Egyptian Banking Institute, the Leadership Program at London Business School as well as the Executive Leadership Program at Harvard University - Harvard Business School to be exact - in the USA.

Mr. Ahmed Effat
Deputy Chief Executive officer

Mr. Ahmed Effat is a versatile banking professional with expertise in both conventional and Islamic banking with career expanding over two decades in various banks as Citibank, Banque Misr and Abu Dhabi Islamic bank.

Mr. Effat joined Banque du Caire in 2023 as Deputy Chief Executive officer. Prior to BdC, he was EVP Head of Consumer Banking, Founder and Chairman of ADI-Consumer Financing Company as well as a Board Member of ADI-Finance Company (Leasing, Factoring, and Real Estate Finance).

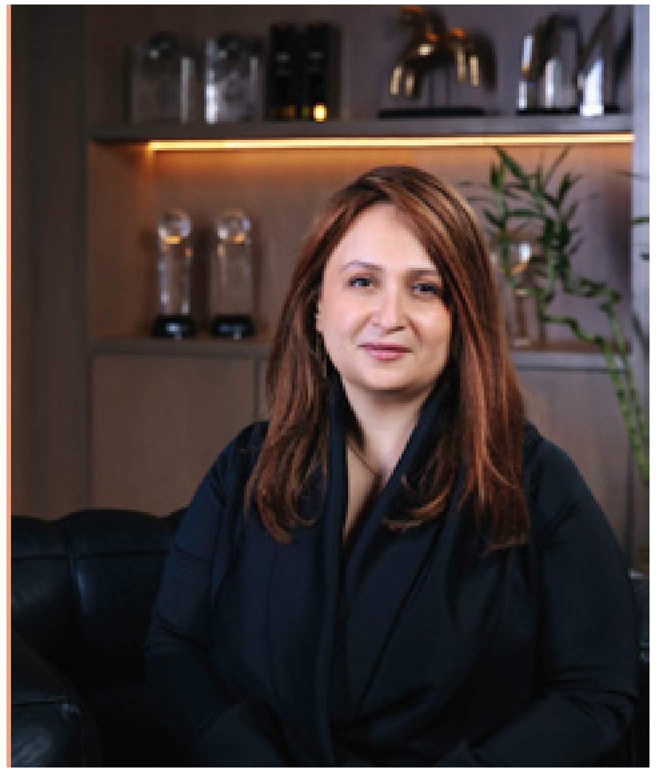
Mr. Effat's career includes a diverse array of banking activities ranging from risk management and treasury operations to front-line business, enabling him to formulate and implement business strategies within Retail, SME's, Microfinance, Mortgage Finance, Cards, Assets and liabilities. Throughout his career, he has played a crucial role in implementing various banking system developments and migrations. He has also been instrumental in leading digital transformation and implementing new banking trends.

Among his notable career highlights are his role as EVP – Retail Banking Sector Head at Abu Dhabi Islamic Bank (ADIB) – Egypt, where he led ADIB's rebranding, launched a full retail banking product suite, revamped and redistributed ADIB's branch networks. Mr. Effat also served as EVP – Head of Risk Management – Retail Banking at Abu Dhabi Islamic Bank – Egypt, where he built a retail risk department and was responsible for developing and implementing a detailed business risk management framework.

Mr. Effat also helped establish the Retail Risk department at Banque Misr, and held a number of key roles at Citibank Egypt, where he was on of the key members who started consumer banking business in Egypt.

Ahmed's other skills include strong risk assessment and control awareness, strong managerial and communication skills, and analytical and enquiring mind. He is also tactical and strategic thinker with presentation and negotiation skills and creative problem-solving skills

Ahmed holds a BA in Accounting and an MBA from AAGSB.



Mrs. Hala El Kassar
Chief Risk Officer

Hala El Kassar has over 30 years of banking experience, spanning in various banking activities, particularly corporate credit, diverse risk areas, enterprise risk management, and information security. She has been the Head of the Risk Management Group at Banque du Caire since 2012 and serves on several committees at the bank, such as the Executive Committee, Asset & Liability Management, Provisions, Operational Risk, Cybersecurity, Debt & Settlements, among others. She previously worked at Abu Dhabi Islamic Bank - Egypt, Arab Banking Corporation - Egypt, and Mashreq Bank.

Ms. El Kassar is a non-executive board member of the Egyptian Credit Bureau. She has also held the position of non-executive board member at Nile Holding Company for Investment and independent non-executive board member at Misr Insurance Holding Company.

Ms. El Kassar holds a Bachelor's degree in Economics with a minor in Business Administration from the American University in Cairo, an Executive Leadership Certificate from Harvard Business School, and an Effective Board Member Certification from the Egyptian Institute of Directors (a collaboration between the Financial Regulatory Authority and the International Finance Corporation).

Mr. Mohamed Ibrahim
Chief Financial Officer

Mr. Mohamed Ibrahim currently serves as the Chief Financial Officer at Banque du Caire, overseeing finance, strategy, and investor relations. With a career spanning over 24 years, Mr. Ibrahim brings a wealth of experience in financial control, financial planning and analysis, and banking operations. He also serves as a board member of Cairo Bank Uganda.

Before assuming his current role, Mr. Ibrahim held various positions within Banque du Caire, including Financial Controller and Deputy CFO. Prior to joining Banque du Caire, Mr. Ibrahim held a prominent position as the Financial Controller and Vice President at Attijariwafa Bank from 2017 to 2018.

His earlier career was marked by a nine-year tenure at Barclays Bank Egypt, where he held progressive roles. Starting as an Assistant Vice President and Retail Business Planning & Analysis Manager, he eventually became Vice President, Head of Accounting and Financial Regulatory Reporting, and Head of Financial Planning and Analysis. In these capacities, Mr. Ibrahim played a critical role in supporting senior-level decision-making, providing valuable financial insights and highlighting key risks and issues.

Previously, Mr. Ibrahim spent seven years with Citibank Egypt, culminating in his position as Business Planning Assistant Manager within the Global Consumer Group.

Mr. Ibrahim holds a Bachelor of Commerce in Accounting from Ain Shams University and is a Certified Management Accountant, further underscoring his expertise in financial management and accounting.

Mr. Mohamed Aly
Head of Treasury and Capital Markets
Executive Committee Member

Mohamed Aly joined Banque Du Caire in September 2018 as the Head of Treasury & Capital Markets Group and Executive Committee Member capitalizing on his 30 years of experience in covering international markets as well as the Egyptian market. He is also a member of the ALCO and Investment Committees at Banque Du Caire.

Prior to joining the bank, Mr. Aly was the Head of Capital Markets at QNB Alahli, and prior to that, he was the Head of Capital Markets at NSGB in Cairo.

Mr. Aly is certified from Harvard Business School – Boston USA for Executive Leadership Program fall 2019, Future Leaders Program, EBI in 2018, and Strategic Management in Banking Program fall 2022, London, UK. During his professional experience, Mr. Aly attended numerous seminars & workshops for well-known international investment houses in Europe, United states & Gulf Countries covering various banking and finance topics, and attended numerus workshops in Société Générale Bank France.

Mr. Aly holds a BA in Business Administration from Ain Shams University.

Risk **Management**

Banque du Caire established a dedicated risk management function in 2009, pioneering risk management across the Egyptian banking landscape. Today, risk management is a cornerstone of the bank's sustainable operations, ensuring comprehensive controls and management to safeguard against various risks while driving strategic objectives. Embracing international best practices, the bank continually refines its risk management framework, underpinned by policies and accepted methods.

Banque du Caire's proactive approach to identifying, assessing, and addressing risks is central to its sustainability. The institution's risk management framework, supported by seasoned risk officers, facilitates rigorous risk evaluation, reporting, and mitigation across all operations. Through comprehensive risk awareness training programs, every employee fosters a robust risk culture, enabling the bank to navigate evolving risk landscapes effectively.

The bank's sustainability depends on its ability to identify and evaluate potential risks, develop and implement action plans to prevent and mitigate these risks, and continually report and review its risk management practices, ensuring a smooth process. Banque du Caire leverages a highly experienced team of risk officers to formulate the Risk Management Group's risk evaluation, reporting, and management practices throughout the institution. Banque du Caire ensures that every employee, at all levels, participates in a comprehensive risk awareness training program to maintain an exceptional risk culture within the bank. The training program is an all-encompassing curriculum that prepares all employees for many risk prevention and mitigation scenarios, including navigating the bank's dynamic and evolving risk management culture. Employees with extensive knowledge of risk management ensure that both the board and management maintain comprehensive and effective oversight of the bank's risk frameworks and processes.

Risk Governance

Risk management oversight at Banque du Caire takes place through the:

- **Board Risk Committee:** Composed of Non-executive Board Members in charge of overseeing risk activities.
- **Risk Management Group:** Composed of dedicated officers, each overseeing specific risks.

The Risk Management Group is primarily responsible for implementing the outlined risk management strategy, frameworks, and policies outlined by the board and executive management. Furthermore, the group is responsible for upholding the overall risk culture and environment across all banking functions. This is achieved by regularly reporting key risk awareness indicators to the Board Risk Committee. These indicators include the bank's overall risk profile, limits, concentrations, and thresholds, which serve as a guide to maintaining a stable risk environment for Banque du Caire.

Risk Management Group Composition

Credit Risk	Market Risk and Treasury Middle Office	Operational Risk
Information Security	Retail Risk	Enterprise Risk Management
Credit Administration	Investigation	

Each line is managed by a highly qualified team of risk officers who perform a broad spectrum of risk analysis. The group is collectively responsible for implementing the bank's risk management strategy and accompanying frameworks and policies, as set by the board and executive management.

Three Lines of Defense Model

To create a robust control environment to manage risks, the bank uses an activity-based, three lines of defense model that delineates management accountabilities and responsibilities for risk management and control environment. The model aligns with the bank's approach to risk management by dictating responsibility, encouraging collaboration, and enabling efficient coordination of risk and control activities.

Senior Management

Governing Body/Board/Audit Committee

1st Line of Defense	2nd Line of Defense	3rd Line of Defense
Business Lines	Financial Control, Security, Risk Management, Quality, Inspection, Compliance	Internal Audit
FUNCTIONS	**FUNCTIONS**	**FUNCTIONS**
Functions in charge include all business lines as well as support functions such as legal, operations, and HR	Functions include risk management, finance, and compliance	Functions include internal audit
They own and manage risks and are responsible for implementing and monitoring controls, as well as identifying, recording, reporting, and managing risks while ensuring they are in line with the bank's risk appetite.	They support the risk management framework and its implementation, including challenging and reviewing first-line risk and control management, overseeing the risk profile, and independent escalation of issues.	The audit function undertakes a risk-based audit program to ensure that risks are identified and that key controls to mitigate these risks are well-designed and working effectively. The Audit Department reports independently to the Audit Committee on the effectiveness of controls, along with recommendations for any improvements deemed necessary.

External Audit

Regulator

Risk Drivers

EXTERNAL DRIVERS	INTERNAL DRIVERS
Economic environment	Strategy execution challenges
Regulatory or government policy	Competency of personnel
Competitor or market evolution	Business decisions
Emerging technology	Process or execution error
Natural disasters	Internal and external fraud
	IT security breaches

Risk Appetite Framework

Banque du Caire's Risk Appetite Framework (RAF) defines risk parameters and behaviors, ensuring alignment with strategic goals. Integrating into policies and processes, the RAF establishes clear roles and accountability for overseeing risk appetite implementation and monitoring.

Banque du Caire's Risk Appetite Framework (RAF) defines the risk parameters within the bank, expressed on a ranging scale from high to no appetite. This framework determines appropriate behaviors and includes policies, processes, controls, and systems to establish, communicate, and monitor risk appetite. It also outlines the roles, responsibilities, and accountability of the officers and groups overseeing the implementation and monitoring of the RAF.

Risk Identification, Evaluation, and Mitigation

Banque du Caire believes that effective risk management requires the following:

- **Accountability:** including identification and escalation of risks by all individuals in the organization.
- **Ownership:** risk characterization, assessment, management, mitigation, and monitoring within each business line.

The Risk Management Group is primarily responsible for identifying, measuring, controlling, and reporting risk exposures that could negatively impact the bank. With the bank's digital transformation, risk governance now incorporates data analytics and reporting, thus enabling the bank to assess and respond to risks by leveraging both internal and external data.

Identifying risk is the pivotal first step before taking control measures. The risk group encourages a holistic approach to risk management, where risk accountability exists across various functions. The Enterprise Risk Management team is responsible for setting up the foundation for an efficient risk management process. They are responsible for identifying, authorizing, measuring, monitoring, controlling, and mitigating all significant risks arising from business activities, promptly ensuring that these risks are within the risk appetite limits.

The Internal Capital Adequacy Assessment Process (ICAAP), used at Banque du Caire, informs the board of annual risks, tackles and mitigates those risks, and ensures the availability of capital and liquidity levels in line with the Bank's risk appetite. By employing ICAAP, the bank ensures that it operates under a rigorous set of measures that align with its risk strategy. The risk group also manages and analyses emerging, specialized, and information technology-related risks in line with international standards, including ISO 31000 for Risk Management, ISO 27005 for Information Security Risk Assessment Management, and the COBIT framework.

Stress Testing

Risks are put through regular and rigorous stress testing scenarios to determine the bank's ability to withstand losses. When evaluating the bank's capital needs, stress testing considers the impact of economic cycles and sensitivity to external risks and factors. Capital requirements are calculated in line with CBE and Basel requirements. Stress testing results are incorporated into capital adequacy planning, long-term strategies, and other business activities.

The bank establishes specific thresholds for monitoring stress scenarios and limits to allow for an accurate comparison of the risk measurement results and tolerance levels. Stress test analysis is carried out under various reports and with varying frequency, primarily on a quarterly basis, and based on emerging market changes.

