

# Consolidated Financial Statements December 2024

Together With Audit Report



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Originally Issued In Arabic

## **AUDITORS' REPORT**

**To the Shareholders of Egyptian Gulf Bank (S.A.E)**

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **Egyptian Gulf Bank (S.A.E)** which comprise the consolidated financial position as of December 31, 2024 and the related consolidated statements of income, comprehensive income, changes in equity and cash flows for the financial year then ended and a summary of significant accounting policies and other explanatory notes.

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

These consolidated financial statements are the responsibility of Bank's management. Management is responsible for the preparation and fair presentation of these financial statements in accordance with Central Bank of Egypt's rules pertaining to the preparation and presentation of the financial statements and measurement and recognition bases on December 16, 2008 and amended according to the instructions issued on February 26, 2019 and in light of the prevailing Egyptian laws. Management responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of 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.

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement in the 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 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 consolidated financial statements.

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

## Opinion

In our opinion the consolidated financial statements referred to above present fairly in all material aspects of the consolidated financial position of **Egyptian Gulf Bank (S.A.E)** as of December 31, 2024 and of its financial performance and its consolidated cash flows for the year then ended in accordance with Central Bank of Egypt's rules pertaining to the preparation and presentation of the financial statements and measurement and recognition bases approved by its Board of Directors on December 16, 2008 and amended according to the instructions issued on February 26, 2019 and the Egyptian laws and regulations relating to the preparation of these consolidated financial statements.

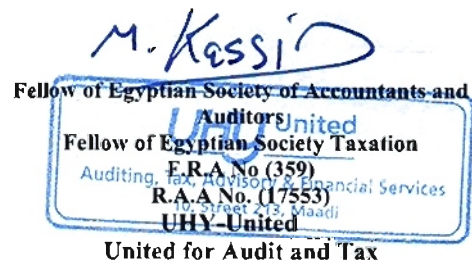
CAIRO: 21 January 2025

## AUDITORS

Tamer Mohamed Nabarawy



Mohamed Ahmed Abu Elkassim



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS OF 31 DECEMBER 2024**

	Note	31 December 2024 L.E.	31 December 2023 L.E.
<b>Assets</b>			
Cash and balances with the Central bank of Egypt	(15)	13,331,088,857	11,300,445,702
Due from banks	(16)	27,048,117,842	8,965,036,340
Goodwill		85,237,334	--
Loans, facilities and morabahaat to customers (net)	(17)	45,092,917,051	31,894,428,594
<b>Financial investments:</b>			
- Fair value through other comprehensive income	(18)	22,655,297,034	23,987,202,535
- At amortized cost	(18)	23,579,617,436	16,879,489,710
- At fair value through profit or loss	(18)	26,692,625	13,412,904
Investment in associates	(19)	139,061,176	186,096,155
Employee stock ownership plan (ESOP)	(20)	64,580,387	51,041,366
Intangible assets	(21)	37,495,242	13,794,169
Other assets	(22)	4,816,612,232	3,474,288,279
Fixed assets	(23)	1,065,799,410	1,009,922,827
Non current Assets - Held for sale		13,217,494	13,217,494
<b>Total Assets</b>		<b>137,955,734,120</b>	<b>97,788,376,075</b>
<b>Liabilities and equity:</b>			
<b>Liabilities:</b>			
Due to banks	(24)	7,946,692,694	2,987,560,053
Customers' deposits	(25)	111,576,048,545	81,008,494,885
Other loans and Subordinated deposits	(26)	4,554,522,000	3,335,284,250
Other liabilities	(27)	3,880,751,474	2,611,370,938
Other provisions	(28)	393,831,537	260,105,551
Dividends Payable		57,261	104,969
Non current Liabilities - Held for sale		31,219,303	31,219,303
<b>Total Liabilities</b>		<b>128,383,122,814</b>	<b>90,234,139,949</b>
<b>Equity:</b>			
Issued and Paid-up capital	(29)	5,505,500,001	5,005,000,001
Reserves	(30)	579,597,770	734,167,843
Employee stock ownership plan (ESOP)	(20)	29,222,124	10,823,314
Retained earnings including profit for the period /year	(30)	3,335,073,594	1,804,225,761
<b>Total equity attributable to equity holders of the bank</b>		<b>9,449,393,489</b>	<b>7,554,216,919</b>
Non-controlling interests		123,217,817	19,207
<b>Total equity</b>		<b>9,572,611,306</b>	<b>7,554,236,126</b>
<b>Total liability and equity</b>		<b>137,955,734,120</b>	<b>97,788,376,075</b>

Vice Chairman &amp; CEO

Nidal El Kassem Assar



Chairman

Raed Jawad Ahmed Bukhamseen



- Audit report "attached.
- The accompanying notes from (1) to (37) are an integral part of these consolidated financial statements and are to be read therewith.

**CONSOLIDATED STATEMENT OF INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Note	31 December 2024 L.E.	31 December 2023 L.E.
<b>Continued operation</b>			
Interest from loans and similar income	(6)	22,717,501,361	12,010,633,130
Interest on deposits and similar expenses	(6)	(16,583,366,951)	(8,350,772,204)
<b>Net interest income</b>		<b>6,134,134,410</b>	<b>3,659,860,926</b>
Fees and commissions income	(7)	1,619,206,283	952,050,237
Fees and commissions expenses	(7)	(464,298,724)	(289,840,977)
<b>Net fees and commission income</b>		<b>1,154,907,559</b>	<b>662,209,260</b>
Dividends income	(8)	6,432,243	5,126,713
Net trading income	(9)	404,297,036	527,459,861
Gain from sale of financial investments	(18)	138,144,556	116,689,327
Impairment (charge) release for credit losses	(12)	(551,009,601)	(515,804,828)
Administrative expenses	(10)	(3,176,667,855)	(2,119,249,870)
Other operating income (expenses)	(11)	(89,406,083)	168,780,141
The Bank's share of results of associates		12,979,027	(13,750,670)
<b>Net Profit before income tax</b>		<b>4,033,811,292</b>	<b>2,491,320,860</b>
Current Income tax		(1,483,037,809)	(1,008,222,416)
<b>Net profit from continued operations</b>		<b>2,550,773,483</b>	<b>1,483,098,444</b>
<b>Discontinued operations</b>			
(Losses) for the period from discontinued operations before tax		--	(6,402,084)
<b>(Losses) for the period from Discontinued operations</b>		<b>--</b>	<b>(6,402,084)</b>
<b>Net profit for the year ended</b>		<b>2,550,773,483</b>	<b>1,476,696,360</b>
<b>Attributable to:</b>			
Bank's equity holders		2,576,009,882	1,476,688,754
Non-controlling interests		(25,236,399)	7,606
<b>Net profit for the year</b>		<b>2,550,773,483</b>	<b>1,476,696,360</b>
Earnings per basic share (EGP/ share) for the year	(13)	4.40	2.43

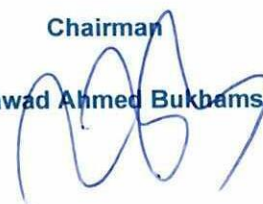
Vice Chairman &amp; CEO

Nidal El Kassem Assar



Chairman

Raed Jawad Ahmed Bukhamseen



- The accompanying notes from (1) to (37) are an integral part of these consolidated financial statements and are to be read therewith.

## CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	31 December 2024 L.E.	31 December 2023 L.E.
Net profit for the year		2,550,773,483	1,476,696,360
<b>Other comprehensive income items that is or may be reclassified to the profit or loss:</b>			
Net change in fair value of financial investment at fair value through OCI – debt instruments	(30)	(240,202,065)	(86,819,496)
Expected credit loss for debt instruments measured at fair value through OCI		(79,279,301)	--
<b>Total other comprehensive income items</b>		<b>(319,481,366)</b>	<b>(86,819,496)</b>
<b>Total other comprehensive income for the year</b>		<b>2,231,292,117</b>	<b>1,389,876,864</b>
<b>Attributable to:</b>			
Bank's equity holders		2,256,528,516	1,389,869,258
Non-controlling interests		(25,236,399)	7,606
<b>Total other comprehensive income for the year</b>		<b>2,231,292,117</b>	<b>1,389,876,864</b>

- The accompanying notes from (1) to (37) are an integral part of these consolidated financial statements and are to be read therewith