Risk Categories and Mitigation Measures

Risk	Mitigation Measures
Credit Risk Credit risk is financial loss arising from a counterparty's inability or unwillingness to meet an obligation. It remains one of the most significant risk factors a financial institution can face. Credit risk includes direct credit risk (default of on-balance-sheet credit exposure) and contingent credit risk (default off-balance-sheet credit exposure). Due to the materiality of credit risk, the bank established an appropriate credit risk mitigation action environment that implements a solid measurement and monitoring process, ensuring adequate control over credit risk. The bank's credit risk management function is primarily responsible for measuring, monitoring, managing, and limiting risks associated with credit across various lines of business, such as corporates, SMEs, FIs, NBFIs, retail, and microfinance. The parameters and methodologies that the bank utilizes to assess the materiality level of credit risk are highly dependent on the type of asset and its associated risk management and collection processes.	▪ Implementing a well-structured credit rating framework can be achieved through utilizing the Obligor Risk Rating (ORR) system. This system assigns credit ratings to borrowers through a comprehensive evaluation process. ▪ Maintaining a tight and consistent evaluation process to proactively manage credit risk and accurately assign a risk rating reflecting creditworthiness and probability of default based on financial indicators, qualitative assessments, and macroeconomic analysis. ▪ The Basel Committee sets the standards for the risk rating system, which mandates regular creditworthiness reviews for clients with credit facilities. ▪ To prevent default, an Early Warning Signals (EWS) system should be implemented. EWS uses several financial and non-financial performance indicators to identify potential issues early and take corrective action before the client's position becomes irretrievable. This system covers various industries and helps determine the appropriate course of action for every case. ▪ Credit policies and practices should be continuously developed and tailored to preserve the autonomy of approval and decision-making processes. The policy framework establishes credit approval authorities, concentration limits, risk-rating methodologies, portfolio review parameters, and guidelines for the management of distressed exposures.
Market Risk Market risk is one of the main risks facing the bank and encompasses potential losses resulting from unfavorable movements in market prices that may negatively affect the value of the bank's investment positions for trading purposes. Market risk also pertains to exchange rate risks, which impact the bank's balance sheet as a whole and affect the profitability of the bank and its capital base. All investments in debt instruments, equity, investment funds or financial derivatives also fall under market risk.	▪ Utilizing various mitigation and prevention measures to tackle market-associated risks faced across operations, such as interest rates, currency and exchange rates, volatility, and investment risks. ▪ The Treasury Middle Office (TMO) monitors and controls the entirety of the Treasury group's positions daily, including treasury products P&L, all executed transactions, MTM revaluation, FX prices, CBE reserve ratios and fund transfer pricing (FTP), to ensure they comply with both BDC's and the CBE's updated policy changes and regulatory requirements.

Risk	Mitigation Measures
Interest Rate Risk in the Banking Book (IRRBB) The IRRBB function monitors, evaluates, and manages potential interest rate risks stemming from adverse market movements. Given its significant impact on the bank's financial standing, accurately monitoring interest rate risk is paramount.	▪ Balances are monitored and evaluated monthly to measure their impact and ensure compliance with the limits set by the CBE.
Liquidity Risk The primary aim of the liquidity risk function is to assess, quantify, monitor, and manage liquidity risk across the bank. At a broader level, the bank strives to maintain adequate funding in terms of both amount and duration to meet all payment obligations and ensure sufficient cash and high-quality liquid assets, especially during periods of stress.	▪ Monitoring various regulatory liquidity ratios on a regular basis to ensure the bank's ability to meet its short- and long-term obligations while evaluating the effects of different scenarios on the bank's liquidity positions.
Cybersecurity Risk Cybersecurity threats are a dynamic and ever-evolving area of significant risks to organizations. To combat these threats, Banque du Caire invests heavily in various technological resources to protect confidential assets and maintain digital infrastructure. Banque du Caire's cybersecurity defense is designed to protect the bank from malicious cybersecurity attacks by unauthorized parties attempting to gain access to confidential information, destroy data, disrupt or degrade service, sabotage systems, or cause other damage. The bank recognizes the importance of understanding and investing in the digital risk environment to enhance its technological defense against potential cyber threats and malicious attacks. Thus, it is a key priority to continue learning and investing in cybersecurity to ensure that all data remains safe and secure.	▪ Identified key areas of focus and tailored cybersecurity framework to the unique requirements of BdC's digitalization strategy. ▪ Adopted the Capability Maturity Model Integration (CMMI) through the Information Security Sector to assess control improvements and develop security controls that decrease risks and strengthen the overall security posture. ▪ Developed a medium-term strategy, including the information security vision, mission, critical success criteria factors, and a roadmap for implementing reinforcement controls. The strategy will be based on the CBE's framework and the National Institute of Standards and Technology's cybersecurity framework. ▪ Updated information security policies and standards in line with the CBE cyber security framework. Banque du Caire has adopted the Information Security Management System (ISMS), aligned with ISO/IEC 27001:2022, for establishing, implementing, operating, monitoring, reviewing, maintaining, and improving information security within the context of the organization's overall business activities and potential risks. ▪ Information assurance includes further proactive measures of threat intelligence, threat hunting, proactive risk assessments, vulnerability scans, and penetration tests to identify threats and work on the required mitigations and risk treatment plans. ▪ In efforts to enhance information security, the bank bolstered the visibility of its Security Operations Center (SoC) by maintaining round-the-clock monitoring 365 days a year to detect and respond to internal and external threats in real-time. BdC was awarded the ISO 27001 certification, a testament to its efforts to enhance information security systems. This standard aims to provide a systematic framework for protecting information from cyber threats, ensuring its confidentiality and integrity. It reflects BdC's dedication to the highest standards of cybersecurity and its ability to safeguard sensitive information for both customers and the institution itself.

Risk	Mitigation Measures
Operational Risk (ORM) Operational risk is the risk associated with loss due to errors, breaches, interruptions, or damages — either intentional or accidental — caused by people, internal processes, systems, or external events.	▪ Banque due Caire is implementing an operational risk strategy, which aims to shift managing operational risks to real-time risk detection and identification with faster action time, through four main pillars: - GRC transformation, risk assessment, reporting and data analytics - ORM policies updates to ensure operational excellence and business process resilience - Managing emerging and transition risks (digital transformation, technology, and data confidentiality, integrity, and availability (CIA). - Managing climate risk management processes according to BDC's mission and strategic objectives ▪ Banque du Caire continues to adopt a comprehensive approach to ORM, due to the inherent nature of operational risk within the bank's functions. BDC strives to automate and integrate all operational risk frameworks (loss database – KRI – RCSA – Fraud – ORAP – IT Risk) in GRC to have a 360 view that enhances the process of identifying, mitigating, and preventing fraudulent acts, business interruptions, cybersecurity attacks, non-conformant employee behavior, non-compliance with applicable laws and regulations, or failure of vendors to perform in accordance with their agreements. ▪ The bank is in the process of refining its risk assessment and reporting approach to mitigate financial losses, disputes, and regulatory fines, as well as other material damages the bank could face. The bank's comprehensive framework surrounding ORM positions it strategically to identify, assess, mitigate, and manage operating risk across all banking activities. The operational risk assessment, in coordination with all stakeholders, is the key enabler of the internal control framework in accordance with the COSO framework. ▪ Moreover, all BdC's functions have in place a structured Key Risk Indicators (KRIs) process that integrates effectively with ORM tools. KRIs are predefined metrics used as early warning signals to monitor identified risk exposures over time and measure the amount of exposure to a given risk or set of risks, as well as the effectiveness of any controls that have been implemented to reduce or mitigate a given risk exposure.

Risk	Mitigation Measures
	▪ Banque du Caire's ORM policies and frameworks are fully integrated across all functions of the bank with the purpose of overseeing the monitoring, self-assessment, and independent processes of material operational risks. Additionally, the bank works to bolster the risk culture among all employees to further enhance the process of identifying and effectively managing risks. ▪ The bank takes additional steps in the ORM process by revisiting assessments of the control environment across the bank's business functions through continuously monitoring, analyzing, and reassessing the materially harmful events the bank has faced or could face. As a result, the bank is better positioned to plan for all future areas of operational risk by targeting weaknesses. ▪ Banque du Caire also manages emerging, specialized, and information technology risk through its comprehensive regulatory policies and frameworks that are in line with international standards, including ISO 31000 for Risk Management and Information Technology Risk Assessment Management considering the COBIT framework.
Outsource Risk Outsource risk refers to the potential risks associated with transactions conducted through third-party vendors. To safeguard the bank's operations and maintain business sustainability, rigorous monitoring of relationships with all third-party vendors is essential to mitigate any adverse impacts on business performance.	▪ Developing a comprehensive third-party management policy and framework to ensure clear reporting and accountability chains, appropriate classification and optimization of vendor portfolios, managing transitions among third-party vendors, and monitoring the relationship and performance monitoring with vendors. ▪ ORM receive the evaluation results from concerned business areas according to the evaluation periodicity to analyze the evaluation against loss events, KRIs, fraud and forgery risks, RCSA, and IT risks.

Business Continuity

Business Continuity Management (BCM) is a fundamental component of the bank's overarching risk management strategy. It guarantees the seamless availability of vital business resources essential for sustaining critical business functions without interruption.

The Operational Risk Management department plays a pivotal role in:

- Minimizing interruption to critical business operations
- Limiting financial loss
- Simplifying the decision-making process in the event of a disaster
- Continuing to serve customers and counterparties in the financial markets
- Mitigating the adverse effects of disruption on the bank's reputation
- Managing operations, liquidity, credit quality, and market position
- Ensuring controlled continuity and normal operations

A visionary bank, Banque Du Caire strives to align with the world-class ISO 22301 standard in all areas of its operations and enable its internal teams to effectively communicate and manage its business continuity processes, procedures, and policies to various stakeholders within the organization.

ISO 22301 focuses exclusively on business continuity management, helping organizations establish and implement business continuity plans to protect them and help them recover from disruptive incidents should they occur. It also helps identify potential threats to the business and enables the bank to tackle unforeseen events through:

- Contributing to organizational resilience.
- Supporting the bank's strategic objectives.
- Creating a competitive advantage.
- Protecting and enhancing reputation and credibility
- Reducing legal and financial exposure.
- Reducing direct and indirect costs of disruption.
- Improving BDC's capability to remain effective during disruptions.
- Demonstrating proactive control of risks effectively and efficiently.
- Addressing operational vulnerabilities.

Compliance **Group**

Banque du Caire's Compliance Group operates on a robust and comprehensive framework that aligns with the bank's broader strategy of enhancing efficiency and navigating risks effectively. This framework, along with its policies and procedures, guides the bank in identifying, evaluating, recommending, and reporting various compliance-related risks, such as operational and financial losses, system failures, and damage to the bank's reputation resulting from non-compliance with laws and regulations. The bank remained committed to updating and expanding its policies within this framework to stay in line with international best practices for 2023.

The Compliance Group functions independently, reporting regularly to the Audit Committee, and directly to the CEO and Chairman on disciplinary matters across the bank's diverse range of activities. Close collaboration with the Internal Audit and Risk departments ensures alignment with Central Bank of Egypt (CBE) regulations and Banque du Caire's Compliance Charter. Quarterly reports are produced to mitigate a wide range of risks effectively.

A crucial element of the bank's compliance strategy is Banque du Caire's Compliance Policy, which outlines the bank's framework, policies, and procedures. This policy governs the structure of the bank's compliance efforts, ensuring consistent implementation and monitoring across all functions.

Given the significant volume of transactions across regional and international markets, Anti-Money Laundering and Terrorism Financing (AML) are top priorities for the Compliance Group. Stringent monitoring processes are in place, focusing on relevant watchlists and sanctioned countries for all cross-border transactions. Additionally, compliance with the Foreign Account Tax Compliance Act (FATCA) ensures adherence to regulations set by the US Internal Revenue Service (IRS).

In accordance with CBE directives, a Customer Protection Policy is in place to safeguard the rights of the bank's customers. The policy emphasizes fair and transparent banking services, defining customer rights and obligations, providing a mechanism for handling complaints, and promptly addressing the root causes of complaints.

2023 Highlights

Throughout 2023, Banque du Caire's Compliance Group continued its pivotal role as the second line of defense in managing compliance risks across its operations. Notable achievements include the successful navigation of the compliance landscape without any major incidents.

Forward-Looking Strategy

In August 2023, the Compliance Group launched an automated system for CBE regulations. The system aims to digitalize and streamline all regulatory activities, including those outlined by the CBE, such as circulars and verbal instructions. It also serves as a comprehensive platform for accessing regulatory guidelines, analysis, rules, and updates. Moreover, the system documents actions taken by relevant departments, to ensure seamless compliance throughout the organization.

Internal **Audit Group**

Banque du Caire's Internal Audit Group (IAG) plays a crucial role in the bank's oversight structure, offering independent and objective assurance and advisory services aimed at enhancing the bank's control environment. IAG assists the bank in achieving its strategic goals by applying a systematic and disciplined approach to assess and enhance the effectiveness of risk management, control environment, and governance processes.

In 2023, the IAG remained focused on ensuring that all bank activities are conducted in adherence to the highest ethical and legal standards. Operating functionally under the direct supervision of the Audit Committee, and administratively to the Chief Executive Officer, the group's duties encompass reasonable assurance of compliance with regulatory and internal directives, policies, and guidelines to promote sustainability and transparency in executing the bank's strategy. The IAG also takes charge of investigating fraud and offers guidance and recommendations to mitigate fraud risks.

To optimize procedures, the Audit Group continually develops, revises, and reports on internal policies and procedures according to global best practices. By providing risk-based and value-based assurance, advice, and insights to all departments, the group enhances the efficiency of the bank's internal control systems, operational framework, and risk governance. This approach equips management with the necessary information to respond to emerging risks, make strategic decisions, and formulate the bank's long-term strategy effectively, benefiting from reliable input from the audit group.

The IAG's successful execution of its responsibilities is attributed to its team of highly skilled professionals with diverse expertise spanning from generalist to specialized auditors in the financial sector. These professionals possess the tools required to conduct analytical reviews and assessments across all operations, ensuring the bank can achieve its strategic objectives. The IAG maintains a Quality Assurance and Improvement Program covering all aspects of its activities to ensure adherence to the IAG manual, standards, and Code of Ethics. This program aims to promote best practices and enhance staff awareness of the latest trends and developments in the audit industry.

2023 Highlights

In 2023, the IAG continued to enhance its audit skills and capabilities while aligning the bank's strategic objectives and with international governance and compliance standards, following the newly adapted Internal Audit Risk-Based approach and continuously updated versions of Internal Audit Manuals.

Throughout the year, the IAG monitored the bank's risk management system to ensure the effectiveness of risk assessment objectives. It also identified and assessed risks as they emerge. Additionally, IAG reviewed several key functions within the bank, including the efficiency of control systems, compliance with relevant regulations, resource utilization, computer systems effectiveness, and credit portfolio quality.

To instill a robust control culture across the bank, the team conducted routine field reviews, investigations, and other audit duties as required by the Board of Directors, Audit Committee, and Executive Management. Collaborating with oversight bodies like external auditors, the IAG determined efficient frameworks to support the bank's strategic objectives.

Forward-Looking Strategy

Banque du Caire aims to actively enhance its internal audit function in the coming years as part of its bank modernization efforts. This includes continuous improvement of the risk-based and value-added methodology framework that governs the entire function and the adoption of a digital audit tool, aligning with the bank's digitalization strategy.

The IAG actively seeks young and talented individuals to assist in implementing its audit approach and ensure proper succession planning. To bolster the bank's control and risk culture, the bank will encourage its audit staff to pursue additional qualifications such as CIA, CISA, CFE, CQA, and credit course programs.

Furthermore, the group will continue its integrated assurance program by strengthening relationships and coordination among various control functions, enhancing its internal administrative function, and building on its history of industry success.

FINANCIAL STATEMENTS

Auditors' Report

Translation
Originally issued in Arabic

BDO Khaled & Co. Public Accountants & Advisers	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 at December 31, 2023 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 auditors' 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, 2023 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.

Auditors

KPMG Hazem Hassan
Public Accountants and Consultants

Lobna Abd EL Aziz

Kareem Taha Khaled
Member of the Egyptian Society of Accountants and Auditors
Accountability State Authority register No. 1847
Accounting and Auditors register No. 28800
Central Bank register No. 580
BDO Khaled & Co.
Public accountants & Advisers

Fares Amer Emam Amer
Financial Regulator Authority No. 230
KPMG Hazem Hassan
Public accountants & Consultants

Lobna Abdel Aziz Abdel Ghaffar
Accountability State Authority

Cairo, 10 March 2024

Separate Statement of Financial Position

As at 31 December 2023

(All amounts are shown in thousands Egyptian Pounds)

	Note No.	31 December 2023	31 December 2022
Assets			
Cash and balances at Central Bank	(15)	37,558,228	19,491,140
Due from banks	(16)	67,504,906	56,232,964
Loans and advances to banks	(17)	5,869,271	6,257,157
Loans and advances to customers	(18)	162,109,528	123,915,066
Financial derivatives	(19)	--	59,464
Financial investments			
At fair value through other comprehensive income	(20)	73,892,981	47,431,343
At amortized cost	(20)	40,364,790	55,031,456
Investments in subsidiaries and associates	(21)	2,543,286	1,790,244
Intangible assets	(22)	181,956	198,671
Other assets	(23)	9,347,001	8,794,234
Deferred tax assets	(30)	550,838	698,117
Property and equipment	(24)	1,723,954	1,687,144
Total assets		**401,646,739**	**321,587,000**
Liabilities and Equity			
Liabilities			
Due to banks	(25)	6,816,955	19,983,605
Customers' deposits	(26)	302,066,100	250,184,341
Other loans	(27)	40,057,447	17,981,086
Other liabilities	(28)	15,240,276	7,731,369
Other provisions	(29)	1,696,588	1,020,590
Current income tax payable		1,263,863	569,053
Deferred tax liabilities	(30)	119,057	128,380
Retirement benefit liabilities	(31)	1,621,321	1,509,212
Total liabilities		**368,881,607**	**299,107,636**
Equity			
Issued and paid-up capital	(32)	10,000,000	10,000,000
Amounts paid under capital increase	(32)	10,500,000	4,000,000
Reserves	(33)	3,333,150	2,747,025
Difference between present value and face value for subordinated deposit		1,646,308	2,053,600
Net profit for the year and retained earnings	(33)	7,285,674	3,678,739
Total equity		**32,765,132**	**22,479,364**
Total liabilities and equity		**401,646,739**	**321,587,000**

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

Chief Financial Officer
Mohamed Ibrahim

Chairman & CEO
Tarek Fayed

Separate Income Statement

For the year ended 31 December 2023

(All amounts are shown in thousands Egyptian Pounds)

	Note No.	31 December 2023	31 December 2022
Interest and similar income	(6)	49,095,084	29,696,671
Interest and similar expense	(6)	(31,307,239)	(16,903,218)
Net interest income		**17,787,845**	**12,793,453**
Fee and commission income	(7)	4,298,954	2,663,547
Fee and commission expense	(7)	(389,389)	(190,764)
Net fee and commission income		**3,909,565**	**2,472,783**
Net interest, fee and commission income		**21,697,410**	**15,266,236**
Dividend income	(8)	283,511	169,602
Net trading income	(9)	44,426	118,474
Gains from financial investments	(20)	198,205	201,732
(Charged) Reversed of expected credit losses	(12)	(2,151,921)	(2,055,916)
Administrative expenses	(10)	(8,150,498)	(6,696,493)
Other operating (expenses) revenues	(11)	(970,176)	(1,408,866)
Profit before income tax for the year		**10,950,957**	**5,594,769**
Income tax expense	(13)	(4,290,003)	(2,454,856)
Net profit for the year		**6,660,954**	**3,139,913**
The basic earnings per share	**(14)**	**1.07**	**0.67**

- 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

Chairman & CEO
Tarek Fayed

Separate Statement of Comprehensive Income

For the year ended 31 December 2023

(All amounts are shown in thousands Egyptian Pounds)

	Note No.	31 December 2023	31 December 2022
Net profit for the year after income tax	(1)	6,660,954	3,139,913
Amount transferred (from) retained earnings (net of tax)	(2)	(666)	(103,545)
Items not reclassified to profit and loss			
Net change-movement in fair value reserve for equity instruments at fair value through other comprehensive income		49,686	(138,597)
Items reclassified to profit and loss			
Net change in fair value reserve for debts instruments at fair value through other comprehensive income		47,991	(909,845)
Total other comprehensive income items for the year, net of tax	**(3)**	**97,677**	**(1,048,442)**
Total comprehensive income for the year, net of tax	**(1+2+3)**	**6,757,965**	**1,987,926**

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

Separate Statement of Cash Flows

For the year ended 31 December 2023

(All amounts are shown in thousands Egyptian Pounds)

	Note No.	31 December 2023	31 December 2022
Cash flows from operating activities			
Profit before income tax for the year		**10,950,957**	**5,594,769**
Adjustments to reconcile net profit to cash flows from operating activities			
Depreciation		397,849	359,625
Amortization	(22)	158,191	113,521
Expected credit losses charged	(12)	2,151,921	2,055,916
Other provisions charged	(29)	746,763	262,963
Impairment for other assets formed	(23)	4,388	53,956
Other provisions no longer required	(11)	(133,108)	(26,353)
Gains from the sale of property and equipment	(11)	(56,068)	(30,386)
Gains from the sale of assets reverted to the bank in settlement of debts	(11)	(778)	--
Foreign currency translation of other provisions	(29)	87,712	125,879
Utilized provisions other than loans provision	(29)	(25,632)	(10,332)
Proceeds from other provisions other than loans provisions	(29)	263	--
(Reverse) Charge impairment for associates' companies	(20)	(22,337)	(10,179)
(Reverse) profit of sale associates' companies	(20)	(570)	--
Dividend income	(8)	(283,511)	(169,602)
Foreign currency translation of sovereign debt instruments	(33)	61,442	104,749
(Reverse) of valuation differences of investment at fair value through profit and loss	(9)	--	(1,334)
(Reverse) of gain from selling of debt instruments at fair value through OCI	(20)	(101,512)	(140,964)
(Reverse) foreign currency translation of financial investments of a monetary nature and other loans		(238,478)	(721,375)
Amortization of premium/discount of issuing financial investments	(20)	57,613	128,410
Operating profit before changes in assets and liabilities provided from operating activities		**13,755,105**	**7,689,263**
Net (Increase) Decrease in assets			
Due from banks		(12,476,285)	(1,308,999)
Financial investments at fair value through profit and loss		--	59,437
Loans and advances to banks		395,533	(3,135,582)
Loans and advances to customers		(40,235,444)	(26,850,546)
Financial derivatives	(19)	59,464	(57,985)
Other assets		(557,030)	(1,741,558)
Net Increase (Decrease) in liabilities			
Due to banks	(25)	(13,166,650)	2,359,818
Customers' deposits	(26)	51,881,759	51,906,268
Financial derivatives	(19)	--	(6,078)
Other liabilities		6,669,982	1,474,473
Retirement benefit liabilities	(31)	112,109	119,594
Income tax paid		(2,618,994)	(2,046,367)
Net cash flows provided from operating activities (after)		**3,819,549**	**28,461,738**

Separate Statement of Cash Flows (con't.)

For the year ended 31 December 2023

(All amounts are shown in thousands Egyptian Pounds)

	Note No.	31 December 2023	31 December 2022
Net cash flows provided from operating activities (Before)		**3,819,549**	**28,461,738**
Cash flows from investing activities			
Payments to purchase property and equipment and preparation of branches	(24)	(439,903)	(445,580)
Proceeds from the sale of property and equipment		58,021	37,376
Proceeds from the sale of financial investments at fair value through OCI		193,666,508	178,715,587
Payments for purchases of financial investments at fair value through OCI		(179,042,303)	(187,089,681)
Proceeds from the redemption of financial investments at amortized cost	(20)	15,490,748	10,970,245
Payments for purchases of financial investments at amortized cost	(20)	(845,682)	(9,893,064)
Payments for investments in subsidiaries and associates		(731,425)	(903,963)
Proceeds from disposal in investments in subsidiaries and associates		1,290	--
Payments to purchase intangible assets	(22)	(141,476)	(134,323)
Dividends received		283,065	169,293
Net cash flows provided from (used in) investing activities		**28,298,843**	**(8,574,110)**
Cash flows from financing activities			
Proceeds from other loans		21,811,375	3,227,332
Payments for other loans		(3,430,625)	(1,547,108)
Dividends paid		(2,681,532)	(2,467,891)
Amounts paid under capital increase		6,500,000	4,000,000
Net cash flows provided from financing activities		**22,199,218**	**3,212,333**
Net increase in cash and cash equivalent during the year		54,317,610	23,099,961
Beginning balance of cash and cash equivalent		56,448,493	33,348,532
Cash and cash equivalent at the end of the year		**110,766,103**	**56,448,493**
Cash and cash equivalent are represented in the following:			
Cash and balances at the Central Bank		37,558,228	19,491,140
Due from banks		67,525,985	56,246,429
Treasury bills and other governmental notes		55,942,307	32,653,433
Balances at the central bank within the mandatory reserve ratio		(26,798,483)	(13,516,311)
Due from banks with maturity more than 3 months		(6,682,795)	(7,485,335)
Treasury bills and other governmental notes (with maturity more than 3 months)		(16,779,139)	(30,940,863)
Total cash and cash equivalent	(35)	**110,766,103**	**56,448,493**

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

Separate Statement of Changes in Equity

For the year ended 31 December 2023

(All amounts are shown in thousands Egyptian Pounds)

	Note No.	Issued and paid up capital	Capital Increased Amount	Reserves	Difference between the present value and Face value for sub-ordinated deposit	Net profit for the year and retained earnings	Total
Balance as at 31 December 2021		**5,250,000**	**4,750,000**	**2,938,879**	**2,409,893**	**3,883,805**	**19,232,577**
Dividends distributions		--	--	--	--	(2,498,961)	(2,498,961)
Transferred to capital		4,750,000	(4,750,000)	--	--	--	--
Amounts paid under capital increase		--	4,000,000	--	--	--	4,000,000
Transferred to legal reserve		--	--	181,370	--	(181,370)	--
Transferred to general banking risk reserve		--	--	557,671	--	(557,671)	--
Transferred to capital reserve		--	--	3,432	--	(3,432)	--
Expected Credit Loss on debt instruments at fair value through OCI		--	--	114,115	--	--	114,115
Difference between the present value and face value for subordinated time deposit		--	--	--	(356,293)	--	(356,293)
Net Change in other comprehensive income		--	--	(1,048,442)	--	(103,545)	(1,151,987)
Net profit for the year ended 31 December 2022		--	--	--	--	3,139,913	3,139,913
Balance as at 31 December 2022		**10,000,000**	**4,000,000**	**2,747,025**	**2,053,600**	**3,678,739**	**22,479,364**
Dividends distributions		--	--	--	--	(2,740,791)	(2,740,791)
Amounts paid under capital increase		--	6,500,000	--	--	--	6,500,000
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	--	--	175,886
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)	97,011
Net profit for the year ended 31 December 2023		--	--	--	--	6,660,954	6,660,954
Balance as at 31 December 2023	**(32,33)**	**10,000,000**	**10,500,000**	**3,333,150**	**1,646,308**	**7,285,674**	**32,765,132**

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

Notes to the Separate financial statements

For the year ended 31 December 2023

(All amounts are shown in thousands Egyptian Pounds)

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 8,581 employees at the financial statements preparation date for the year ended 31 December 2023.

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.

- Article of association (6) became 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 2 February 2020.

- On 04 October 2020 article 6 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%, and the commercial register are being amended so shareholders structure became (after recognize the capital increase in the commercial register) as follows: -

Name	No. of shares	Face value by EGP
Banque Misr	4,999,999,972	9,999,999,944
Misr Capital company	14	28
Misr Abu Dhabi for Real Estate company	14	28
Total	**5,000,000,000**	**10,000,000,000**

- On 06 November 2022 article 6 in the commercial register 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.

The Board of Directors approved the separate financial statements for the year ended 31 December 2023 on 07/03/2024.