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	31 December 2024 L.E.	31 December 2023 L.E.
<b>Cash flows from Operating Activities</b>			
Profit before income tax from continued operations		4,033,811,292	2,491,320,860
(Loss) before income tax from discontinued operations		--	(6,402,084)
<b>Adjustments to reconcile net profit to net cash provided by operating activities</b>			
Depreciation and amortization for fixed assets and intangible assets	(23-21)	159,953,706	139,050,339
Impairment charge for credit losses	(12)	551,009,601	515,804,828
Impairment (release) charge for other provisions	(28)	146,447,228	(36,714,523)
Other provisions used, other than provisions for loans	(28)	(22,656,480)	(2,795,143)
Translation differences for other provision in foreign currencies	(28)	5,381,559	5,313,332
Translation differences for monetary financial investments in foreign currencies	(18)	(4,608,669,402)	(1,562,629,372)
Amortization of premium / discount for bonds	(18)	(322,305,376)	(487,285,528)
Gain from sale fixed assets		(1,334,871)	484,734
Dividends income	(8)	(6,432,243)	(5,126,713)
Gains from sale of financial investment at fair value through OCI		(121,533,430)	329,886,780
Gains from sale of financial investment associates		--	(84,267,090)
Share based payments (employee stock ownership plan)	(20)	18,398,810	7,802,848
Revaluation differences for financial investments through profit or losses		(2,591,667)	(703,343)
Bank's Share of results of associates applying the equity method		(12,979,027)	13,750,670
Translation differences for expected credit losses on debt instruments at fair value through OCI in foreign currencies		19,720,553	15,787,320
<b>Operating profit before changes in assets and liabilities provided from operating activities</b>		<b>(163,779,747)</b>	<b>1,333,277,915</b>
<b>Net decrease (increase) in assets and liabilities</b>			
Due from banks		(3,181,083,047)	(1,642,757,837)
Treasury bills		(1,666,319,853)	(4,168,690,585)
Financial investment at fair value through profit or loss		(10,688,054)	(8,980,204)
Loans, advances and morabihat to customers		(14,059,354,013)	(5,217,529,643)
Other assets		(1,188,993,688)	(448,057,264)
Due to banks		4,959,132,641	(2,217,830,617)
Customers' deposits		30,552,803,025	9,286,082,398
Other liabilities		(213,657,273)	(430,827,663)
Dividends Payable		(47,708)	--
Investment held for sale		--	10,997,549
<b>Net cash flows (used in) provided from operating activities</b>	<b>(1)</b>	<b>15,028,012,283</b>	<b>(3,504,315,951)</b>
<b>Cash flows from Investing Activities</b>			
Payments to purchase fixed assets and branches improvement		(447,177,797)	(515,086,647)
Proceeds from sale of fixed assets		1,539,628	71,697
Proceeds from financial investment fair value through profit or loss		16,673,372,082	10,004,350,169
Payments to purchase financial investment other than trading investments	(18)	--	--
Proceeds from sale of Investments fair value through profit or loss		(16,257,404,650)	(7,270,571,751)
Proceeds from sale of Investments in associates		(6,671,250)	(67,770,300)
change Investments in associates		--	138,451,641
Dividends received		6,432,243	32,863,629
Stock ownership plan	(20)	(13,539,021)	(17,190,097)
<b>Net cash flows provided from (used in) investing activities</b>	<b>(2)</b>	<b>(43,448,765)</b>	<b>2,305,118,341</b>
<b>Cash flows from Financing Activities</b>			
Change in long long-term loans and Subordinated deposits		1,210,757,766	988,821,750
Dividends paid		(189,090,633)	(64,589,938)
<b>Net cash flows provided from financing activities</b>	<b>(3)</b>	<b>1,021,667,133</b>	<b>924,231,812</b>
<b>Net change in cash and cash equivalents during the year</b>	<b>(1+2+3)</b>	<b>16,006,230,651</b>	<b>(274,965,798)</b>
Cash and cash equivalents at beginning of the year		8,549,469,038	8,824,434,835
<b>Cash and cash equivalents at the end of the year</b>		<b>24,555,699,689</b>	<b>8,549,469,037</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

Cash and cash equivalents are represented in (note 31)		31 December 2024	31 December 2023
		L.E.	L.E.
Cash and balances with the CBE	(15)	13,331,088,148	11,300,445,702
Due from banks	(16)	27,053,985,045	8,980,567,834
Treasury bills	(18)	11,840,061,380	10,898,229,214
Balance with CBE within the limit of statutory reserve		(15,829,468,597)	(12,645,493,347)
Due from banks with Maturity more than 3 months		--	--
Treasury bills with maturity more than 3 months		(11,839,966,287)	(9,984,280,366)
<b>Cash and cash equivalents at the end of the year</b>		<b>24,555,699,689</b>	<b>8,549,469,037</b>

- The accompanying notes from (1) to (37) are an integral part of these consolidated financial statements and are to be read therewith.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2024**

	Note	paid-in Capital	Reserves	General Risk Reserve	ESOP	Retained Earnings	Equity Attributable to Equity Holders	Non-Controlling Interests	Total
		L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.
<b>31 December 2023</b>									
Balance as of 1/1/2023		5,005,000,001	(392,936,353)	208,750,579	39,048,835	442,107,686	5,301,970,748	11,401	5,301,982,149
Distributed dividends	(29)	--	--	--	--	(64,414,597)	(64,414,597)	--	(64,414,597)
Transferred to legal reserves	(30)	--	44,569,564	--	--	(44,569,564)	--	--	--
Net Change in other comprehensive income items	(30)	--	359,756,611	--	--	--	359,756,611	--	359,756,611
Change in fair value of reclassified debt instruments	--	--	396,718,674	--	--	--	396,718,674	--	396,718,674
Non-controlling interests share in subsidiaries	--	--	--	--	--	--	--	200	200
Transferred to general banking risk reserve from retained earnings	(30)	--	760,834	--	--	(760,834)	--	--	--
Transferred to capital reserve from retained earnings	(30)	--	363,313	--	--	(363,313)	--	--	--
Banking system support and development fund	--	--	--	--	--	(4,462,371)	(4,462,371)	--	(4,462,371)
Stock ownership plan	(20)	--	--	--	(28,225,521)	--	(28,225,521)	--	(28,225,521)
Net profit for the year	(30)	--	--	--	--	1,476,688,754	1,476,688,754	7,606	1,476,696,360
Balance as of 31 December 2023		5,005,000,001	409,232,643	208,750,579	10,823,314	1,804,225,761	7,438,032,298	19,207	7,438,051,505
<b>31 December 2024</b>									
Balance as of 1/1/2024		5,005,000,001	525,417,264	208,750,579	10,823,314	1,804,225,761	7,554,216,919	19,207	7,554,236,126
Adjustment		--	--	--	--	(212,721,734)	(212,721,734)	148,435,009	(64,286,725)
Capital increase		500,500,000	--	--	--	(500,500,000)	--	--	--
Distributed dividends	(30)	--	--	--	--	(189,090,633)	(189,090,633)	--	(189,090,633)
Transferred to legal reserves	(30)	--	141,350,801	--	--	(141,350,801)	--	--	--
Net Change in other comprehensive income items	(30)	--	(283,157,037)	--	--	--	(283,157,037)	--	(283,157,037)
Transferred to general banking risk reserve from retained earnings	(30)	--	(12,763,837)	--	--	12,763,837	--	--	--
Transferred to capital reserve from retained earnings	(30)	--	--	--	--	--	--	--	--
Banking system support and development fund	--	--	--	--	--	(14,262,718)	(14,262,718)	--	(14,262,718)
Stock ownership plan	(20)	--	--	--	18,398,810	--	18,398,810	--	18,398,810
Net profit for the year	(30)	--	--	--	--	2,576,009,882	2,576,009,882	(25,236,399)	2,550,773,483
Balance as of 31 December 2024		5,505,500,001	370,847,191	208,750,579	29,222,124	3,335,073,594	9,449,393,489	123,217,817	9,572,611,306

- The accompanying notes from (1) to (37) are an integral part of these consolidated financial statements and are to be read therewith.

## STATEMENT OF PROPOSED EARNING DISTRIBUTION FOR THE YEAR ENDED 31 DECEMBER 2024

	31 December 2024 L.E.	31 December 2023 L.E.
Net profit of the year (from income statement)	2,550,332,432	1,413,508,005
Profit of sale of fixed assets transferred to capital reserve according to the law	(1,326,223)	--
Change in General banking risk reserve	(12,878,812)	12,763,837
<b>Available net profit year for distribution</b>	<b>2,536,127,397</b>	<b>1,426,271,842</b>
Retained earnings in the beginning of the financial year	925,261,236	342,537,976
<b>Total Balance for distribution</b>	<b>3,461,388,633</b>	<b>1,768,809,818</b>
<b>To be distributed as follows:</b>		
Banking System Support and Development Fund *	25,361,274	14,262,718
Legal reserve 10% **	254,900,619	141,350,801
Dividends to shareholders - first tranche (5% from paid in capital)***	275,275,000	250,250,000
Cash Dividends	300,000,000	--
Employees profit share	253,612,738	142,627,184
Board of directors remuneration	76,509,972	44,807,879
Dividends to shareholders (second tranche)***	275,275,000	250,250,000
Retained earnings at the end of the financial year	2,000,454,030	925,261,236
<b>Total</b>	<b>3,461,388,633</b>	<b>1,768,809,818</b>

According to the separate financial statements

\* It present 1% of available net profit for distribution according to article (178) of central bank and banking system law no. 194 of 2020, it has been deducted by percentage of 1% from available net profit for distribution from the retained earnings to support the banking system support and development fund in accordance with the requirements of the Central Bank of Egypt.

\*\* The legal reserve represents 10% of net profit for the year.

\*\*\* Dividends to shareholders first tranche and second tranche presents 10% of the capital which will be distributed as free shares, and the remaining of profits will be kept in the retained earnings account

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 1. General information

Egyptian Gulf Bank provides corporate, retail banking and investment banking services in various areas of Egypt through its head office The Address Building, 45 North 90 St., 5th Settlement, Egypt, Giza and Sixty two branches, and employs over 2352 employees as of the balance sheet date.

#### Parent Company

Egyptian Gulf Bank S.A.E was established under the minister decree No.296 at 14 October 1981 according to the Investment Law No.43 for 1974, that was replaced by investment law No.230 for the 1989 that was canceled by law No.8 for 1997 which is concerned for the issuance of guarantees and incentives of investment and its executive regulations in the Arab Republic of Egypt, The Bank is listed in the Egyptian Stock Exchange.

#### Subsidiary Company

##### 1- Egyptian Gulf Holding Company for Financial Investments

Egyptian Gulf Holding company S.A.E was established under the capital market law no. 95 of 1992 and its executive regulations. The company was registered in the Commercial Register No.27221 at 18 September 2012, the initial contract and Articles of Association of the Company were published in the companies journal No.56 in September 2012

On 30 September 2024, The Bank owns a stake in Egyptian Gulf Holding of 3 999 700 shares that represent 99.995%

##### 2- Egyptian Gulf Company for Financial Consultations

Egyptian Gulf company for financial consultations S.A.E was established under the Egyptian law and subject to the law of joint stock companies, partnerships limited by shares, limited liability companies, and one-person companies issued by Law No. 159 of 1981.

On 30 September 2024, Egyptian Gulf Holding Company for Financial Investments owns a stake in Egyptian Gulf Company for Financial Consultations of 2 498 shares that represent 99.92%

##### 3- Shari Holding Company for Financial Investments

Shari Holding company for financial Investments S.A.E was established under the Joint Stock Companies Law No. 95 of 1992 and its executive regulations, and it was registered in the Commercial Register under No. 29699 on November 24, 2021.