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
Financial assets at amortized cost	Business model financial assets held for collection contractual cash flows	▪ 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. ▪ 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. ▪ Less sales in terms of rotating and value. ▪ The Bank performs clear and reliable documentation of the rationale for each sale and its compliance with the requirements of the Standard.
Financial assets at fair value through other comprehensive income	Business model of financial assets held for the collection of contractual cash flows and sales	▪ Both the collection of contractual cash flows and sales are complementary to the objective of the model. ▪ Sales are relatively high (in terms of turnover and value) compared to the business model held for the collection of contractual cash flows
Financial assets at fair value through profit and loss	Other business models include (trading - management of financial assets at fair value - maximizing cash flows by selling)	▪ 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. ▪ Collecting contractual cash flows is an incidental event for the objective of the model. ▪ Management of financial assets at fair value through profit or loss to avoid inconsistencies in accounting measurement.

- **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 Amendements 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 Wasset 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	If the Borrower encounters one or more of the following events: ▪ 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. ▪ The bank canceled one of the direct facilities by the bank due to the high credit risk of the borrower. ▪ Extension of the time limit granted for payment at the request of the borrower. ▪ Recurring previous arrears during the previous 12 months. ▪ Negative future economic changes that affect the borrower's future cash flows		
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	If the borrower is on the checklist and / or the financial instrument you experience one or more of the following events: ▪ Significant increase in the interest rate on the financial asset as a result of increased credit risk. ▪ Significant negative changes in the activity or financial or economic conditions in which the borrower operates. ▪ Request rescheduling. ▪ Significant negative changes in actual or expected operating results or cash flows. ▪ Negative future economic changes that affect the borrower's future cash flows. ▪ Early signs of cash flow / liquidity problems such as delays in service of creditors / business loans.		

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)
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.

* According to the circular issued by Central Bank of Egypt on December 14, 2021 regarding the temporary amendment of the treatment of non-performing loans to small and medium companies, according to the instructions of IFRS9:

Customers are included in the stage 3 in the event of non-compliance with the contractual terms, in the event that there are dues equal or more than 180 continuous days (instead of 90 days according to the current instructions).

- 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 it 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 Top. 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 determine 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. Early Retirement Benefits

The benefits of early Retirement are the compensation payable to employees referred to early retirement. The Bank recognizes such compensation as a liability and expense only when the Bank is demonstrably committed to performing any of the following:

A- Termination of the employment of an employee or group of employees prior to the normal retirement date or
B- The compensation of early Retirement as a result of an offer to encourage voluntary employment.

The Bank is demonstrably committed to pay termination only when there is a detailed system for termination of service and there is no actual possibility to withdraw this system.

The detailed system includes the following as a minimum:

A- The position and work of the employees whose services will be ended and their approximate number.
B- The compensation of the Retirement for each category or job.
C- The date of the system will be applied, the implementation must occur as soon as possible, and the year of completion of the implementation should be such that material changes to the system are excluded

2.23.3. 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.

2.23.4. 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 were it manage 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 that direct loan.
- Credit related commitments represent the unused portion from approved limit, financial guarantees contracts or letters of credit. The bank bear 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:

	31 December 2023	31 December 2022
Bank's Assessment	**Loans and advances (%)**	**Loans and advances (%)**
1- Stage 1	77.24%	78.13%
2- Stage 2	17.84%	16.90%
3- Stage 3	4.92%	4.97%
Total	**100%**	**100 %**

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-33) 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:

CBE Rating	Rating's meaning	Provision Ratio required' According (CBE)(ORR)	Internal Rating According (CBE)(ORR)	Meaning of internal
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:

	31 December 2023	31 December 2022
Cash and balances at Central Bank	26,798,483	13,516,311
Due from banks	67,525,985	56,246,429
Loans and advances to banks	5,885,773	6,276,500
Loans and advances to customers:		
Retail:		
-Overdraft accounts	2,245,080	2,084,480
-Credit cards	1,756,035	1,010,859
-Personal loans	64,842,379	47,856,164
-Mortgage loans	5,539,695	3,286,743
Corporate:		
-Overdraft accounts	42,766,167	43,013,560
-Direct loans	33,526,214	17,150,420
-Syndicated loans	22,990,775	19,092,471
-Discount document	241,920	722,765
Financial derivatives	--	59,464
Financial investments at fair value through other comprehensive income		
-Debt instruments	71,599,189	45,215,635
Financial investments at amortized cost		
-Debt instruments	40,364,790	55,031,456
Other assets*	4,162,834	4,134,292
Total	**390,245,319**	**314,697,549**

The previous table represents the loans without taking into consideration Expected Credit Loss as disclosed in notes (15), (16), (17), (18), (19) and (20)

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

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

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

	31 December 2022			
Due from banks	**Stage 1 12-Months**	**Stage 2 Life time**	**Stage 3 Life time**	**Total**
Credit rating				
Good debts	51,761,094	4,485,335	--	56,246,429
Normal watch-list	--	--	--	--
Special watch-list	--	--	--	--
Non-performing loan	--	--	--	--
Total	**51,761,094**	**4,485,335**	**--**	**56,246,429**
ECL Provision	--	(13,465)	--	(13,465)
Net carrying amount	**51,761,094**	**4,471,870**	**--**	**56,232,964**

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

Treasury bills	31 December 2022			
	Stage 1	Stage 2	Stage 3	Total
	12-Months	Life time	Life time	
Credit rating				
Good debts	22,982,275	9,671,158	--	32,653,433
Normal watch-list	--	--	--	--
Special watch-list	--	--	--	--
Non-performing loan	--	--	--	--
Total	**22,982,275**	**9,671,158**	**--**	**32,653,433**
ECL Provision	--	(88,681)	--	(88,681)
Net carrying amount	**22,982,275**	**9,582,477**	**--**	**32,564,752**

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

Governmental Treasury bonds	31 December 2022			
	Stage 1	Stage 2	Stage 3	Total
	12-Months	Life time	Life time	
Credit rating				
Good debts	58,505,231	4,216,167	--	62,721,398
Normal watch-list	--	--	--	--
Special watch-list	--	--	--	--
Non-performing loan	--	--	--	--
Total	**58,505,231**	**4,216,167**	**--**	**62,721,398**
ECL Provision	--	(154,921)	--	(154,921)
Net carrying amount	**58,505,231**	**4,061,246**	**--**	**62,566,477**

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

Corporate bonds	31 December 2022			
	Stage 1	Stage 2	Stage 3	Total
	12-Months	Life time	Life time	
Credit rating				
Good debts	4,872,260	--	--	4,872,260
Normal watch-list	--	--	--	--
Special watch-list	--	--	--	--
Non-performing loan	--	--	--	--
Total	**4,872,260**	**--**	**--**	**4,872,260**
ECL Provision	(7,875)	--	--	(7,875)
Net carrying amount	**4,864,385**	**--**	**--**	**4,864,385**

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

Loans and advances to Banks	31 December 2022			
	Stage 1	Stage 2	Stage 3	Total
	12-Months	Life time	Life time	
Credit rating				
Good debts	494,868	5,781,632	--	6,276,500
Normal watch-list	--	--	--	--
Special watch-list	--	--	--	--
Non-performing loan	--	--	--	--
Total	**494,868**	**5,781,632**	**--**	**6,276,500**
ECL Provision	(128)	(19,215)	--	(19,343)
Net carrying amount	**494,740**	**5,762,417**	**--**	**6,257,157**

Loans and advances to Retail	31 December 2023			
	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Credit rating				
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
Total	**69,800,129**	**2,636,194**	**1,946,866**	**74,383,189**
ECL Provision	(587,657)	(58,528)	(1,414,860)	(2,061,045)
Net carrying amount	**69,212,472**	**2,577,666**	**532,006**	**72,322,144**

Loans and advances to Retail	31 December 2022			
	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Credit rating				
Good debts	50,123,675	2,149,826	--	52,273,501
Normal watch-list	--	--	--	--
Special watch-list	--	--	--	--
Non-performing loan	--	--	1,964,745	1,964,745
Total	**50,123,675**	**2,149,826**	**1,964,745**	**54,238,246**
ECL Provision	(325,337)	(47,207)	(1,444,889)	(1,817,433)
Net carrying amount	**49,798,338**	**2,102,619**	**519,856**	**52,420,813**

Loans and advances to large & medium Corporate	31 December 2023			
	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Credit rating				
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
Total	**58,241,380**	**21,203,127**	**5,227,060**	**84,671,567**
ECL Provision	(446,320)	(3,348,554)	(4,563,238)	(8,358,112)
Net carrying amount	**57,795,060**	**17,854,573**	**663,822**	**76,313,455**

Loans and advances to large & medium Corporate	31 December 2022			
	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Credit rating				
Good debts	51,498,398	11,543,441	--	63,041,839
Normal watch-list	--	--	--	--
Special watch-list	--	1,562,483	--	1,562,483
Non-performing loan	--	--	4,469,106	4,469,106
Total	**51,498,398**	**13,105,924**	**4,469,106**	**69,073,428**
ECL Provision	(516,361)	(2,802,402)	(3,910,469)	(7,229,232)
Net carrying amount	**50,982,037**	**10,303,522**	**558,637**	**61,844,196**

Loans and advances to Small Corporate	31 December 2023			
	Stage 1	Stage 2	Stage 3	Total
	12-Months	Life time	Life time	
Credit rating				
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
Total	**10,821,229**	**2,359,046**	**1,673,234**	**14,853,509**
ECL Provision	(147,076)	(122,109)	(1,094,404)	(1,363,589)
Net carrying amount	**10,674,153**	**2,236,937**	**578,830**	**13,489,920**

Loans and advances to Small Corporate	31 December 2022			
	Stage 1	Stage 2	Stage 3	Total
	12-Months	Life time	Life time	
Credit rating				
Good debts	7,646,078	2,710,948	--	10,357,026
Normal watch-list	--	--	--	--
Special watch-list	--	--	40,708	40,708
Non-performing loan	--	--	508,054	508,054
Total	**7,646,078**	**2,710,948**	**548,762**	**10,905,788**
ECL Provision	(117,754)	(929,988)	(170,895)	(1,218,637)
Net carrying amount	**7,528,324**	**1,780,960**	**377,867**	**9,687,151**

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

Due from banks	31 December 2023			
	Stage 1	Stage 2	Stage 3	Total
	12-Months	Life time	Life time	
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
Balance at the end of the year	**--**	**21,079**	**--**	**21,079**

Due from banks	31 December 2022			
	Stage 1	Stage 2	Stage 3	Total
	12-Months	Life time	Life time	
ECL Provision at January 01, 2022	--	3,752	--	3,752
New financial assets purchased or issued	--	6,276	--	6,276
Financial assets have been matured or derecognized	--	--	--	--
Transfer to stage 1	--	--	--	--
Transfer to stage 2	--	--	--	--
Transfer to stage 3	--	--	--	--
Foreign exchange translation differences	--	3,437	--	3,437
Balance at the end of the year	**--**	**13,465**	**--**	**13,465**

Treasury bills	31 December 2023 Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
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
Balance at the end of the year	**--**	**160,873**	**--**	**160,873**

Treasury bills	31 December 2022 Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
ECL Provision at January 01, 2022	--	51,604	--	51,604
New financial assets purchased or issued	--	51,338	--	51,338
Financial assets have been matured or derecognized	--	(51,604)	--	(51,604)
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	--	37,343	--	37,343
Balance at the end of the year	**--**	**88,681**	**--**	**88,681**

Governmental Treasury Bonds	31 December 2023 Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
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
Balance at the end of the year	**--**	**250,640**	**--**	**250,640**

Governmental Treasury Bonds	31 December 2022 Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
ECL Provision at January 01, 2022	--	81,410	--	81,410
New financial assets purchased or issued	--	6,105	--	6,105
Financial assets have been matured or derecognized	--	--	--	--
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	--	67,406	--	67,406
Balance at the end of the year	**--**	**154,921**	**--**	**154,921**

Corporate Bonds	31 December 2023			
	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
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	--	--	--	--
Balance at the end of the year	**5,916**	**9,934**	**--**	**15,850**

Corporate Bonds	31 December 2022			
	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
ECL Provision at January 01, 2022	4,348	--	--	4,348
New financial assets purchased or issued	3,527	--	--	3,527
Financial assets have been matured or derecognized	--	--	--	--
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	--	--	--	--
Balance at the end of the year	**7,875**	**--**	**--**	**7,875**

Loans and advances to banks	31 December 2023			
	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
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
Balance at the end of the year	**--**	**16,502**	**--**	**16,502**

Loans and advances to banks	31 December 2022			
	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
ECL Provision at January 01, 2022	2,611	16,324	--	18,935
New financial assets purchased or issued	74	6,902	--	6,976
Financial assets have been matured or derecognized	(2,611)	(12,035)	--	(14,646)
Transfer to stage 1	--	--	--	--
Transfer to stage 2	--	--	--	--
Transfer to stage 3	--	--	--	--
Foreign exchange translation differences	54	8,024	--	8,078
Balance at the end of the year	**128**	**19,215**	**--**	**19,343**

Loans and advances to retail	31 December 2023			
	Stage 1	Stage 2	Stage 3	Total
	12-Months	Life time	Life time	
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
Balance at the end of the year	**587,657**	**58,528**	**1,414,860**	**2,061,045**

Loans and advances to retail	31 December 2022			
	Stage 1	Stage 2	Stage 3	Total
	12-Months	Life time	Life time	
ECL Provision at January 01, 2022	255,859	30,539	1,608,866	1,895,264
New financial assets purchased or issued	113,420	14,174	96,029	223,623
Financial assets have been matured or derecognized	(47,089)	(5,894)	(853,790)	(906,773)
Transfer to stage 1	2,414	(1,688)	(726)	--
Transfer to stage 2	(27,275)	27,865	(590)	--
Transfer to stage 3	(452,553)	(198,143)	650,696	--
Changes	480,561	180,354	(55,596)	605,319
Balance at the end of the year	**325,337**	**47,207**	**1,444,889**	**1,817,433**