##### 4- Shary for Consumer Finance

Shary for Consumer Finance S.A.E was established under the Joint Stock Companies Law No. 159 of 1981 and its executive regulations, and it was registered in the commercial registry under No. 89993 on September 5, 2022.

##### 5- Shari Microfinance

Shari Microfinance Company was established under the law and subject to the law No. 159 of 1981, and it was registered in the commercial registry under No. 182223 on February 24, 2022.

#### Non current Investments held for sale

Hamens for German Technology Industries Company S.A.E was established in accordance with the Law No.159 of 1981 by issuing the Companies Law and its Executive Regulations and its amendments, and the company was registered in the commercial register No. 98638 on 3/5/1994.

On 30 September 2024, The Bank owns a stake in Hamenz for German Technology Industries Company of 30498 shares with an ownership of 99.99%. Our bank's share in the company's capital was increased on July 1, 2019

On 30 September 2024 The Bank owns a stake in the Hamens for German Technology Industries Company of 30498 shares with an ownership of 99.99%. Our bank's share in the company's capital was increased on July 1, 2019

Consolidated financial statements were approved by the Board of Directors on 20 January 2025.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 2. Summary of significant accounting policies

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

#### 2.A Basis of preparation of the consolidated financial statements

These consolidated financial statements 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; to under IFRS 9 "Financial Instruments" in accordance with the instructions of the Central Bank of Egypt (CBE) dated February 26, 2019.

These consolidated financial statements have been prepared in accordance with the applicable laws of Egypt.

Consolidated financial statements include the Bank as well as the following companies:

Egyptian Gulf Holding Company for financial investments	99.995%
Egyptian Gulf Company for Fiancial Consultations	99.92%
Shari Holding Company for Financial Investments	78.08%
Shahri for Consumer Finance	69%
Shari Microfinance	86.36%

The consolidated 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 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 mentioned instructions that described the changes in accounting policies in the following disclosers.

#### 2.B Changes in accounting policies

The Bank applied the instructions of the Central Bank of Egypt (CBE) rules IFRS 9 "Financial Instruments" dated February 26, 2019 starting from January 01, 2019, the following summarize the main accounting policies changes resulted from applying the required instructions.

##### Classification of financial assets and financial liabilities

At initial recognition, Financial assets have been classified and -measured according to amortized cost, fair value through other comprehensive income (FVTOCI) and fair value through profit or loss (FVTPL).

The financial assets have been classified according to how they are managed (the entity's business model) and their contractual cash flow characteristics.

The financial assets measured at amortized cost if it is not measured at fair value through profit or loss and the following two conditions met:

- The management intension maintaining the asset in business model to collect contractual cash flow and;
- This contractual conditions of financial assets will build cash flow in certain dates which limited only on payment of principle and interest (SPPI).

The debt instruments measured at fair value through other comprehensive income if it is not measured at fair value through profit or loss and the following two conditions met:

- The management intension maintaining the asset in business model to collect contractual cash flow or selling it and;
- This contractual conditions of financial assets will build cash flow in certain dates which limited only on payment of principle and interest (SPPI).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 2. Summary of significant accounting policies – continued

#### 2.B Changes in accounting policies – continued

The Bank may choose without return to measure equity investment which not classified trading investments to be as a fair value through other comprehensive income at initial recognition. And this choice will be made per each investment.

All other financial assets will be classified as fair value through profit or loss.

In addition to that, the bank may choose without return financial asset that will be measured at amortized cost or fair value through other comprehensive income to measured at fair value through profit or loss in the initial recognition, and in such a case that this reclassification will lead to prevent accounting mismatch.

#### Business model assessment

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

- The stated policies and objectives for the portfolio and the operation of those policies in practice, specially to know whether these management policies concentrate to gain the contractual interest or reconcile financial assets period with financial liabilities period which finance these assets or target cash flow from selling the assets.
- How the performance of the portfolio is evaluated and reported to the Bank's management.
- The risks that affect the performance of the business model and the financial assets held within that business model and how those risks are managed.
- The frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity.

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

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

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

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

#### Impairment of financial assets

According to Central Bank of Egypt (CBE) instructions dated February 26, 2019 to implement IFRS 9 to replace impairment loss model recognized according to previous instructions dated December 16, 2008 with excepted credit loss (ECL).

Excepted credit loss is applied on all financial assets in addition to some financial guarantees and loan commitments.

According to IFRS 9; Expected credit loss will be recognized earlier than being applied by Central Bank of Egypt (CBE) instructions dated December 16, 2008.

The Bank apply three stages to measure expected credit loss on financial assets that are recognized at amortized cost and debt instruments that are recognized at fair value through other comprehensive income. The financial assets can transfer between three stages according to changes in credit quality since initial recognition.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 2. Summary of significant accounting policies – continued

#### 2.B Changes in accounting policies – continued

##### Stage 1: 12 months Expected Credit Loss

Stage 1 includes financial assets on initial recognition and that do not have a significant increase in credit risk since the initial recognition or that have low credit risk. For these assets, expected credit loss are recognized on the gross carrying amount of the asset based on the expected credit losses that result from default events that are possible within 12 months after the reporting date.

##### Stage 2: Lifetime Expected Credit Loss - not credit impaired

Stage 2 includes financial assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment. For these assets, lifetime expected credit loss are recognized, but interest is still calculated on the gross carrying amount of the asset.

Lifetime expected credit loss are the expected credit losses that result from all possible default events over the expected life of the financial instrument.

##### Stage 3: Lifetime Expected Credit Loss - credit impaired

Stage 3 includes financial assets that have objective evidence of impairment at the reporting date . For these assets, lifetime expected credit loss are recognized.

#### 2.C Transactions Eliminated on Consolidation

Intra-group balances, and income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

#### 2.D Loss of Control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or in accordance with the Group's accounting policy for financial instruments, depending on the level of influence retained.

#### 2.E Investments in associates

An associate is an entity over which the Group has significant influence that is not control or joint control. Significant influence exists where the bank holds voting rights of 20% to 50% in an entity.

Acquisitions of Associates are accounted for using the purchase method; goodwill arising on acquisition of an associate, if any, is not presented separately, but is rather included within the carrying amount of the investment. Investments in associates are accounted for subsequently in the consolidated financial statements using the equity method.

According to the equity method, an investment in an associate is initially recognized in the statement of financial position at cost and is subsequently adjusted to recognize the Group's share in profit or loss, and other changes in the net assets, of the associate.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 2. Summary of significant accounting policies – continued

#### 2.F Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns 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 risks and returns different from those of segments operating in other economic environments.

#### 2.G Foreign currency translation

##### 2.G.1 Functional and presentation currency

The financial statements are presented in Egyptian pound, which is the Bank's functional and presentation currency.

##### 2.G.2 Transactions and balances in foreign currencies

The bank maintains its accounting records in Egyptian pound, Transactions in foreign currencies during the financial year are translated into Egyptian pound using the prevailing exchange rates on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the end of the reporting year at the prevailing exchange rates, Foreign exchange gains and losses resulting from settlement and translation of such transactions and balances are recognized in the income statement and reported under the following line items.

- Net trading income through profit and loss from held-for-trading assets and liabilities or through profits and losses by type.
  - Other operating revenues (expenses) from the remaining assets and liabilities.
  - Other comprehensive income items for financial investments at FVTOCI.
- 
- Changes in the fair value of investments in debt instruments; which represent monetary financial instruments, denominated in foreign currencies and classified as available for sale assets are analyzed into valuation differences resulting from changes in the amortized cost of the instrument, differences resulting from changes in the applicable exchange rates and differences resulting from changes in the fair value, of the instruments. Valuation differences resulting from changes in the amortized cost are recognized and reported in the income statement in income from loans and similar revenues' whereas difference resulting from changes in foreign exchange rates are recognized and reported in 'other operating revenues (expenses)', The remaining differences resulting from changes in fair value are deferred in equity and accumulated in the 'Revaluation reserve of available-for-sale investments'.
  - Valuation differences resulting from the non-monetary items include gains and losses of the change in fair value of such equity instruments held at fair value through profit and loss, as for recognition of the differences of valuation resulting from equity instruments classified as financial investments available for sale within the fair value reserve in equity.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 2. Summary of significant accounting policies – continued

#### 2.H Financial assets

##### 2.H.1 Financial Policies applied starting from January 1, 2019

Financial assets classified as amortized cost, fair value through other comprehensive income (FVTOCI) and fair value through profit or loss (FVTPL).

The classification depends on the business model of the financial assets that are managed with its contractual cash flow and is determined by management at the time of initial recognition.

##### **Financial assets classified as amortized cost**

The financial asset is retained in the business model of financial assets held to collect contractual cash flow.

The objective from this business model is to collect contractual cash flow which represented in principle and interest.

The sale is an exceptional event for the purpose of this model and under the terms of the standard represented in following:

- Significant deterioration for the issuer of financial instrument;
- Lowest sales in terms of rotation and value;
- A clear and reliable documentation process for the justification of each sale and its conformity with the requirements of the standard.

##### **Financial assets classified as fair value through other comprehensive income**

The financial asset is retained in the business model of financial assets held to collect contractual cash flows and sales.

- Held to collect contractual cash flows and sales are integrated to achieve the objective of the model.
- Sales are high in terms of turnover and value as compared to the business model retained for the collection of contractual cash flows.

##### **Financial assets classified as fair value through profit or loss**

The financial asset is held in other business models including trading, management of financial assets at fair value, maximization of cash flows through sale.

The objective of the business model is not to retain the financial asset for the collection of contractual or retained cash flows for the collection of contractual cash flows and sales.

Collecting contractual cash flows is an incidental event for the objective of the model.

##### **The characteristics of the business model are as follows:**

- Structuring a set of activities designed to extract specific outputs.
- Represents a complete framework for a specific activity (inputs - activities - outputs).
- One business model can include sub-business models.

#### 2.I Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a legally enforceable right to offset the recognized amounts and there is an intention to be settled on a net basis, or realize the asset and settle the liability simultaneously.

Agreements of repos and reverse repos are shown by the net in the financial statement in treasury bills and other governmental notes.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 2. Summary of significant accounting policies – continued

#### 2.J Interest income and expense

Interest income and expense for all financial instruments except for those classified as held-for-trading or designated at fair value are recognized in “Interest income” and “Interest expense” in the income statement using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant year, 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, prepayment options) but does not consider future credit losses, The calculation includes all fees and points paid or received between parties of the contract that represent an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Once loans or debts are classified as non-performing or impaired, the revenue of interest income will not be recognized and will be recorded off balance sheet, and are recognized as income subsequently based on a cash basis according to the following:

- When all arrears are collected for consumer loans, personal mortgage and micro-finance loans.
- When calculated interest For corporate are capitalized according to the rescheduling agreement condition until paying 25 % from rescheduled payments for a minimum performing period of one year, if the customer continues to perform, the calculated interest will be recognized in interest income [interest on the performing rescheduling agreement balance] without the marginalized before the rescheduling agreement which will be recognized in interest income after the settlement of the outstanding loan balance.

#### 2.K Fees and commission income

Fees charged for servicing a loan or facility that is measured at amortized cost, are recognized as revenue as the service is provided fees and commissions on non-performing or impaired loans or receivable cease to be recognized as income and are rather recorded off balance sheet, These are recognized as revenue, on a cash basis, only when interest income on those loans is recognized in profit and loss, at that time, fees and commissions that present an integral part of the effective interest rate of a financial asset, are treated as an adjustment to the effective interest rate of the financial asset.

Commitment fees and related direct costs for loans and advances where draw down is probable are deferred and recognized as an adjustment to the effective interest on the loans drawn, commitment fees in relation to facilities where draw down is not probable are recognized at the maturity of the term of the commitment.

Fees are recognized on the debt instruments that are measured at fair value through profit and loss on initial recognition and syndicated loan fees received by the bank are recognized when the syndication has been completed and the bank does not hold any portion of it or holds a part at the same effective interest rate used for the other participants portions.

Commission and fees arising from negotiation, or participating in the negotiation of a transaction for a third party such as the arrangement of the acquisition of shares of other securities and the purchase or sale of properties are recognized upon completion of the underlying transaction in the income statement. Other management advisory and service fees are recognized based on the applicable service contracts, usually on accrual basis, financial planning fees related to investment funds are recognized steadily over the period in which the service is provided the same principle is applied for wealth management; financial planning and custody services that are provided on the long term are recognized on the accrual basis also.

#### 2.L Dividend income

Dividends are recognized in the income statement when the right to collect it is declared.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 2. Summary of significant accounting policies – continued

#### 2.M Sale and repurchase agreements

Securities may be lent or sold according to commitment to repurchase (REPOs) are reclassified in the financial statement in other liabilities, Securities borrowed or purchased according to a commitment to resell them (reverse REPOs) are reclassified in the financial statement and added to treasury bills balance, The difference between sale and repurchase price is treated as interest and accrued over the life of the agreement using the effective interest rate method.

#### 2.N Impairment of financial assets

##### Financial Policies applied starting from January 01, 2019

The bank reviews all its financial assets, except those classified as at fair value through profit or loss, to assess whether an indication exists that these assets have suffered an impairment loss as described below:

##### Financial assets are classified at three stages at each reporting date:

- Stage 1: Financial assets that have not experienced a significant increase in credit risk since the date of initial recognition, and the expected credit loss is calculated for 12 months.
- Stage 2: Financial assets that have experienced a significant increase in credit risk since the initial recognition or the date on which the investments are made, the expected credit loss is calculated over the life of the asset.
- Stage 3: Impairment of financial assets whose expected credit loss is to be recognized over the life of the asset on the basis of the difference between the carrying amount of the instrument and the present value of expected future cash flows.

##### Credit losses and impairment losses on the value of financial instruments are measured as follows:

- The low risk financial instrument is classified at initial recognition in the first stage and credit risk is monitored continuously by the Bank's credit risk management.
- If it is determined that there has been a significant increase in credit risk since the initial recognition, the financial instrument is transferred to the second stage where it is not yet considered impaired at this stage.
- Financial instrument, it is transferred to the third stage.
- The financial assets created or acquired by the Bank and include a high credit risk ratio for the Bank's low risk financial assets are recognized on the initial recognition of the second stage directly and therefore the expected credit losses are measured on the basis of expected credit losses over the life of the asset.

##### Significant increase in credit risk

The Bank considers that the financial instrument has experienced a significant increase in the credit risk when one or more of the following quantitative and qualitative criteria, as well as the factors relating to default, have been met.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 2. Summary of significant accounting policies – continued

#### 2.0 Impairment of financial assets – continued

- **Quantitative factors**

When the probability of default over the remaining life of the instrument is increased from the date of the financial position compared to the probability of default over the remaining life expected at initial recognition in accordance with the Bank's acceptable risk structure.

- **Qualitative factors**

If the borrower encounters one or more of the following events:

- The borrower submits a request to convert short-term to long-term payments due to negative effects on the borrower's cash flows.
- Extension of the deadline for repayment at the borrower's request.
- Frequent Past dues over the previous 12 months.
- Future adverse economic changes affecting the borrower's future cash flows.

#### **Corporate loans and medium businesses**

If the borrower has a follow-up list and / or financial instrument faced one or more of the following events:

- A significant increase in the rate of return on the financial asset as a result of increased credit risk.
- Significant negative changes in the activity and physical 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.

#### **Unpayments**

The loans and facilities of institutions, medium, small, micro and retail banking are included in stage two if the period of non-payment is more than 60 days and less than 90 days. Note that this period (60 days) will be reduced by (10) days per year to become (30) days during (3) years from the date of application non payment period has been decreased to become (30) days during the period ended 30 December 2023

#### **Transfer between three stages (1,2,3):**

- **Transfer from second stage to first stage:**

The financial asset shall not be transferred from the second stage to the first stage unless all the quantitative and qualitative elements of the first stage are met and the full arrears of the financial asset and the proceeds are paid.

- **Transfer from third stage to second stage:**

The financial asset shall not be transferred from the third stage to the second stage until all the following conditions have been met:

- Completion of all quantitative and qualitative elements of the second stage.
- Repayment of 25% of the balance of the outstanding financial assets, including accrued segregated / statistical interest.
- Regularity of payment for at least 12 months.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 2. Summary of significant accounting policies – continued

#### 2.P Intangible assets

##### Software (computer programs)

Expenditures related to the development or maintenance of computer programs, are to be charged on income statement, as incurred, Expenditures connected directly with specific software and which are subject to the Bank's control and expected to produce future economic benefits exceeding their cost for more than one year, are to be recognized as an intangible asset, The expenses include staff cost of the team involved in software upgrading, in addition to a portion of overhead expenses.

The expenditures that lead to the development of computer software beyond their original specifications are recognized as an upgrading cost and are added to the original software cost.

The computer software cost is recognized as an asset that is amortized over the expected useful life time not exceeding four years, except for the main software for the bank that is amortized over 10 years.

#### 2.Q Other assets

##### Non-current Assets held for Sale

Non-current assets are classified as non-current assets held for sale if it is expected to recover their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This includes assets bought for loans settlement, fixed assets which the bank suspends their use to sell it, and the subsidiaries and associates companies which the bank buy for the purpose of selling them.

The asset (or disposal group) must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets.

The asset (or disposal group) that is classified as assets held for sale based on the book value in the classification date, or the fair value deducting the sale costs whichever is less.

If the bank changes the sale plan, the book value of the asset will be modified to the amount by which the asset would have been measured in case it was not classified as an asset held for sale taking into consideration any value decline. As for assets gained against loans settlement, if the bank fails to sell them within the legally set period, the bank should form 10% from the asset value annually as a general bank risk reserve

The changes in the value of non-current assets held for sale, the profit and loss of sale shall be acknowledged in the item other operating revenues (expenses).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 2. Summary of significant accounting policies – continued

#### 2.R Fixed assets

Land and buildings comprise mainly branches and offices, all property, plant and equipment are stated at historical cost less depreciation and impairment losses, Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or as a separate asset, as appropriate, only when it is probable that future economic benefits 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.

Land is not depreciated; Depreciation of other assets is calculated using the straight-line method to allocate their residual values over estimated useful lives, as follows:

- Buildings	50	Years
- Safes	40	Years
- Furniture	10	Years
- Tools and Machinery	8	Years
- Fixtures and Fitting	8	Years
- Equipment	5	Years
- Computers	8	Years
- Transportation	5	Years

The assets residual values and useful lives are reviewed, and adjusted if appropriate, on each balance sheet date, depreciable assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recovered, An asset's carrying amount is written down immediately to its recoverable value if the asset's carrying amount exceeds its estimated recoverable amount, The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

Gains and losses on disposals are determined by comparing the selling proceeds with asset carrying amount and charge to other operating Income expenses in the income statement.

#### 2.S Impairment of non-financial assets

Assets that have an indefinite useful life are not amortized and are tested annually for impairment, assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstance indicate that the carrying amount may not be recoverable, an impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell or value in use, Assets are tested for impairment with reference to the lowest level of cash generating unit(s), a previously recognized impairment loss relating to a fixed asset may be reversed in part or in full when a change in circumstance leads to a change in the estimates used to determine the fixed asset's recoverable amount, The carrying amount of the fixed asset will only be increased up to the amount that the original impairment not been recognized.

#### 2.T Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including cash and non-restricted balances with central banks, treasury bills and other eligible bills, loans and advances to banks, amounts due from other banks and short-term government securities.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 2. Summary of significant accounting policies – continued

#### 2.U Other provisions

Provisions for restructuring costs and legal claims are recognized when the Bank has present legal or constructive obligation as a result of past events; where it is more likely than not that a transfer of economic benefit will be necessary to settle the obligation, and it can be reliably estimated.

In case of similar obligations, the related cash outflow should be determined in order to settle these obligations as a group, The provision is recognized even in case of minor probability that cash outflow will occur for an item of these obligations.