Loans and advances to large &medium corporate	31 December 2023			
	Stage 1	Stage 2	Stage 3	Total
	12-Months	Life time	Life time	
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
Balance at the end of the year	**446,320**	**3,348,554**	**4,563,238**	**8,358,112**

Loans and advances to large &medium corporate	31 December 2022			
	Stage 1	Stage 2	Stage 3	Total
	12-Months	Life time	Life time	
ECL Provision at January 01, 2022	272,152	3,387,500	2,040,355	5,700,007
New financial assets purchased or issued	195,265	577,911	854,084	1,627,260
Financial assets have been matured or derecognized	(109,926)	(903,457)	(127,653)	(1,141,036)
Transfer to stage 1	149,577	(149,577)	--	--
Transfer to stage 2	(33,358)	33,358	--	--
Transfer to stage 3	(52)	(631,471)	631,523	--
Loans written-off during the year	--	--	(284,410)	(284,410)
Proceeds from written –off during the year	--	--	6	6
Foreign exchange translation differences	42,703	488,138	796,564	1,327,405
Balance at the end of the year	**516,361**	**2,802,402**	**3,910,469**	**7,229,232**

Loans and advances to small corporate	31 December 2023			
	Stage 1	Stage 2	Stage 3	Total
	12-Months	Life time	Life time	
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
Balance at the end of the year	**147,076**	**122,109**	**1,094,404**	**1,363,589**

Loans and advances to small corporate	31 December 2022			
	Stage 1	Stage 2	Stage 3	Total
	12-Months	Life time	Life time	
ECL Provision at January 01, 2022	11,165	169,814	120,362	301,341
New financial assets purchased or issued	74,547	915,307	126,889	1,116,743
Financial assets have been matured or derecognized	(12,609)	(47,346)	(59,958)	(119,913)
Transfer to stage 1	45,747	(45,747)	--	--
Transfer to stage 2	(1,117)	1,117	--	--
Transfer to stage 3	(8)	(63,157)	63,165	--
Loans written-off during the year	--	--	(81,110)	(81,110)
Proceeds from written –off during the year	--	--	1,547	1,547
Foreign exchange translation differences	29	--	--	29
Balance at the end of the year	**117,754**	**929,988**	**170,895**	**1,218,637**

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

Items	31 December 2023			
	Stage 1	Stage 2	Stage 3	Total
	12-Months	Life time	Life time	
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 & commitments-corporate loans	188,648	588,840	34,584	812,072
ECL Provision for contingent liabilities & commitments-SMEs loans	9,022	1,337	1,444	11,803
ECL Provision for contingent liabilities-Due from Banks	4,630	12,127	--	16,757
Balance at the end of the year	**1,389,269**	**4,590,523**	**7,108,530**	**13,088,322**

Items	31 December 2022			
	Stage 1	Stage 2	Stage 3	Total
	12-Months	Life time	Life time	
Due from banks	--	13,465	--	13,465
Treasury bills	--	88,681	--	88,681
Governmental treasury bonds	--	154,921	--	154,921
Corporate bonds	7,875	--	--	7,875
Loans and advances to banks	128	19,215	--	19,343
Loans and advances to retail	325,337	47,207	1,444,889	1,817,433
Loans and advances to large & medium corporate	516,361	2,802,402	3,910,469	7,229,232
Loans and advances to small corporate	117,754	929,988	170,895	1,218,637
Expected credit losses Provision for contingent liabilities-corporate	165,421	254,912	8,851	429,184
Expected credit losses Provision for contingent liabilities-SMEs	19,510	724	1,622	21,856
Expected credit losses Provision for contingent liabilities-Due from Banks	3,065	30,254	--	33,319
Balance at the end of the year	**1,155,451**	**4,341,769**	**5,536,726**	**11,033,946**

Off balance sheet items exposed to credit risk

	31 December 2023	31 December 2022
Non-revocable credit related commitments for loans and other liabilities	6,709,768	8,449,792
Letter of credit	10,667,581	10,548,264
Letters of guarantee	30,878,205	23,872,758
Accepted draft	2,603,227	3,000,822
Total	**50,858,781**	**45,871,636**

- The first table (A/5) represents the maximum limit of exposure as at 31 December 2023 and as at 31 December 2022, without taking into consideration any financial guarantees.
- As illustrated in the previous table 44.56% of the maximum limit exposed to credit risk arises from loans and advances to customers including the discounted documents (31 December 2022: 42.65%), where investments in debt instrument measured at fair value through OCI and amortized cost represent 28.69% (31 December 2022: 31.86%).
- 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:
- 71.01% of the loans and advances to customers' portfolio are considered to be neither past due nor impaired (31 December 2022: 58.28%).
- 5.50% of loans and advances to customers' portfolio individually impaired (31 December 2022: 5.59%).
- Loans and advances that are not impaired represent 94.50 % from total loans portfolio (31 December 2022: 94.41%) including past due loans but not impaired represent 23.49% from total loans portfolio (31 December 2022: 36.13%).

A-6. Loans and advances

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

	31 December 2023		31 December 2022	
	Loans and advances to customers	Loans and advances to banks	Loans and advances to customers	Loans and advances to banks
Neither past due nor impaired	123,499,195	5,885,773	78,226,319	6,276,500
With past due but not impaired	40,848,411	--	48,486,781	--
Individually impairment	9,560,659	--	7,504,362	--
Total	**173,908,265**	**5,885,773**	**134,217,462**	**6,276,500**
(Less): Expected Credit loss provision	(11,782,746)	(16,502)	(10,265,302)	(19,343)
(Less): Unearned discount of documents	(15,991)	--	(37,094)	--
Net	**162,109,528**	**5,869,271**	**123,915,066**	**6,257,157**

- Total Expected Credit Loss provision of loans and advances to customers amounted EGP 11,782,746 thousands as at 31 December 2023 of which EGP 7,072,502 thousands represents impairment of individual loans (Stage 3) and the balance of EGP 4,710,244 thousands represents the provision of ECL (Stage 1 and Stage 2); (31 December 2022: ECL provision of loans and advances amounted EGP 10,265,302 thousands of which EGP 5,526,253 thousands represents impairment of individual loans and the balance of EGP 4,739,049 thousands represents the provision of ECL (Stage 1 and Stage 2).
- Additional information on provision for ECL of loans and advances is provided in notes (18).
- During the current financial year loans and facilities to customers and banks increased by 27.97%.

- 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 2023

	Retail				Corporate				
Grade	Over drafts	Credit cards	Personal loans	Mortgage loans	Over drafts	Direct loans	Syndicated loans	Total Loans and advances to customers	Loans and advances to banks
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	--
Total	**2,228,173**	**1,718,707**	**62,255,993**	**5,512,121**	**10,112,697**	**21,196,978**	**20,474,526**	**123,499,195**	**5,885,773**

31 December 2022

	Retail				Corporate				
Grade	Over drafts	Credit cards	Personal loans	Mortgage loans	Over drafts	Direct loans	Syndicated loans	Total Loans and advances to customers	Loans and advances to banks
1 Good debts	2,067,085	988,943	45,400,285	3,254,731	1,407,935	4,233,087	6,757,135	64,109,201	6,276,500
2 Normal watch-list	--	--	--	--	116,732	3,985,900	9,982,022	14,084,654	--
3 Special watch-list	--	--	--	--	--	32,464	--	32,464	--
Total	**2,067,085**	**988,943**	**45,400,285**	**3,254,731**	**1,524,667**	**8,251,451**	**16,739,157**	**78,226,319**	**6,276,500**

- 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:

	Corporate			
31 December 2023	**Overdrafts**	**Direct loans**	**Syndicated loans**	**Total Loans and advances to customers**
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
Total	**26,002,926**	**12,329,236**	**2,516,249**	**40,848,411**

	Corporate			
31 December 2022	**Overdrafts**	**Direct loans**	**Syndicated loans**	**Total Loans and advances to customers**
Past dues up to 30 days	24,838,016	7,681,289	275,522	32,794,827
Past dues more than 30 to 60 days	7,390,271	129,337	1,562,260	9,081,868
Past dues more than 60 to 90 days	2,045,316	886,531	515,532	3,447,379
Past dues more than 90 days	2,960,895	201,812	--	3,162,707
Total	**37,234,498**	**8,898,969**	**2,353,314**	**48,486,781**

- 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 9,560,659 thousand as at 31 December 2023 (31 December 2022: EGP 7,504,362 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:

31 December 2023

	Retail				Corporate			
	Over drafts	Credit cards	Personal loans	Mortgage loans	Over drafts	Direct loans	Syndicated loans	Total
Individually impaired loans	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

31 December 2022

	Retail				Corporate			
	Over drafts	Credit cards	Personal loans	Mortgage loans	Over drafts	Direct loans	Syndicated loans	Total
Individually impaired loans	17,395	21,916	2,455,879	32,012	4,977,160	--	--	7,504,362

- The fair value of collaterals held by the Bank against above loans is totaled EGP 1,433,860 thousand.

At the initial recognition of loans and advances, the fair value of collaterals is evaluated based on the same financial assets 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 6,832,635 thousand as at 31 December 2023 (31 December 2022 EGP 7,332,421 thousand).

Loans and advances to customers

	31 December 2023	31 December 2022
Corporate		
- Direct loans	333,263	169,118
- Syndicated loans	6,483,424	7,146,059
Retail		
- Personal loans	15,948	17,244
Total	**6,832,635**	**7,332,421**

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-	55,942,307	15,656,882	--	40,308,677	56,113	**111,963,979**	**31 December 2023**
B+	32,653,433	12,562,202	1,599,701	53,375,642	56,113	**100,247,091**	**31 December 2022**

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

	Arab Republic of Egypt				
	Cairo	Alex and Delta – Sinai	Upper Egypt	Out of Arab Republic of Egypt	Total
Loans and advances to banks	--	--	--	5,885,773	5,885,773
Loans and advances to customers					
Retail:					
-Overdraft	1,244,749	880,679	119,652	--	2,245,080
-Credit cards	1,306,742	330,474	118,819	--	1,756,035
-Personal loans	24,036,713	24,509,573	16,296,093	--	64,842,379
-Mortgages loans	4,064,230	632,049	843,416	--	5,539,695
Corporate:					
- Overdraft	32,677,707	8,426,917	1,661,543	--	42,766,167
-Direct loans	26,640,041	5,414,461	1,471,712	--	33,526,214
-Syndicated loans	19,959,441	1,953,826	1,077,508	--	22,990,775
Discounted documents	195,144	46,776	--	--	241,920
Financial investment at fair value through other comprehensive income					
-Debt instrument	15,656,882	--	--	--	15,656,882
-Treasury bills and other governmental notes	55,942,307	--	--	--	55,942,307
Financial investment at amortized cost					
-Debt instrument	40,364,790	--	--	--	40,364,790
Other assets*	3,801,642	261,032	100,160	--	4,162,834
Total at 31 December 2023	**225,890,388**	**42,455,787**	**21,688,903**	**5,885,773**	**295,920,851**
Total at 31 December 2022	**187,155,292**	**34,693,118**	**16,809,899**	**6,276,500**	**244,934,809**

*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.

	Financial institutions	Manufacturing	Real estate	Wholesale and retail trade	Government sector	Other activities	Individual	Total
Loans and advances to banks	5,885,773	--	--	--	--	--	--	5,885,773
Loans and advances to customers								
Retail:								
- Overdrafts	--	--	--	--	--	--	2,245,080	2,245,080
- Credit cards	--	--	--	--	--	--	1,756,035	1,756,035
- Personal loans	--	--	--	--	--	--	64,842,379	64,842,379
- Mortgages loans	--	--	5,539,695	--	--	--	--	5,539,695
Corporate:								
- Overdrafts	--	3,341,344	935,359	3,874,672	8,072,596	26,542,196	--	42,766,167
- Direct loans	--	1,325,934	1,587,448	45,594	3,531,927	27,035,311	--	33,526,214
- Syndicated loans	--	3,305,685	1,385,316	206,400	6,757,173	11,336,201	--	22,990,775
Discount documents	--	46,777	--	181,177	--	13,966	--	241,920
Financial investment at fair value through other comprehensive income								
-Debt instruments	6,901,440	--	--	--	8,755,442	--	--	15,656,882
-Treasury bills and other governmental notes	--	--	--	--	55,942,307	--	--	55,942,307
Financial investments at amortized cost								
-Debt instruments	--	--	--	--	40,364,790	--	--	40,364,790
- Other assets*	--	--	--	--	--	4,162,834	--	4,162,834
Total as at 31 December 2023	**12,787,213**	**8,019,740**	**9,447,818**	**4,307,843**	**123,424,235**	**69,090,508**	**68,843,494**	**295,920,851**
Total as at 31 December 2022	**11,148,760**	**6,082,736**	**7,041,693**	**7,733,290**	**110,115,758**	**51,861,069**	**50,951,503**	**244,934,809**

* 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 2023			12 months till ending the prior year 2022		
	Average	High	Low	Average	High	Low
Foreign exchange risk	56,274	102,809	1,516	14,403	61,077	1,118
VAR	56,274	102,809	1,516	14,403	61,077	1,118

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 2023	EGP	USD	Euro	GBP	Other Currencies	Total
Financial Assets						
Cash and balances at Central Bank	32,350,778	4,147,244	704,773	118,669	236,764	37,558,228
Due from banks	14,686,099	51,437,819	868,585	183,142	329,261	67,504,906
Loans and advances to banks	--	5,869,271	--	--	--	5,869,271
Loans and advances to customers	143,807,593	17,287,004	1,014,931	--	--	162,109,528
Financial investments						
At fair value through other comprehensive income	54,788,721	17,529,063	1,575,047	--	150	73,892,981
At amortized cost	40,364,790	--	--	--	--	40,364,790
Investments in subsidiaries and associates	1,331,262	1,212,024	--	--	--	2,543,286
Total financial Assets	**287,329,243**	**97,482,425**	**4,163,336**	**301,811**	**566,175**	**389,842,990**
Financial liabilities						
Due to banks	3,521,571	3,290,650	3,094	1,071	569	6,816,955
Customers' deposits	235,889,495	61,654,809	3,895,602	252,653	373,541	302,066,100
Other loans	4,812,275	35,245,172	--	--	--	40,057,447
Total financial Liabilities	**244,223,341**	**100,190,631**	**3,898,696**	**253,724**	**374,110**	**348,940,502**
Net Financial Assets in Financial position	**43,105,902**	**(2,708,206)**	**264,640**	**48,087**	**192,065**	**40,902,488**
31 December 2022						
Total financial assets	**237,233,325**	**69,241,593**	**2,983,822**	**396,536**	**353,558**	**310,208,834**
Total financial liabilities	**212,036,017**	**72,530,357**	**2,978,141**	**395,843**	**208,674**	**288,149,032**
Net Financial assets in financial position	**25,197,308**	**(3,288,764)**	**5,681**	**693**	**144,884**	**22,059,802**