When a provision is wholly or partially no longer required, it is reversed through profit or loss under other operating income (expense),

Provisions for obligations, order than those for credit risk or employee benefits, due within more than 12 month from the balance sheet date are recognized based on the present value of the best estimate of the consideration required to settle the present obligation on the balance sheet date, An appropriate pretax discount rate that reflects the time value of money is used to calculate the present value of such provisions, For obligations due within less than twelve months from the balance sheet date, provision are calculated based on undiscounted expected cash outflows unless the time value of money has significant impact on the amount of provision, then it is measured at the present value.

#### 2.V Employee's benefits

##### 2.V.1 Social insurance

The bank contributes to the social insurance scheme related to the Social Insurance Authority for the benefit of its employees; the income statement is charged with these contributions on an accrual basis and is included in the employee's benefit account.

##### 2.V.2 Profit share

The Bank pay a percentage of the cash profits expected to be distributed as employee's profit share through item "dividends declared" in the owners' equity, and as liability when the its approved by the shareholders general assembly, There is no recorded liability for the employees share in the unpaid dividends portion.

##### 2.V.3 Other retirement liability

The bank provides healthcare benefits to retirees and usually the benefits are granted under the condition that the retiree has reached the retirement age when employed by the bank and completes the minimum required service period, the expected costs are accrued during the period of services rendered by the employee under the defined benefit plans accounting method.

##### 2.V.4 Employee stock ownership plan (ESOP)

The extraordinary general assembly meeting held on 9 May 2017 approved the establishment of the employee stock ownership plan (ESOP) by granting after amending the bank's article of association according to the decision of the extraordinary general assembly meeting held on 23 March 2016 based on a proposal from the bank's board of directors on 29 February 2016, this plan will be applied on 9 August 2017 which is the date of the approval of the Egyptian Financial Supervisory Authority (EFSA) on this plan in accordance with the law.

Equity securities of this plan will be granted to the bank's executive members, departments' heads, general managers, first line managers and employees of the bank based on their annual performance and appraisal according to the bank's financial performance and personal performance report based on his functional grade.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 3. Summary of significant accounting policies – continued

#### 2.W Income tax

Income tax on the profit and loss for the year and deferred tax are recognized in the income statement except for income tax relating to items of equity that are recognized directly in equity.

The income tax is recognized based on net taxable profit using the tax rates applicable on the date of the balance sheet in addition to tax adjustments for previous years.

Deferred taxes arising from temporary time differences between the book value of assets and liabilities are recognized in accordance with the principles of accounting and value according to the foundation of the tax, this is determining the value of deferred tax on the expected manner to realize or settle the values of assets and liabilities, using tax rates applicable on the date of the balance sheet.

Deferred taxes assets of the bank recognized when there is likely to be possible to achieve profits subject to tax in the future to be possible through to use that asset, And is reducing the value of deferred tax assets with part of that will come from tax benefit expected during the following years that in the case of expected high benefit tax, deferred tax assets will increase within the limits of the above reduced.

#### 2.X Borrowings

Borrowings are recognized initially at fair value net of transaction costs incurred. Borrowings are subsequently stated at amortized cost.

#### 2.Y Capital Dividends

Dividends on ordinary shares and profit sharing are recognized as a charge of equity upon the general assembly approval, Profit sharing include the employee' Profit share and the board of director' remuneration as prescribed by the bank's articles of incorporation and the corporate law.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 3. Financial risk management

The Bank's activities expose it to variety financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks, Taking risk is core to the financial business, and the operational risks are an inevitable consequence of being in business, The bank's aim is therefore to achieve an appropriate balance between risk and rewards and minimize potential adverse effect on the Bank's financial performance, The most important types of financial risks are credit risk, market risk, liquidity risk and other operating risks, Also market risk includes exchange rate risk, rate of return risk and other prices risks.

The bank's risk management policies are designed to identify and analyze these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems, the bank regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

Risk management is carried out by risk department under policies approved by the Board of Directors; Bank treasury identifies, evaluates and hedges financial risks in close co-operation with the bank's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments; In addition, credit risk management is responsible for the independent review of risk management and control environment.

#### 3.A Credit risk

The Bank takes on exposure to credit risk, which is the risk that counterparty will cause a financial loss for the bank by failing to discharge an obligation, Management therefore carefully manages its exposure to credit risk, Credit exposures arise principally in loans and advances, dept., securities and other bills, There is also credit risk in off-balance sheet financial arrangement such as loan commitments, The credit risk management and control are centralized in a credit risk Management team in bank treasury and reported to the Board of Directors and Heads of each business unit regular.

##### 3.A.1 Credit risk measurement

###### Loans and advances to banks and customers

In measuring credit risk of Loans and facilities to banks and customers at counterparty level, the bank reflect three components.

- The 'probability of default' by the client or counterparty on its contractual obligation.
- Current exposures to the counterparty and its likely future development, from which the bank derive the 'exposure at default'.
- The likely recovery ratio on the defaulted obligation (the 'loss given default').

These credit risk measurements, which reflect expected loss (expected loss model) are required by the Basel committee on banking regulations and the supervisory practices (the Basel committee), and are embedded in the bank's daily operational management, The operational measurements can be contrasted with impairment allowance required under EAS 26, which are based on losses that have been incurred on the balance sheet data (incurred loss model) rather than expected losses.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 3. Financial risk management – continued

#### 3.A Credit risk – continued

##### 3.A.1 Credit risk measurement – continued

The bank assesses the probability of default of individual counterparties using internal rating tools tailored to the various categories of counterparty, they have been developed internally and combine statistical analysis with credit officer judgment and are validated, where appropriate, clients of the bank are segmented into four rating classes, the bank's rating scale, which is shown below, reflects the range of default probabilities defined for each rating class, this means that; In principle, exposures migrate between classes as the assessment of their probability of default changes, the rating tools are kept under review and upgraded as necessary, the bank regularly validates the performance of the rating and their predictive power with regard to default events.

##### Bank's internal ratings scale

Bank's rating	Description of the grade
1	Performing loans
2	Regular watching
3	Watch list
4	Non-performing loans

The amount of default represent the outstanding balances at the time when a late settlement occurred for example the loans expected amount of default represent its book value, for commitments the default amount represents all actual withdrawals in addition to any withdrawals that occurred till the date of the late payment if any.

Loss given default or loss severity represents the bank expectation of the extent of loss on a claim should default occur, It is expressed as percentage loss per unit of exposure and typically varies by type of counterparty, type and seniority of claim and availability of collateral or other credit mitigation.

##### Debt instruments, treasury bills and other bills

For Debt instruments and bills external rating such as standard and poor's rating or their equivalents are used for managing of the credit risk exposures, and if this rating is not available, then other ways similar to those used with the credit customers are uses, the investments in those securities and bills are viewed as a way to gain a better credit quality mapping and maintain a readily available source to meet the funding requirement at the same time.

##### 3.A.2 Risk limit and mitigation policies

The bank manages, limit and controls concentrations of credit risk wherever they are identified – in particular, to individual counterparties and banks, and to industries and countries.

The bank structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to geographical and industry segments, such risks are monitored on revolving basis and subject to an annual or more frequent review, when considered necessary, Limits on the level of credit risk by individual, counterparties, product, and industry sector and by country are approved quarterly by the board of directors

The exposure to any one borrower including banks and brokers is further restricted by sub-limits covering on and off-balance sheet exposures, and daily delivery risk limits in relation to trading items such as forward foreign exchange contracts, actual exposures against limits are monitored daily.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 3. Financial risk management – continued

#### 3.A Credit risk – continued

##### 3.A.2 Risk limit and mitigation policies – continued

Exposure to credit risk is also managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits where appropriate.

Some other specific control and mitigation measures are outlined below:

##### **Collaterals**

The bank sets a range of policies and practices to mitigate credit risk, the most traditional of these is the taking of security for funds advances, which is common practice, the bank implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation, The principal collateral types for loans and advances are:

- Mortgages over residential properties.
- Mortgages Business assets such as machines and inventory.
- Mortgages financial instruments such as debt securities and equities.

Longer-term finance and lending to corporate entities are generally secured; revolving individual credit facilities are generally unsecured, in addition, in order to minimize the credit loss the bank will seek additional collaterals from the counterparty as soon as impairment indicators are noticed for the relevant individual loans and advances.

Collateral held as security for financial assets other than loans and advances are determined by the nature of the instrument, debt securities, treasury and other governmental securities are generally unsecured, with the exception of asset-backed securities and similar instruments, which are secured by portfolios of financial instruments.

##### **Master netting arrangements**

The Bank further restricts its exposure to credit losses by entering into master netting arrangements with counterparties with which it undertakes a significant volume of transactions, master netting arrangements do not generally result in an offset of balance sheet assets and liabilities, as transactions are usually settled on gross basis, However, the credit risk associated with favorable contracts is reduced by a master netting arrangement to the extent that if a default occurs, all amounts with the counterparty are terminated and settled on a net basis, the bank overall exposure to credit risk on derivative instruments subject to master netting arrangements can change substantially within a short period, as it is affected by each transaction subject to the arrangement.

##### **Credit related commitments**

The primary purpose of these instruments is to ensure that funds are available to a customer as required.

Guarantees and standby letters of credit carry the same credit risk as loans, documentary and commercial letters of credit - which are written undertakings by the bank on behalf of a customer authorizing a third party to draw drafts on the bank up to a stipulated amount under specific terms and condition - are collateralized by underlying shipments of goods to which they relate and therefore carry less risk than a direct loan.

Commitments to extend credit represent unused portion of authorizations to extend credit in the form of loans, guarantees or letters of credit, With respect to credit risk on commitments to extend credit, the bank is potentially exposed to loss in an amount equal to the total unused commitments, However, the likely amount of loss is less than the total unused commitments, as most commitments to extend credit are contingent upon customers maintaining specific credit standards, the bank monitors the term to maturity of credit commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 3. Financial risk management – continued

#### 3.A Credit risk – continued

##### 3.A.3 Impairment and provisioning policies

The internal rating systems focus more on credit-quality at the inception of lending and investment activities, Conversely, for only financial reporting purposes impairment losses are recognized for that has been incurred on the balance sheet date when there is an objective evidence of impairment. Due to the different methodologies applied, the amount of incurred impairment losses in balance sheet are usually lower than the amount determined from the expected loss model that is used for internal operational management and CBE regulation purposes.

The impairment provision reported in the balance sheet at the end of the period is derived from the four internal rating grades; However, the majority of the impairment provision comes from the last two rating degrees.

The following table illustrates the proportional distribution of loans and advances reported in the balance sheet for each of the four internal credit risk ratings of the bank and their relevant impairment losses:

Bank's rating	Loans and advances		Impairment provision	
	% 31/12/2024	% 31/12/2023	% 31/12/2024	% 31/12/2023
Performing loans	<b>%9.64</b>	%14.39	<b>%0.03</b>	%0.14
Regular watching	<b>%80.19</b>	%74.61	<b>%17.01</b>	%16.20
Watch list	<b>%6.78</b>	%6.73	<b>%41.49</b>	%31.15
Non-performing loans	<b>%3.39</b>	%4.27	<b>%41.47</b>	%52.51
<b>Total</b>	<b>% 100</b>	%100	<b>%100</b>	%100

The internal rating tools assists management to determine whether objective evidence of impairment exists under EAS 26, based on the following criteria set out by the bank:

- Cash flow difficulties experienced by the borrower or debtor
- Breach of loan covenants or conditions
- It is becoming probable that the borrower will enter bankruptcy or financial re-organization. Deterioration of the borrower's competitive position.
- Bank granted concessions may not be approved under normal circumstances due to economic, legal reasons and financial difficulties facing the borrower.
- Deterioration of the collateral value.
- Deterioration of the credit situation.

The Bank's policy requires the review of all financial assets that are above materiality thresholds at least annually or more regularly when circumstances require, impairment provision on individually assessed accounts are determined by an evaluation of the incurred loss at balance sheet date, and are applied to all significant accounts individually, The assessment normally encompasses collateral held (including re-confirmation of its enforceability) and the anticipated receipt for that individual account, collective Impairment provisions are provided portfolios of homogenous assets by using the available historical loss experience, experienced judgment and statistical techniques.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 3. Financial risk management – continued

#### 3.A Credit risk – continued

##### 3.A.4 Pattern of measure the general banking risk

In addition to the four categories of the bank's internal credit rating indicated in note (3.A.1) management classifies loans and advances based on more detailed subgroups in accordance with the CBE regulations, Assets exposed to credit risk in these categories are classified according to detailed rules and terms depending heavily on information relevant to the customer, his activity, financial position and his repayment track record.

The Bank calculates required provisions for impairment of assets exposed to credit risk, including commitments relating to credit on the basis of rates determined by CBE, In case, the provision required for impairment losses as per CBE credit worthiness rules exceeds the required provision by the application used in balance sheet preparation in accordance with Egyptian Accounting Standards, that excess shall be debited to retained earnings and carried to the equity section, such reserve is always adjusted, on a regular basis, by any increase or decrease so, that reserve shall always be equivalent to the amount of increase between the two provisions, such reserve is not available for distribution, note no. (30.A) represents the movement of general bank risk reserve during the financial year.

Below is a statement of institutional worthiness according to internal ratings, compared to CBE ratings and rates of provisions needed for assets impairment related to credit risk:

CBE rating	Categorization	Provision %	Internal rating	Categorization
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	2	Regular watching
5	Acceptable risk	2	2	Regular watching
6	Marginally acceptable risk	3	3	Watch list
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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 3. Financial risk management – continued

#### 3.A Credit risk – continued

##### 3.A.5 Maximum exposure to credit risk before collateral held

	31 December 2024 L.E	31 December 2023 L.E
<b>In balance sheet items exposed to credit risk</b>		
Due from banks	27,053,985,045	8,980,567,835
Financial assets at (FVTPL) – debt instruments	26,692,625	13,412,904
Treasury bills and other governmental notes	11,840,061,380	11,080,404,214
<b>Loans and advances to customers</b>		
<b>Retail loans</b>		
- Overdraft	2,217,434,459	94,195,884
- Credit cards	272,695,647	178,308,968
- Personal loans	13,040,858,383	7,697,566,476
- Mortgage loans	516,003,032	396,231,622
<b>Corporate loans</b>		
- Overdraft	4,835,374,521	3,631,762,954
- Direct loans	16,533,244,586	13,606,926,961
- Syndicated loans	10,411,117,908	8,107,796,715
<b>Financial investments</b>		
- Debt instruments	33,910,202,589	29,639,069,090
Other assets	3,399,903,783	2,595,018,801
<b>Total</b>	<b>124,057,573,958</b>	<b>86,021,262,424</b>
<b>Off-balance sheet items exposed to credit risk</b>		
Letters of credit	599,194,000	20,838,000
Letters of guarantee	3,452,640,000	2,804,996,000
<b>Total</b>	<b>4,051,834,000</b>	<b>2,825,834,000</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 3. Financial risk management – continued

#### 3.A Credit risk – continued

##### 3.A.5 Maximum exposure to credit risk before collateral held

Due from banks	31 December 2024			Total
	Stage 1 12 months	Stage 2 Life time	Stage 3 Life time	
<b>Credit rating</b>				
Performing loans	27,053,985,045	--	--	27,053,985,045
Regular watching	--	--	--	--
Watch list	--	--	--	--
Non-performing loans	--	--	--	--
<b>Total</b>	<b>27,053,985,045</b>	<b>--</b>	<b>--</b>	<b>27,053,985,045</b>
Expected Credit Losses	(5,867,203)	--	--	(5,867,203)
<b>Book value</b>	<b>27,048,117,842</b>	<b>--</b>	<b>--</b>	<b>27,048,117,842</b>

Due from banks	31 December 2023			Total
	Stage 1 12 months	Stage 2 Life time	Stage 3 Life time	
<b>Credit rating</b>				
Performing loans	8,980,567,835	--	--	8,980,567,835
Regular watching	--	--	--	--
Watch list	--	--	--	--
Non-performing loans	--	--	--	--
<b>Total</b>	<b>8,980,567,835</b>	<b>--</b>	<b>--</b>	<b>8,980,567,835</b>
Expected Credit Losses	(15,531,495)	--	--	(15,531,495)
<b>Book value</b>	<b>8,965,036,340</b>	<b>--</b>	<b>--</b>	<b>8,965,036,340</b>

Treasury bills	31 December 2024			Total
	Stage 1 12 months	Stage 2 Life time	Stage 3 Life time	
<b>Credit rating</b>				
Performing loans	11,840,061,380	--	--	11,840,061,380
Regular watching	--	--	--	--
Watch list	--	--	--	--
Non-performing loans	--	--	--	--
<b>Total</b>	<b>11,840,061,380</b>	<b>--</b>	<b>--</b>	<b>11,840,061,380</b>
Expected Credit Loss	(27,913,682)	--	--	(27,913,682)
<b>Book value</b>	<b>11,812,147,698</b>	<b>--</b>	<b>--</b>	<b>11,812,147,698</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 3. Financial risk management – continued

#### 3.A Credit risk – continued

##### 3.A.5 Maximum exposure to credit risk before collateral held

Treasury bills	31 December 2023			Total
	Stage 1 12 months	Stage 2 Life time	Stage 3 Life time	
<b>Credit rating</b>				
Performing loans	11,080,404,214	--	--	11,080,404,214
Regular watching	--	--	--	--
Watch list	--	--	--	--
Non-performing loans	--	--	--	--
<b>Total</b>	11,080,404,214	--	--	11,080,404,214
Expected Credit Loss	(69,953,871)	--	--	(69,953,871)
<b>Book value</b>	11,010,450,343	--	--	11,010,450,343

Retail loans	31 December 2024			Total
	Stage 1 12 months	Stage 2 Life time	Stage 3* Life time	
<b>Credit rating</b>				
Performing loans	4,102,209,801	226,484,228	--	4,328,694,029
Regular watching	11,145,696,488	--	--	11,145,696,488
Watch list	--	316,578,721	--	316,578,721
Non-performing loans	--	--	256,022,283	256,022,283
<b>Total</b>	15,247,906,289	543,062,949	256,022,283	16,046,991,521
Expected Credit Loss	(155,357,504)	(53,828,862)	(242,492,232)	(451,678,598)
<b>Book value</b>	15,092,548,785	489,234,087	13,530,051	15,595,312,923

Retail loans	31 December 2023			Total
	Stage 1 12 months	Stage 2 Life time	Stage 3 Life time	
<b>Credit rating</b>				
Performing loans	3,204,015,929	260,340,696	--	3,464,356,625
Regular watching	4,524,291,341	--	--	4,524,291,341
Watch list	--	165,225,863	--	165,225,863
Non-performing loans	--	--	212,429,121	212,429,121
<b>Total</b>	7,728,307,270	425,566,559	212,429,121	8,366,302,950
Expected Credit Loss	(49,105,667)	(40,844,553)	(147,165,405)	(237,115,625)
<b>Book value</b>	7,679,201,603	384,722,006	65,263,716	8,129,187,325

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 3. Financial risk management – continued

#### 3.A Credit risk – continued

##### 3.A.5 Maximum exposure to credit risk before collateral held – continued

Corporate loans	31 December 2024			Total
	Stage 1 12 months	Stage 2 Life time	Stage 3 Life time	
<b>Credit rating</b>				
Performing loans	300,082,149	40,079	--	300,122,228
Regular watching	26,959,405,853	288,159,308	--	27,247,565,161
Watch list	664,790,260	2,197,238,710	--	2,862,028,970
Non-performing loans	1,370,020,656	--	--	1,370,020,656
<b>Total</b>	<b>27,924,278,262</b>	<b>2,485,438,097</b>	<b>1,370,020,656</b>	<b>31,779,737,015</b>
Expected Credit Loss	(369,624,779)	(1,062,045,263)	(921,830,233)	(2,353,500,275)
<b>Book value</b>	<b>27,554,653,483</b>	<b>1,423,392,834</b>	<b>448,190,423</b>	<b>29,426,236,740</b>