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:

31 December 2023	Up to 1 month	More than One month to three Months	More than Three months to one year	More than one year to three years	More than three years	Due in next day	Non-bearing interest	Total
Financial Assets								
Cash and balances at Central Bank	--	--	--	--	--	--	37,558,228	**37,558,228**
Due from banks	59,255,652	6,682,795	--	--	--	1,587,464	74	**67,525,985**
Loans and advances to banks	1,173,938	1,792,437	2,919,398	--	--	--	--	**5,885,773**
Loans and advances to customers	2,102,182	45,174,413	18,501,889	22,286,236	46,835,873	39,007,672	--	**173,908,265**
Financial Investments: -								
- At fair value through other comprehensive income	19,131,706	29,159,206	21,223,666	2,234,014	2,209,806	--	2,293,792	**76,252,190**
- At amortized cost	4,102,639	--	27,631,847	7,332,901	1,297,403	--	--	**40,364,790**
Total financial assets	**85,766,117**	**82,808,851**	**70,276,800**	**31,853,151**	**50,343,082**	**40,595,136**	**39,852,094**	**401,495,231**

31 December 2023	Up to 1 month	More than One month to three Months	More than Three months to one year	More than one year to three years	More than three years	Due in next day	Non-bearing interest	Total
Financial liabilities								
Due to banks	6,389,004	--	--	--	--	427,951	--	**6,816,955**
Customers' deposits	68,394,663	33,436,213	46,732,398	86,672,750	13,785,656	47,872,736	5,171,684	**302,066,100**
Other loans	5,201,519	6,216,369	21,987,221	2,500,233	798,413	--	3,353,692	**40,057,447**
Total financial liabilities	**79,985,186**	**39,652,582**	**68,719,619**	**89,172,983**	**14,584,069**	**48,300,687**	**8,525,376**	**348,940,502**
Total interest re-pricing gap	**5,780,931**	**43,156,269**	**1,557,181**	**(57,319,832)**	**35,759,013**	**(7,705,551)**	**31,326,718**	**52,554,729**
As at 31 December 2022								
Total financial assets	**54,509,613**	**54,574,906**	**56,612,016**	**49,820,848**	**39,362,952**	**43,731,418**	**21,767,228**	**320,378,981**
Total financial liabilities	**47,225,123**	**49,420,074**	**51,876,779**	**81,678,953**	**14,921,168**	**35,335,773**	**7,691,162**	**288,149,032**
Total interest re-pricing gap	**7,284,490**	**5,154,832**	**4,735,237**	**(31,858,105)**	**24,441,784**	**8,395,645**	**14,076,066**	**32,229,949**

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 un-drawn 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.

31 December 2023	Up to 1 month	More than One to Three Months	More than Three months to one year	More than One year to Three years	Over Three Years	Total
Financial liabilities						
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
Total liabilities according to (contractual maturity dates)	**99,152,003**	**38,558,938**	**74,264,254**	**126,269,574**	**51,749,137**	**389,993,906**
Total assets according to (contractual maturity dates)	133,716,256	38,917,971	97,213,359	101,824,270	116,608,661	488,280,517

31 December 2022	Up to 1 month	More than One to Three Months	More than Three months to one year	More than One year to Three years	Over Three Years	Total
Financial liabilities						
Due to banks	558,420	19,640,999	65,611	--	--	20,265,030
Customers' deposits	60,631,693	25,665,897	50,566,550	95,706,620	42,914,378	275,485,138
Other loans	104,739	1,064,929	2,826,723	7,119,841	11,825,256	22,941,488
Total liabilities according to (contractual maturity dates)	**61,294,852**	**46,371,825**	**53,458,884**	**102,826,461**	**54,739,634**	**318,691,656**
Total assets according to (contractual maturity dates)	**86,974,467**	**28,586,350**	**81,197,967**	**95,193,970**	**94,914,754**	**386,867,508**

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 2023	Compared year 31 December 2022	Current year 31 December 2023	Compared year 31 December 2022
Financial assets				
Due from banks	67,525,985	56,246,429	67,623,670	56,269,034
Loans to banks	5,885,773	6,276,500	5,885,773	6,276,500
Loans to customers				
- Retail	74,383,189	54,238,246	73,000,810	54,187,438
- Corporate	99,525,076	79,979,216	99,525,076	79,979,216
Financial investments				
- At amortized cost	40,364,790	55,081,755	38,443,584	53,112,414
Financial liabilities				
Due to banks	6,816,955	19,983,605	6,839,830	19,966,827
Customers' deposits:				
- Retail	164,059,566	135,043,629	180,899,897	146,471,016
- Corporate	138,006,534	115,140,712	137,989,857	115,143,423
Other loans	40,057,447	17,981,086	40,057,446	17,981,086

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 12.50%.

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

	31 December 2023	31 December 2022
Tier 1 capital (continuous basic capital + additional basic capital)		
Issued and paid-up capital	10,000,000	10,000,000
Capital increased amount	10,500,000	4,000,000
General reserve	187,291	187,291
Legal reserve	1,386,083	1,227,564
Other reserves	745,367	714,981
General risk reserve	68,481	68,481
Retained earnings	588,528	602,969
Profit for the year	6,601,066	3,052,170
Non-controlling interest	10,129	8,441
Difference between face value and present value of subordinated loans (deposit)	1,646,308	2,053,600
Total accumulated other comprehensive income items, whether positive or negative	(342,738)	(578,588)
Total deductions from tier 1 capital common equity	(1,402,351)	(1,695,048)
Total tier 1 capital	**29,988,164**	**19,641,861**
Tier 2 capital (subordinated capital)		
Equivalent to the balance of the required provisions against debt instruments / loans and credit facilities included in the stage one	1,433,694	1,156,396
Subordinate loans (deposits)	6,896,588	6,505,344
45% of the Increase in fair value than book value for financial investments in associates' companies	92,575	35,824
Total Tier 2	**8,422,857**	**7,697,564**
Total capital base after deductions	**38,411,021**	**27,339,425**
Risk weighted assets and contingent liabilities		
Total credit risk	203,603,075	160,981,679
Total market risk	8,224,272	6,342,380
Total operational risk	9,624,637	11,939,105
Total risk weighted assets and contingent liabilities	**221,451,984**	**179,263,164**
Capital adequacy ratio (%)	**17.35%**	**15.25%**

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:

2- Leverage Ratio	31 December 2023	31 December 2022
Total tier 1 capital after deductions	29,988,164	19,641,861
Total on-balance sheet exposure	403,805,148	321,775,366
Total off balance sheet exposure	34,673,540	28,286,164
Total on and off-balance sheet exposure	**438,478,688**	**350,061,530**
Leverage (%)	**6.84%**	**5.61%**

- 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

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

Assets & Liabilities according to geographical segments at 31 December 2022	Cairo	Alex, Delta & Sinai	Upper Egypt	Total
Geographical Segments Assets	270,069,675	35,408,793	16,108,532	**321,587,000**
Geographical Segments Liabilities	196,254,426	80,641,677	22,211,533	**299,107,636**
Geographical segments of other items				
Depreciation at 31 December 2022				**473,786**
Profit before tax				**5,594,769**
Tax				**(2,454,856)**
Net profit for the year				**3,139,913**

6. Net interest income

	31 December 2023	31 December 2022
Interest income from loans and similar income:		
Loans and advances:		
- banks	537,526	135,829
- customers	24,009,555	15,178,124
Total	**24,547,081**	**15,313,953**
Deposits and current accounts	7,997,625	2,407,364
Investments in debt instrument at fair value through other comprehensive income and amortized cost	16,550,378	11,975,354
Total	**49,095,084**	**29,696,671**
Interest expense of deposits and similar expense:		
Deposits and current accounts:		
- banks	(2,812,435)	(717,987)
- customers	(26,294,780)	(15,547,104)
Total	**(29,107,215)**	**(16,265,091)**
Other loans	(2,200,024)	(638,127)
Total	**(31,307,239)**	**(16,903,218)**
Net	**17,787,845**	**12,793,453**

7. Net fee and commission income

	31 December 2023	31 December 2022
Fee and commission income:		
Fee and commission related to credit	2,640,671	1,634,296
Trust and custody fees	39,562	23,181
Other fees	1,618,721	1,006,070
	4,298,954	**2,663,547**
Fees and commission expense:		
Other fees	(389,389)	(190,764)
Total	**(389,389)**	**(190,764)**
Net	**3,909,565**	**2,472,783**

8. Dividend income

	31 December 2023	31 December 2022
Securities at fair value through other comprehensive income	217,950	112,058
Subsidiary and Associate companies	65,561	57,544
Total	**283,511**	**169,602**

9. Net trading income

	31 December 2023	31 December 2022
Debt instruments for trading	23,865	43,968
Valuation Differences in investment at fair value through profit and loss	--	1,334
Valuation Differences in Currency forward Contracts	20,451	73,002
Gains from foreign currencies contracts	110	170
Total	**44,426**	**118,474**

10. Administrative expense

	31 December 2023	31 December 2022
Employee's cost		
Wages and salaries*	(3,742,895)	(3,096,008)
Social insurance	(185,614)	(162,672)
Other retirement benefit (Note 31)	(351,695)	(297,186)
	(4,280,204)	**(3,555,866)**
Other administrative expenses	(3,870,294)	(3,140,627)
Total	**(8,150,498)**	**(6,696,493)**

*The current year and comparative figures include EGP 15,000 thousand representing the Bank's share in the contributions of the Bank's Special Insurance fund (3,750 thousand every Three months).

11. Other operating revenues (expenses)

	31 December 2023	31 December 2022
Gains of translated monetary assets and liabilities in foreign currencies other than classified as held for trading items	(455,232)	(1,201,475)
Gains of sale property and equipment	56,068	30,386
Gains of sale assets revert to the bank	778	--
Reverse impairment of assets and other provisions (note: 23&29)	133,108	26,353
Charge impairment of assets and other provisions (note: 23&29)	(751,151)	(316,919)
Other	46,253	52,789
Total	**(970,176)**	**(1,408,866)**

12. (charged) reversed of expected credit losses

	31 December 2023	31 December 2022
Loans and advances to customers	(2,040,857)	(2,047,944)
Due from Banks	(4,267)	(6,276)
Financial investments at fair value through OCI	(114,444)	(9,366)
Loans and advances to banks	7,647	7,670
Total	**(2,151,921)**	**(2,055,916)**

13. Income tax expense

	31 December 2023	31 December 2022
Current tax	(4,152,729)	(2,807,042)
Deferred tax	(137,274)	352,186
Total	**(4,290,003)**	**(2,454,856)**
Profit before income tax	10,950,957	5,594,769
Tax Rate	22.50%	22.50%
Income tax calculated on accounting profit	2,463,965	1,258,823
Expenses are not deductible	1,826,038	1,196,033
Net tax	**4,290,003**	**2,454,856**
Effective tax rate	**39.17%**	**43.88%**

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

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

	31 December 2023	31 December 2022
A-Net Profit available for distribution		
Net profit for the year (note: 34)	5,362,904	1,997,913
The common / weighted number of shares	5,000,000	2,976,370
The basic earnings per share from net profit for the year	**1.07**	**0.67**
B-Net Profit available for distribution		
The weighted average number of shares	9,113,014	6,553,767
The earnings per share from net profit for the year	**0.59**	**0.30**

15. Cash and balances at Central Bank

	31 December 2023	31 December 2022
Cash*	10,759,745	5,974,829
Balances at Central Bank within the mandatory reserve ratio	26,798,483	13,516,311
Total	**37,558,228**	**19,491,140**
Non-interest-bearing balances	**37,558,228**	**19,491,140**

*The Cash balance include foreign currencies banknote for exports amounted to EGP 1,792 million as of 31 December 2023 (31 December 2022: EGP 122 million).