Corporate loans	31 December 2023			Total
	Stage 1 12 months	Stage 2 Life time	Stage 3 Life time	
<b>Credit rating</b>				
Performing loans	1,387,374,880	43,115	--	1,387,417,995
Regular watching	20,555,268,430	72,380,839	--	20,627,649,269
Watch list	281,321,868	1,821,605,414	--	2,102,927,282
Non-performing loans	--	--	1,228,492,084	1,228,492,084
<b>Total</b>	<b>22,223,965,178</b>	<b>1,894,029,368</b>	<b>1,228,492,084</b>	<b>25,346,486,630</b>
Expected Credit Loss	(257,444,451)	(515,788,858)	(807,617,531)	(1,580,850,840)
<b>Book value</b>	<b>21,966,520,727</b>	<b>1,378,240,510</b>	<b>420,874,553</b>	<b>23,765,635,790</b>

Debt instruments at fair value through OCI	31 December 2024			Total
	Stage 1 12 months	Stage 2 Life time	Stage 3 Life time	
<b>Credit rating</b>				
Performing loans	10,255,052,310	--	--	10,255,052,310
Regular watching	--	--	--	--
Watch list	--	--	--	--
Non-performing loans	--	--	--	--
<b>Total</b>	<b>10,255,052,310</b>	<b>--</b>	<b>--</b>	<b>10,255,052,310</b>
Expected Credit Loss	(28,712,191)	--	--	(28,712,191)
<b>Book value</b>	<b>10,226,340,119</b>	<b>--</b>	<b>--</b>	<b>10,226,340,119</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 3. Financial risk management – continued

#### 3.A Credit risk – continued

##### 3.A5 Maximum exposure to credit risk before collateral held – continued

Debt instruments at fair value through OCI	31 December 2023			Total
	Stage 1 12 months	Stage 2 Life time	Stage 3 Life time	
<b>Credit rating</b>				
Performing loans	12,518,325,000	--	--	12,518,325,000
Regular watching	--	--	--	--
Watch list	--	--	--	--
Non-performing loans	--	--	--	--
<b>Total</b>	12,518,325,000	--	--	12,518,325,000
Expected Credit Loss	(46,230,750)	--	--	(46,230,750)
<b>Book value</b>	12,472,094,250	--	--	12,472,094,250

Debt instruments at amortized cost	31 December 2024			Total
	Stage 1 12 months	Stage 2 Life time	Stage 3 Life time	
<b>Credit rating</b>				
Performing loans	23,655,150,279	--	--	23,655,150,279
Regular watching	--	--	--	--
Watch list	--	--	--	--
Non-performing loans	--	--	--	--
<b>Total</b>	23,655,150,279	--	--	23,655,150,279
Expected Credit Loss	(75,532,843)	--	--	(75,532,843)
<b>Book value</b>	23,579,617,436	--	--	23,579,617,436

Debt instruments at amortized cost	31 December 2023			Total
	Stage 1 12 months	Stage 2 Life time	Stage 3 Life time	
<b>Credit rating</b>				
Performing loans	17,120,744,090	--	--	17,120,744,090
Regular watching	--	--	--	--
Watch list	--	--	--	--
Non-performing loans	--	--	--	--
<b>Total</b>	17,120,744,090	--	--	17,120,744,090
Expected Credit Loss	(241,254,380)	--	--	(241,254,380)
<b>Book value</b>	16,879,489,710	--	--	16,879,489,710

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 3. Financial risk management – continued

#### 3.A Credit risk – continued

##### 3.A.5 Maximum exposure to credit risk before collateral held – continued

The following table shows changes in impairment credit losses between the beginning and ending of the year ended as a result of these factors:

Due from banks	31 December 2024			Total
	Stage 1 12 months	Stage 2 Life time	Stage 3 Life time	
<b>Provision for credit losses on 1 January 2024</b>	<b>15,531,495</b>	--	--	<b>15,531,495</b>
New financial assets purchased or issued	--	--	--	--
Matured or disposed financial assets	<b>(12,556,495)</b>	--	--	<b>(12,556,495)</b>
Transferred to stage 1	--	--	--	--
Transferred to stage 2	--	--	--	--
Transferred to stage 3	--	--	--	--
Changes in the probability of default and loss in case of default and the exposure at default	--	--	--	--
Changes in model assumption and methodology	--	--	--	--
Write off during the year	--	--	--	--
Foreign currencies translation differences	<b>2,892,203</b>	--	--	<b>2,892,203</b>
<b>Balance at the end of the year</b>	<b>5,867,203</b>	--	--	<b>5,867,203</b>

Due from banks	31 December 2023			Total
	Stage 1 12 months	Stage 2 Life time	Stage 3 Life time	
<b>Provision for credit losses on 1 January 2023</b>	6,405,193	--	--	6,405,193
New financial assets purchased or issued	--	--	--	--
Matured or disposed financial assets	--	--	--	--
Transferred to stage 1	--	--	--	--
Transferred to stage 2	--	--	--	--
Transferred to stage 3	--	--	--	--
Changes in the probability of default and loss in case of default and the exposure at default	7,532,960	--	--	7,532,960
Changes in model assumption and methodology	--	--	--	--
Write off during the year	--	--	--	--
Foreign currencies translation differences	1,593,342	--	--	1,593,342
<b>Balance at the end of the year</b>	<b>15,531,495</b>	--	--	<b>15,531,495</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 3. Financial risk management – continued

#### 3.A Credit risk – continued

##### 3.A.5 Maximum exposure to credit risk before collateral held – continued

Treasury bills	31 Decedmber 2024			Total
	Stage 1 12 months	Stage 2 Life time	Stage 3 Life time	
<b>Provision for credit losses on 1 January 2024</b>	<b>69,953,871</b>	--	--	<b>69,953,871</b>
New financial assets purchased or issued	--	--	--	--
Matured or disposed financial assets	<b>(53,880,403)</b>	--	--	<b>(53,880,403)</b>
Transferred to stage 1	--	--	--	--
Transferred to stage 2	--	--	--	--
Transferred to stage 3	--	--	--	--
Changes in the probability of default and loss in case of default and the exposure at default	--	--	--	--
Changes in model assumption and methodology	--	--	--	--
Write off during the year	--	--	--	--
Foreign currencies translation differences	<b>11,840,214</b>	--	--	<b>11,840,214</b>
<b>Balance at the end of the year</b>	<b>27,913,682</b>	--	--	<b>27,913,682</b>

Treasury bills	31 December 2023			Total
	Stage 1 12 months	Stage 2 Life time	Stage 3 Life time	
<b>Provision for credit losses on 1 January 2023</b>	14,544,505	--	--	14,544,505
New financial assets purchased or issued	--	--	--	--
Matured or disposed financial assets	--	--	--	--
Transferred to stage 1	--	--	--	--
Transferred to stage 2	--	--	--	--
Transferred to stage 3	--	--	--	--
Changes in the probability of default and loss in case of default and the exposure at default	51,411,996	--	--	51,411,996
Changes in model assumption and methodology	--	--	--	--
Write off during the year	--	--	--	--
Foreign currencies translation differences	3,997,370	--	--	3,997,370
<b>Balance at the end of the year</b>	<b>69,953,871</b>	--	--	<b>69,953,871</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 3. Financial risk management – continued

#### 3.B Credit risk – continued

##### 3.A.5 Maximum exposure to credit risk before collateral held – continued

Retail loans	31 December 2024			Total
	Stage 1	Stage 2	Stage 3	
	12 months	Life time	Life time	
<b>Provision for credit losses on 1 January 2024</b>	<b>49,105,667</b>	<b>40,844,553</b>	<b>147,165,405</b>	<b>237,115,625</b>
New financial assets purchased or issued	115,681,455	31,112,686	31,424,468	178,218,609
Matured or disposed financial assets	(8,412,822)	(17,941,492)	(40,637,823)	(66,992,137)
Transferred to stage 1	519,178	(441,137)	(78,041)	--
Transferred to stage 2	(18,354,891)	18,596,504	(241,613)	--
Transferred to stage 3	(76,466,611)	(32,181,870)	108,648,481	--
Changes in the probability of default and loss in case of default and the exposure at default	93,284,804	13,838,325	38,412,008	145,535,137
Changes in model assumption and methodology	--	--	--	--
Proceeds from bad debts	--	--	21,004,637	21,004,637
Write off during the year	--	--	(63,248,135)	(63,248,135)
Foreign currencies translation differences	724	1,293	42,845	44,862
<b>Balance at the end of the year</b>	<b>155,357,504</b>	<b>53,828,862</b>	<b>242,492,232</b>	<b>451,678,598</b>

Retail loans	31 December 2023			Total
	Stage 1	Stage 2	Stage 3	
	12 months	Life time	Life time	
<b>Provision for credit losses on 1 January 2023</b>	<b>49,176,895</b>	<b>36,410,323</b>	<b>140,220,346</b>	<b>225,807,564</b>
New financial assets purchased or issued	21,348,753	7,741,316	3,632,807	32,722,876
Matured or disposed financial assets	(9,440,675)	(17,753,543)	(13,688,044)	(40,882,262)
Transferred to stage 1	771,722	(687,574)	(84,148)	--
Transferred to stage 2	(26,831,517)	28,104,988	(1,273,471)	--
Transferred to stage 3	(46,367,954)	(18,807,351)	65,175,305	--
Changes in the probability of default and loss in case of default and the exposure at default	60,448,345	5,836,319	(16,413,604)	49,871,060
Changes in model assumption and methodology	--	--	--	--
Proceeds from bad debts	--	--	25,189,936	25,189,936
Write off during the year	--	--	(55,609,771)	(55,609,771)
Foreign currencies translation differences	98	75	16,049	16,222
<b>Balance at the end of the year</b>	<b>49,105,667</b>	<b>40,844,553</b>	<b>147,165,405</b>	<b>237,115,625</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 3. Financial risk management – continued