16. Due from banks

	31 December 2023	31 December 2022
Current Accounts	1,587,538	1,095,719
Deposits	65,938,447	55,150,710
ECL provision for due from banks	(21,079)	(13,465)
Net	**67,504,906**	**56,232,964**
Central Bank	18,703,212	28,217,105
Local Banks	42,365,185	23,086,404
Foreign Banks	6,457,588	4,942,920
ECL provision for due from banks	(21,079)	(13,465)
Net	**67,504,906**	**56,232,964**
Non-interest-bearing balances	1,587,538	1,095,719
Balances with fixed interest	65,938,447	55,150,710
ECL provision for due from banks	(21,079)	(13,465)
Net	**67,504,906**	**56,232,964**
Current balances	**67,504,906**	**56,232,964**

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

	31 December 2023	31 December 2022
Balance at the beginning of the year	13,465	3,752
Charged ECL during year	4,267	6,276
Foreign currencies translation differences of provisions during year	3,347	3,437
Balance at the end of the year	**21,079**	**13,465**

17. Loans and advances to banks

	31 December 2023	31 December 2022
Term Loans	5,885,773	6,276,500
Total	**5,885,773**	**6,276,500**
Less: Expected credit loss provision	(16,502)	(19,343)
Net loans and advances to banks	**5,869,271**	**6,257,157**
Current balances	**5,885,773**	**6,276,500**
Total	**5,885,773**	**6,276,500**

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

	31 December 2023	31 December 2022
Balance at the beginning of the year	19,343	18,935
(Reversed) ECL during year	(7,647)	(7,670)
Foreign currencies translation differences of provisions during the year	4,806	8,078
Balance at the end of the year	**16,502**	**19,343**

18. Loans and advances to customers

	31 December 2023	31 December 2022
Retail		
Overdraft accounts	2,245,080	2,084,480
Credit cards	1,756,035	1,010,859
Personal loans	64,842,379	47,856,164
Mortgage loans	5,539,695	3,286,743
Total	**74,383,189**	**54,238,246**
Corporate including small loans for economic activities		
Overdraft accounts	42,766,167	43,013,560
Direct loans	33,526,214	17,150,420
Syndicated loans	22,990,775	19,092,471
Discount documents	241,920	722,765
Total	**99,525,076**	**79,979,216**
Total loans and advances to customers	**173,908,265**	**134,217,462**
Expected credit loss provision	(11,782,746)	(10,265,302)
Unearned discount of documents	(15,991)	(37,094)
Net loans and advances to customers	**162,109,528**	**123,915,066**
Total is distributed as follow: -		
Current balances	70,043,587	55,286,080
Non-current balances	103,864,678	78,931,382
Total	**173,908,265**	**134,217,462**

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

	31 December 2023	31 December 2022
Balance at the beginning of the year	**10,265,302**	**7,896,612**
Charged ECL during year	2,040,857	2,047,944
Transfers	100,767	--
provision utilized from written off during the year	(1,733,227)	(1,138,647)
Proceeds from written off debts during the year	196,398	131,892
Foreign currencies translation differences of provisions during the year	912,649	1,327,501
Balance at the end of the year	**11,782,746**	**10,265,302**

	31 December 2023			31 December 2022		
	Corporate	Retail	Total	Corporate	Retail	Total
Balance at the beginning of the year	**8,447,869**	**1,817,433**	**10,265,302**	**6,001,348**	**1,895,264**	**7,896,612**
Charged ECL during year	1,320,003	720,854	2,040,857	1,483,054	564,890	2,047,944
Transfers	100,767	--	100,767	--	--	--
Provision utilized from written off during the year	(1,062,164)	(671,063)	(1,733,227)	(365,520)	(773,127)	(1,138,647)
Proceeds from written off debts during the year	2,623	193,775	196,398	1,553	130,339	131,892
Foreign currencies translation differences of provisions during the year	912,603	46	912,649	1,327,434	67	1,327,501
Balance at the end of the year	**9,721,701**	**2,061,045**	**11,782,746**	**8,447,869**	**1,817,433**	**10,265,302**

19. Financial derivatives

	31 December 2023		
	Contractual amount / default	Asset	Liabilities
Derivatives held for trading			
Currency forwards	--	--	--
Total	**--**	**--**	**--**

	31 December 2022		
	Contractual amount / default	Asset	Liabilities
Derivatives held for trading			
Currency forwards	133,437	59,464	--
Total	**133,437**	**59,464**	**--**

20. Financial investment

Financial investments at fair value through other comprehensive income	31 December 2023	31 December 2022
a) Debt Instruments		
- Listed (at fair value-Level 2)	15,656,882	12,562,202
b) Treasury bills unlisted		
- Treasury bills at fair value – local currency (Level 2)*	43,888,885	22,982,275
- Treasury bills– foreign currency	12,053,422	9,671,158
Total Treasury bills at fair value	**55,942,307**	**32,653,433**
c) Equity instruments		
- Listed (at fair value- Level 1)	54,904	66,918
- Unlisted (at cost)**	1,992,038	1,972,248
d) Investment Certificates		
- Unlisted Certificate – recoverable amount (at fair value- Level 1)	246,850	176,542
Total financial investments at fair value through other comprehensive income (1)	**73,892,981**	**47,431,343**
Financial investments at amortized cost		
a) Debt Instruments-at amortized cost		
- Listed	40,308,677	54,975,343
- Unlisted***	56,113	56,113
Total financial investments at amortized cost (2)	**40,364,790**	**55,031,456**
Total financial investments (1)+(2)	**114,257,771**	**102,462,799**
Current balances	85,468,107	45,717,054
Non-current balances	28,789,664	56,745,745
Total	**114,257,771**	**102,462,799**
Fixed interest debt instruments	98,569,337	89,050,405
Floating interest debt instruments	13,394,642	11,196,686
Total	**111,963,979**	**100,247,091**

* 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 1,682,275 thousand as of 31 December 2023 (31 December 2022: EGP 1,752,450 thousand).

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

	31 December 2023	31 December 2022
African export – import bank	1,805,095	1,805,095
Misr – Europe Bank	84,218	84,218
Arab Financial services company	2,420	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	137	137
Arab trade financing program –ATFP	11,028	11,028
Other companies	83,678	63,888
Total	**1,992,038**	**1,972,248**

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 (4.10%), 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 a small share 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.

*** 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:

	Financial investments at fair value through other comprehensive income	Financial investments at amortized cost	Total
Balance of 01 January 2023	**47,431,343**	**55,031,456**	**102,462,799**
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)
Balance as at 31 December 2023	**73,892,981**	**40,364,790**	**114,257,771**

	Financial investments at fair value through other comprehensive income	Financial investments at amortized cost	Total
Balance of 01 January 2022	**47,696,882**	**42,615,351**	**90,312,233**
Additions	187,089,681	9,893,064	196,982,745
Disposals (sales / redemption)	(177,385,369)	(10,970,245)	(188,355,614)
Reclassification of bonds from financial investments at FVTOCI to financial investments at amortized cost	(13,557,801)	13,557,801	--
Translation differences resulting from monetary assets	4,968,437	--	4,968,437
Net changes	(1,311,570)	--	(1,311,570)
Transferred to retained earnings	(5,022)	--	(5,022)
Amortization of (premium) / discount of issuance	(63,895)	(64,515)	(128,410)
Balance as at 31 December 2022	**47,431,343**	**55,031,456**	**102,462,799**

Gains from financial investments

	31 December 2023	31 December 2022
Gain from selling Treasury bills	73,786	50,589
Gain from selling debt instruments at fair value through OCI	101,512	140,964
Reverse impairment of associates	22,337	10,179
Gain from selling associates	570	--
Total	**198,205**	**201,732**

21. Investment in Subsidiary and Associate Companies

31 December 2023 Company	Currency	Country of residence	Last financial data	Assets	Liabilities	Revenues	Profit/ (Loss)	Share %	Value of the investment in EGP
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
Total				**10,100,360**	**5,799,773**	**2,139,572**	**240,827**	**--**	**2,543,286**

31 December 2022 Company	Currency	Country of residence	Last financial data	Assets	Liabilities	Revenues	Profit/ (Loss)	Share %	Value of the investment in EGP
Cairo Bank Uganda	USHS	Uganda	12/2022	1,815,746	1,280,010	157,774	(39,670)	99.99	391,803
Cairo leasing Company	EGP	Egypt	12/2022	3,399,817	2,977,937	462,071	62,115	97.99	342,997
Tally for digital and electronic payments company	EGP	Egypt	12/2022	457,318	34,366	23,883	(67,970)	99.99	500,000
Cairo Exchange	EGP	Egypt	--	--	--	--	--	99.99	100,000
Guards company for Security and guarding	EGP	Egypt	12/2022	21,987	10,189	55,502	3,296	40	2,880
Nile Holding Company for Development and Investment	EGP	Egypt	12/2022	345,023	951	10,722	1,018	33.33	50,000
Financial Sector Mutual Fund	EGP	Egypt	12/2022	171,948	2,800	53,513	39,788	46.28	78,273
Egy Serv for Postal Services	EGP	Egypt	12/2022	173,702	94,990	442,564	37,165	40	72,320
Misr for investment and export development	EGP	Egypt	--	--	--	--	--	20	12,500
NClude Fintech Innovation Fund	USD	UAE	12/2022	761,742	55,982	--	(52,670)	23.81	139,461
Misr real-estate fund 1	EGP	Egypt	--	--	--	--	--	27.8	100,010
Total				**7,147,283**	**4,457,225**	**1,206,029**	**(16,928)**	**--**	**1,790,244**

- The following table shows the structure of subsidiaries & associates shareholders at 31 December 2023:

Company	Cairo Bank Uganda	Cairo Leasing Company	Guards company for security and guarding	Nile Holding Company	Financial Sector Mutual Fund	Egy Service for Postal Services	Misr for investment and export development	Tally for digital and electronic payments company	Cairo exchange Company	NClude Fintech Innovation Fund	Misr real-estate fund 1	Misr for investments funds management
	%	%	%	%	%	%	%	%	%	%	%	%
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	--
Total	**100 %**	**100 %**	**100 %**	**100 %**	**100 %**	**100 %**	**100%**	**100 %**	**100%**	**100%**	**100%**	**100%**

22. Intangible Assets

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

	31 December 2023	31 December 2022
Beginning balance of the year		
Cost	534,336	400,013
Accumulated amortization	(335,665)	(222,144)
Net book value at the beginning of the year	**198,671**	**177,869**
Additions during the year	141,476	134,323
Amortization for the year	(158,191)	(113,521)
Net book value at the end of the year	**181,956**	**198,671**

23. Other Assets

	31 December 2023	31 December 2022
Accrued revenues	4,162,834	4,134,292
Prepaid expenses	353,569	360,651
Advanced payments under purchase of property and equipment	2,332,965	2,055,254
Assets reverted to the bank in settlement of debts	214,974	214,850
Insurance and custodies	170,265	104,386
Clearing transactions	919,891	845,998
Tax authority	186,001	181,242
Other debit balances	1,218,734	1,105,800
Impairment Provision for other assets	(212,232)	(208,239)
Total	**9,347,001**	**8,794,234**

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

	31 December 2023	31 December 2022
Balance at the beginning of the year	**208,239**	**218,000**
Impairment charged at income statement of the year	4,388	53,956
Provision utilized during the year	(396)	(63,725)
Proceeds during the year	--	5
Foreign currencies exchange differences of provisions during the year	1	3
Balance at the end of year	**212,232**	**208,239**

24. Property and equipment

	Land	Buildings & Constructions	Integrated automated systems	Vehicles	Machinery & Equipment	Furniture	Fixtures & fittings	Fixtures & fittings rental	Total
Balances at 01 January 2022									
Cost	313,710	594,392	1,120,328	56,437	73,586	247,705	597,455	218,072	3,221,685
Accumulated depreciation	--	(376,736)	(677,067)	(48,031)	(51,959)	(137,837)	(243,656)	(75,489)	(1,610,775)
Net book value	**313,710**	**217,656**	**443,261**	**8,406**	**21,627**	**109,868**	**353,799**	**142,583**	**1,610,910**
Additions	533	82,452	121,600	--	74,963	28,052	68,223	69,757	445,580
Transfers*	--	--	698	--	7,831	4,910	(8,329)	(5,110)	--
Disposals	(6,827)	(799)	(9,367)	(3,512)	(1,573)	(5,709)	(3,459)	(105)	(31,351)
Disposals' accumulated depreciation	--	799	9,333	3,512	1,568	5,690	3,354	105	24,361
Transfers' accumulated depreciation	--	--	(113)	--	(1,165)	(655)	1,865	68	--
Depreciation	--	(16,631)	(158,697)	(5,771)	(23,907)	(37,826)	(81,384)	(38,140)	(362,356)
Net book value at 31 December 2022	**307,416**	**283,477**	**406,715**	**2,635**	**79,344**	**104,330**	**334,069**	**169,158**	**1,687,144**
Balances at 01 January 2023									
Cost	307,416	676,045	1,233,259	52,925	154,807	274,958	653,890	282,614	3,635,914
Accumulated depreciation	--	(392,568)	(826,544)	(50,290)	(75,463)	(170,628)	(319,821)	(113,456)	(1,948,770)
Net book value	**307,416**	**283,477**	**406,715**	**2,635**	**79,344**	**104,330**	**334,069**	**169,158**	**1,687,144**
Net book value at 01 January 2023	307,416	283,477	406,715	2,635	79,344	104,330	334,069	169,158	1,687,144
Additions	40	45,657	119,987	--	22,805	45,405	123,859	82,150	439,903
Transfers*	--	--	433	--	929	11,936	(7,534)	(5,764)	--
Disposals	(606)	(12,307)	(1,158)	(593)	--	(179)	(1,740)	(1,035)	(17,618)
Disposals' accumulated depreciation	--	11,192	932	593	--	173	1,740	1,035	15,665
Transfers' accumulated depreciation	--	--	(48)	--	(852)	(1,502)	722	1,680	--
Depreciation	--	(18,820)	(170,149)	(1,137)	(23,976)	(41,569)	(89,856)	(55,633)	(401,140)
Net book value at 31 December 2023	**306,850**	**309,199**	**356,712**	**1,498**	**78,250**	**118,594**	**361,260**	**191,591**	**1,723,954**
Balances at 31 December 2023									
Cost	306,850	709,395	1,352,521	52,332	178,541	332,120	768,475	357,965	4,058,199
Accumulated depreciation	--	(400,196)	(995,809)	(50,834)	(100,291)	(213,526)	(407,215)	(166,374)	(2,334,245)
Net book value	**306,850**	**309,199**	**356,712**	**1,498**	**78,250**	**118,594**	**361,260**	**191,591**	**1,723,954**

* Represents transfers among categories.

- Property and equipment include specifically (land & buildings) unregistered assets by an amount EGP 258,115 thousand, legal procedures are being undertaken to register them.
- The cost of depreciation includes amount by EGP 3,291 thousand this value was charged to the deferred revenue account, and represents the cost of depreciation of the gifted asset to the bank.

25. Due to Banks

	31 December 2023	31 December 2022
Current accounts	427,952	444,319
Deposits	6,389,003	19,539,286
Total	**6,816,955**	**19,983,605**
Central Bank	1,532,285	1,587,969
Local Banks	2,036,198	3,012,290
Foreign Banks	3,248,472	15,383,346
Total	**6,816,955**	**19,983,605**
Non-interest-bearing balances	427,952	444,319
Balances with Fixed interest	6,389,003	19,539,286
Total	**6,816,955**	**19,983,605**
Current balances	**6,816,955**	**19,983,605**

26. Customers' deposits

	31 December 2023	31 December 2022
Demand deposits	69,400,497	50,286,509
Term and notice deposits	87,002,742	77,676,788
Certificates of Savings and deposits	100,335,284	85,635,999
Saving deposits	40,155,878	32,284,591
Other deposits	5,171,699	4,300,454
Total	**302,066,100**	**250,184,341**
Corporate deposits	138,006,534	115,140,712
Retail deposits	164,059,566	135,043,629
Total	**302,066,100**	**250,184,341**
Non-interest-bearing balances	59,329,722	41,455,821
Balances with fixed interest	242,736,378	208,728,520
Total	**302,066,100**	**250,184,341**

27. Other loans

	Currency	31 December 2023	31 December 2022
Micro, Small and Medium Enterprises Development Agency (MSMEDA)	EGP	1,378,584	1,729,095
Arabic Trade financing program (ATFP)	USD	559,937	627,864
Arab economic development fund loan-Kuwait	USD	1,297,510	1,138,196
Green for Growth Fund (GGF)	USD	224,677	224,940
European Investments Bank (EIB)	USD	4,416,359	2,199,413
European Bank for Reconstruction & development (EBRD)	USD	1,632,467	1,060,431
African Export-Import Bank (Afreximbank)	USD	22,011,334	4,020,803
Saudi Fund for Development	EGP	80,000	75,000
Agence Francaise De Development (AFD)	USD	159,991	--
P.V of CBE subordinated deposit*	EGP	1,306,600	1,111,233
P.V of Banque Misr subordinated deposit**	EGP	2,047,092	1,835,167
Green for Growth Fund (GGF) (subordinated loan)	USD	926,793	742,302
Sanad Fund for MSME (subordinated loan)	USD	926,793	742,302
European Bank for Reconstruction & development (EBRD) (subordinated loan)	USD	1,544,655	1,237,170
British International Investment (BII) (subordinated loan)	USD	1,544,655	1,237,170
Total		**40,057,447**	**17,981,086**
Current balances		19,435,666	554,410
Non- current balances		20,621,781	17,426,676
Total		**40,057,447**	**17,981,086**

* 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.

28. Other Liabilities

	31 December 2023	31 December 2022
Accrued interest	3,109,107	1,428,015
Prepaid revenues	461,434	159,446
Accrued expenses	379,273	312,372
Clearing transactions	4,250,421	3,088,527
Tax authority	1,204,362	839,553
Creditor's banknote- export foreign currencies	2,407,026	79,024
Creditors	60,057	55,226
Other credit balances	3,368,596	1,769,206
Total	**15,240,276**	**7,731,369**

29. Other Provisions

	31 December 2023	31 December 2022
Balance at the beginning of year	**1,020,590**	**668,433**
Foreign currency exchange	87,712	125,879
Provision charged to income statement during the year	746,763	262,963
Reversed during the year	(133,108)	(26,353)
Utilized during the year	(25,632)	(10,332)
Proceed during the year	263	--
Balance at the end of the year	**1,696,588**	**1,020,590**

Other provisions details:	31 December 2023	31 December 2022
Provision for operation risks	4,738	6,565
Provision for legal claims	309,630	281,833
Provision for other claims	405,487	147,012
Provision for tax	136,101	100,821
ECL Provision for contingent liabilities & commitments-corporate loans	812,072	429,184
ECL Provision for contingent liabilities & commitments-SMEs loans	11,803	21,856
ECL Provision for contingent liabilities-Due from Banks	16,757	33,319
Total	**1,696,588**	**1,020,590**

30. 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 2023	31 December 2023
Property and equipment and other items	--	(119,057)
provisions (other than ECL provision for loan) and other items	550,838	--
Total deferred tax assets (liabilities)	**550,838**	**(119,057)**
Net deferred tax assets (liabilities)	**431,781**	**--**

Movement of deferred tax assets and liabilities: -	31 December 2023	31 December 2023
Balance at the beginning of year	698,117	(128,380)
Additions / disposal	(147,279)	9,323
Balance at the end of year	**550,838**	**(119,057)**

Unrecognized deferred taxes assets (before tax)	31 December 2023	31 December 2022
Unrecognized deferred taxes assets for these items:		
Expected Credit Loss for loan other than 80%	2,359,850	2,056,929
Other provisions and other items	1,317,955	778,185
Total	**3,677,805**	**2,835,114**

31. Retirement benefit liabilities

	31 December 2023	31 December 2022
Liabilities included in the financial position		
Medical benefits after retirement	**1,621,321**	**1,509,212**
Recognized in income statement		
Medical benefits after retirement	351,695	297,186
Amount recognized in financial position represented in		
Present value of unfinanced liabilities	2,162,797	2,027,151
Unrecognized auctorial losses	(541,476)	(517,939)
Balance included in financial position	**1,621,321**	**1,509,212**
Liabilities movement during the year		
Beginning balance of year	**1,509,212**	**1,389,618**
Current service cost	19,683	21,137
Interest cost	312,939	257,218
Recognized auctorial losses	19,073	18,831
Paid benefits	(239,586)	(177,592)
Ending balance of year in financial position statement	**1,621,321**	**1,509,212**
Amount recognized in income statement represented in		
Current service cost	19,683	21,137
Interest cost	312,939	257,218
Recognized auctorial losses	19,073	18,831
Ending balance (included in the cost of employees note 10)	**351,695**	**297,186**

32. Issued and paid-up capital

A- Issued and paid capital

The Bank's authorized capital amounted to EGP 20 billion. The issued and paid-up capital amounted to EGP 10 billion divided into 5 billion shares with a par value of EGP 2 each share.

B- Capital increased amount

- On 21 June 2023, Banque du Caire extraordinary general assembly convened and approved to:

- Amending the text of Article (6) of the bank's basic articles, which relates to the bank's capital of both types authorized, issued capital and the structure of bank's shareholders.
- Increasing the bank's authorized capital from EGP 20 billion to EGP 50 billion.
- Increasing the bank's issued and paid-up capital by EGP 9 billion, to become after the increase EGP 19 billion instead of EGP 10 billion, In 9 October 2023 CBE approved the capital increase and the legal procedures are being completed and registration in the commercial register is underway.

- 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 the legal procedures are being completed.

33. Reserves and retained earnings

Reserves	31 December 2023	31 December 2022
General reserve	184,253	184,253
General Banking Risk Reserve*	1,284,824	1,158,124
Legal reserve	1,377,861	1,222,385
Capital reserve	306,437	276,051
Regular reserve	438,930	438,930
Fair value reserve – financial investments at fair value through other comprehensive income	(754,999)	(852,676)
Expected credit loss for Debt instrument at fair value through other comprehensive income	427,363	251,477
General risk reserve**	68,481	68,481
Total reserves	**3,333,150**	**2,747,025**

* General Banking Risk Reserve at 31 December 2023 consists of EGP 4,555 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 1,280,269 thousand, which represents the credit gap on 31 December 2022, and the credit gap is in 31 December 2023 amounted to EGP 1,471,003 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, and thus requires transferring an amount of EGP 190,734 thousand from the retained profits account through approving a project of Dividend distribution for the year 2023.

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

Movement at reserves as follow:

a) General banking risk reserves

	31 December 2023	31 December 2022
Beginning balance for the year	1,158,124	600,453
Transferred from profit of the previous year	126,940	557,671
(Reverse) reserve of assets reverted to the bank	(240)	--
Ending balance at the end of the year	**1,284,824**	**1,158,124**

b) Legal reserves

	31 December 2023	31 December 2022
Beginning balance for the year	1,222,385	1,041,015
Transferred from profit of the previous year	155,476	181,370
Ending balance at the end of the year	**1,377,861**	**1,222,385**

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:

	31 December 2023	31 December 2022
Beginning balance for the year	(852,676)	195,766
Net change in fair value for financial investments (after tax)	97,677	(1,048,442)
Ending balance at the end of the year	**(754,999)**	**(852,676)**

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

	31 December 2023	31 December 2022
Beginning balance for the year	251,477	137,362
Charged of expected credit losses for the year	114,444	9,366
Foreign currency exchange	61,442	104,749
Ending balance at the end of the year	**427,363**	**251,477**

The movement in retained earnings is as follows:

	31 December 2023	31 December 2022
Beginning balance for the year	3,678,739	3,883,805
Net profits for the year	6,660,954	3,139,913
Transferred (to) fair value reserve for equity instrument	(666)	(103,545)
Paid dividends	(2,712,000)	(2,468,000)
Transferred (to) general banking risk reserves	(126,700)	(557,671)
Transferred (to) legal reserve	(155,476)	(181,370)
Transferred (to) capital reserve	(30,386)	(3,432)
Banking Sector Development Fund	(28,791)	(30,961)
Ending balance at the end of the year	**7,285,674**	**3,678,739**

34. 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.

35. 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.

	31 December 2023	31 December 2022
Cash and balances at the Central Bank	10,759,745	5,974,829
Due from banks	60,843,190	48,761,094
Treasury bills and other governmental notes	39,163,168	1,712,570
Total	**110,766,103**	**56,448,493**

36. 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 2023 where no provision was allocated for this purpose, as there are no expected losses.

B- Capital commitments

The bank capital commitments amounted to EGP 1,436,067 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 5,512,080 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 2023	31 December 2022
Loans commitments	6,709,768	8,449,792
Accepted Documentation	1,448,442	1,129,286
Letters of credit (import)	2,254,277	2,579,243
Letters of credit (export)	2,678,436	3,633,989
Letters of guarantee	28,092,386	21,607,993
Total	**41,183,309**	**37,400,303**

37. Related party transactions

A- The Main Shareholder, subsidiaries and associates companies

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

	31 December 2023	31 December 2022
Due from banks		
Current accounts	3,903	1,423
Deposits	16,267,930	7,000,000
Other assets		
Other	22,382	22,373
Accrued revenues	47,502	22,118
Other loans		
P.V of Banque Misr subordinated deposit	2,047,092	1,835,167
Owner equity		
Difference between the present value and face value for sub-ordinated deposit	952,908	1,164,833

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

	31 December 2023	31 December 2022
Due to banks		
Current accounts	30,912	20,916
Deposits	123,572	113,820
Other liabilities		
Accrued revenues	40	--

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

	31 December 2023	31 December 2022
Loans and advances to customers		
Corporate loans (Over drafts)	122	41,237
Corporate loans (Direct)	1,641,653	1,351,703
Other assets		
Accrued revenues	17,603	11,770
Customers' deposits		
Demand deposits	26,758	17,380
Term and notice deposits	--	75,418

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

	31 December 2023	31 December 2022
Demand deposits	41,358	259,906
Term and notice deposits	10,000	5,475
Other liabilities		
Accrued revenues	952	155
Others	3,540	1,227
Other assets		
Other	5,166	--

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

	31 December 2023	31 December 2022
Customers' deposits		
Demand deposits	25,890	--

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

	31 December 2023	31 December 2022
Customers' deposits		
Demand deposits	8,884	3,941
Loans and advanced to customers		
Corporate loans (Over drafts)	15	--

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

	31 December 2023	31 December 2022
Customer's deposits		
Demand account	935	228
Other liabilities		
Accrued expenses	17,030	2,356

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

	31 December 2023	31 December 2022
Customer's deposits		
Demand account	33	70

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

	31 December 2023	31 December 2022
Loans and advanced to customers	1,715	1,802

According to the instructions of CBE issued on 23 August 2011 regarding bank governance, the average monthly salaries and bonuses received by the twenty highest-paid earners in the bank together amounted to EGP 7,095,182 during the financial year ending on 31 December 2023.

38. 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 2023 was 2,092,296 certificates with a redeemable value of EGP 236.94 each. 500,000 Certificates were allocated to the Bank in the initial offering until 31 December 2023 with total amount of EGP 119,380,000 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 4,767,416 for year ended 31 December 2023 (31 December 2022: EGP 633,395) 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 2023 numbered 500,000 documents with a book value of EGP 22,039,925.

The number of outstanding certificates as of 31 December 2023 was 86,136,453 certificates with a redeemable value of EGP 44.06 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 11,931,630 for year ended 31 December 2023 (31 December 2022: EGP 13,773,722) 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 2023 was 1,041,128 certificates with a redeemable value of EGP 29.63 each. 250,000 Certificates were allocated to the Bank in the initial offering until 31 December 2023 with total amount of EGP 7,449,510 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 63,525 for year ended 31 December 2023 (31 December 2022: EGP 42,701) 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 2023 was 81,932 certificates with a redeemable value of EGP 321.56 each. 50,000 Certificates were allocated to the Bank in the initial offering until 31 December 2023 with total amount of EGP 16,252,500 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 163,395 for year ended 31 December 2023 (31 December 2022: EGP 157,228) which is presented under the item of "other fees and commissions income'' in the income statement.

39. Tax position

39-1. Income tax

- **Years from beginning of the activity till 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.

- **Year 2019**

An amended tax return for the year 2019 has been submitted on 30 November 2023 and the inspection documents are being prepared.

- **Year 2020**

The tax return has been submitted on the legally specified date and the due tax paid based on the submitted tax returns.

- **Year 2021**

An amended tax return for the year 2021 has been submitted on 26 April 2023.

- **Year 2022**

The deadline for submitting the tax return has been extended to 29 June 2023, and on 21 June 2023 the tax return has been submitted on the legal date.

39-2. 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 2020:**

The final inspection has been done till year 2019, as for year 2020 the final inspection has been done except for two items that were referred to the Appeal Committee and have not yet been decided upon.

- **Period from 01 January 2021 till 31 December 2023:**

The stamp duty is delivered on time according to the law.

39-3. Salary tax

- **Periods from beginning of the activity till 31 December 2019**

The inspection and payment have been done.

- **Year 2020:**

The inspection is being completed.

- **Periods from year 2021 till year 2023**

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

39-4. Sales tax & Vat

- **First: Sales tax for periods from 2002 till year 2015**

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 01 January 2016 till 31 December 2023**

The administrative court issued a decision not to register our bank in the Vat, and the decision is being implemented.

39-5. 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 2023.

40. Translation

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

The original Arabic statements are the official financial statements.