#### 3.A Credit risk – continued

##### 3.A.5 Maximum exposure to credit risk before collateral held – continued

Corporate loans	31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
	12 months	Life time	Life time	
<b>Provision for credit losses on 1 January 2024</b>	<b>257,444,451</b>	<b>515,788,858</b>	<b>807,617,531</b>	<b>1,580,850,840</b>
Adjustments	(4,828,335)	--	--	(4,828,335)
New financial assets purchased or issued	38,214,530	38,512	42,653	38,295,695
Matured or disposed financial assets	(1,161,745)	(272,809,357)	(37,104,961)	(311,076,063)
Transferred to stage 1	37,163,072	(36,992,397)	(170,675)	--
Transferred to stage 2	(33,452,320)	33,454,565	(2,245)	--
Transferred to stage 3	(38,041)	(11,901,223)	11,939,264	--
Changes in the probability of default and loss in case of default and the exposure at default	37,192,356	940,392,448	(122,931,750)	854,653,054
Changes in model assumption and methodology	--	--	--	--
Proceeds from bad debts	--	--	851,200	851,200
Transferred from other provisions	--	--	--	--
Write off during the year	--	(272,318,015)	(44,023,794)	(316,341,809)
Foreign currencies translation differences	38,995,699	166,486,984	305,613,010	511,095,693
<b>Balance at the end of the year</b>	<b>369,529,667</b>	<b>1,062,140,375</b>	<b>921,830,233</b>	<b>2,353,500,275</b>

Corporate loans	31 December 2023			
	Stage 1	Stage 2	Stage 3	Total
	12 months	Life time	Life time	
<b>Provision for credit losses on 1 January 2023</b>	<b>207,845,721</b>	<b>390,297,365</b>	<b>723,242,519</b>	<b>1,321,385,605</b>
New financial assets purchased or issued	62,543,113	311,965	32,131	62,887,209
Matured or disposed financial assets	(6,882,668)	(15,052,967)	(46,672,006)	(68,607,641)
Transferred to stage 1	91,533,663	(73,980,620)	(17,553,043)	--
Transferred to stage 2	(116,084,200)	116,869,117	(784,917)	--
Transferred to stage 3	(14,376)	(33,391,555)	33,405,931	--
Changes in the probability of default and loss in case of default and the exposure at default	162,471	126,473,169	88,861,969	215,497,609
Changes in model assumption and methodology	--	--	--	--
Proceeds from bad debts	--	--	279,989	279,989
Transferred from other provisions	--	--	--	--
Write off during the year	--	--	(71,670,200)	(71,670,200)
Foreign currencies translation differences	18,340,727	4,262,384	98,475,158	121,078,269
<b>Balance at the end of the year</b>	<b>257,444,451</b>	<b>515,788,858</b>	<b>807,617,531</b>	<b>1,580,850,840</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 3. Financial risk management – continued

#### 3.A Credit risk – continued

##### 3.A.5 Maximum exposure to credit risk before collateral held – continued

31 December 2024				
Debt instruments at fair value through OCI	Stage 1 12 months	Stage 2 Life time	Stage 3 Life time	Total
<b>Provision for credit losses on 1 January 2024</b>	<b>46,230,750</b>	--	--	<b>46,230,750</b>
New financial assets purchased or issued	--	--	--	--
Matured or disposed financial assets	<b>(25,398,898)</b>	--	--	<b>(25,398,898)</b>
Transferred to stage 1	--	--	--	--
Transferred to stage 2	--	--	--	--
Transferred to stage 3	--	--	--	--
Changes in the probability of default and loss in case of default and the exposure at default	--	--	--	--
Changes in model assumption and methodology	--	--	--	--
Write off during the year	--	--	--	--
Foreign currencies translation differences	<b>7,880,339</b>	--	--	<b>7,880,339</b>
<b>Balance at the end of the year</b>	<b>28,712,191</b>	--	--	<b>28,712,191</b>

31 December 2023				
Debt instruments at fair value through OCI	Stage 1 12 months	Stage 2 Life time	Stage 3 Life time	Total
<b>Provision for credit losses on 1 January 2023</b>	48,479,987	--	--	48,479,987
New financial assets purchased or issued	--	--	--	--
Matured or disposed financial assets	--	--	--	--
Transferred to stage 1	--	--	--	--
Transferred to stage 2	--	--	--	--
Transferred to stage 3	--	--	--	--
Changes in the probability of default and loss in case of default and the exposure at default	(14,039,187)	--	--	(14,039,187)
Changes in model assumption and methodology	--	--	--	--
Write off during the year	--	--	--	--
Foreign currencies translation differences	11,789,950	--	--	11,789,950
<b>Balance at the end of the year</b>	<b>46,230,750</b>	--	--	<b>46,230,750</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 3. Financial risk management – continued

#### 3.A Credit risk – continued

##### 3.A.5 Maximum exposure to credit risk before collateral held – continued

Debt instruments at amortized cost	31 December 2024			Total
	Stage 1 12 months	Stage 2 Life time	Stage 3 Life time	
<b>Provision for credit losses on 1 January 2024</b>	<b>241,254,380</b>	--	--	<b>241,254,380</b>
New financial assets purchased or issued	--	--	--	--
Matured or disposed financial assets	<b>(202,813,640)</b>	--	--	<b>(202,813,640)</b>
Transferred to stage 1	--	--	--	--
Transferred to stage 2	--	--	--	--
Transferred to stage 3	--	--	--	--
Changes in the probability of default and loss in case of default and the exposure at default	--	--	--	--
Changes in model assumption and methodology	--	--	--	--
Write off during the year	--	--	--	--
Foreign currencies translation differences	<b>37,092,103</b>	--	--	<b>37,092,103</b>
<b>Balance at the end of the year</b>	<b>75,532,843</b>	--	--	<b>75,532,843</b>

Debt instruments at amortized cost	31 December 2023			Total
	Stage 1 12 months	Stage 2 Life time	Stage 3 Life time	
<b>Provision for credit losses on 1 January 2023</b>	17,071,162	--	--	17,071,162
New financial assets purchased or issued	--	--	--	--
Matured or disposed financial assets	--	--	--	--
Transferred to stage 1	--	--	--	--
Transferred to stage 2	--	--	--	--
Transferred to stage 3	--	--	--	--
Changes in the probability of default and loss in case of default and the exposure at default	219,410,208	--	--	219,410,208
Changes in model assumption and methodology	--	--	--	--
Write off during the year	--	--	--	--
Foreign currencies translation differences	4,773,010	--	--	4,773,010
<b>Balance at the end of the year</b>	<b>241,254,380</b>	--	--	<b>241,254,380</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 3. Financial risk management – continued

#### 3.A Credit risk – continued

##### 3.A.5 Maximum exposure to credit risk before collateral held – continued

The above table represents the maximum limit for credit risk as of 31 December 2024 and 31 December 2023, without taking into considerations any collateral, for on-balance-sheet items, amounts stated depend on net carrying amounts shown in the balance sheet.

As shown in the preceding table 38.55% of the total maximum limit exposed to credit risk resulted from loans and advances to customers against 39.21% as at 31 December 2023; While 30.07% represents investments in debt instruments against 47.36 %as at 31 December 2023.

The management is confident of its ability to maintain control on an ongoing basis and maintain the minimum credit risk resulting from loans and advances, and debt instruments as follows:

- 94.50%of the loans and advances portfolio are classified at the highest two ratings in the internal rating %93.14against as at 31 December 2023.
- 92.14%of the loans and advances portfolio has no past due or impairment indicators against 88.96% as at 31 December 2023.
- The bank has applied a more conservative selection plan for the granted loans during the year ended 30 September 2024.
- Investments in debt instruments and treasury bills contain more than 99.998% against 99.97% as at 31 December 2023 due from the Egyptian government.

##### 3.A.6 Loans and advances

	<b>31 December 2024</b>	31 December 2023
	<b>Loans and advances to customers L.E.</b>	Loans and advances to customers L.E.
Neither past due nor impaired	<b>44,067,509,459</b>	29,991,819,965
Past due but not impaired	<b>2,210,848,318</b>	2,376,145,218
Individually impaired	<b>1,548,370,759</b>	1,344,824,397
<b>Gross</b>	<b>47,826,728,536</b>	33,712,789,580
less: impairment losses, advances and restricted interests in suspense	<b>(2,805,320,989)</b>	(1,818,360,986)
<b>Net</b>	<b>45,021,407,547</b>	31,894,428,594

- As a result to the economic and political circumstances in Egypt loans and advances portfolios has increase 41.87 % as of 31 December 2024 compared to its balance at 31 December 2023.
- Note (17) includes additional information regarding impairment loss on loans and advances to customers.
- The credit quality of the loans and advances portfolio that neither has past due nor subject to impairment is determined by the internal rating of the bank.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 3. Financial risk management – continued

#### 3.A Credit risk – continued

##### 3.A.6 Loans and advances – continued

##### Loans and advances to customers and banks (net)

	31 December 2024								
	Retail				Corporate				Total loans and advances to customers
	Overdraft	Credit cards	Personal loans	Mortgage Loans	Overdraft	Direct loans	Syndicated loans		
L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.		
Performing	19,188,086	117,262,648	4,191,742,798	--	89,278	249,329,280	50,266,766	4,627,878,856	
Regular follow up	2,092,241,773	100,818,669	8,290,177,874	506,345,533	4,318,431,973	14,977,728,654	7,630,440,808	37,916,185,284	
Watch list	50,897,881	3,568,179	205,943,204	2,663,494	176,311,704	782,386,676	793,061,178	2,014,832,316	
Non-performing	885	--	14,359,083	--	26,316,535	78,774,366	343,060,222	462,511,091	
<b>Total</b>	<b>2,162,328,625</b>	<b>221,649,496</b>	<b>12,702,222,959</b>	<b>509,009,027</b>	<b>4,521,149,490</b>	<b>16,088,218,976</b>	<b>8,816,828,974</b>	<b>45,021,407,547</b>	

According to the bank's internal rating scale, the loans granted to retail customers are considered regular follow up.

	31 December 2023								
	Retail				Corporate				Total loans and advances to customers
	Overdraft	Credit cards	Personal loans	Mortgage	Overdraft	Direct loans	Syndicated loans		
L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.		
Performing	27,343,472	105,428,199	3,330,185,872	-	317,946,031	1,000,911,581	67,351,986	4,849,167,141	
Regular follow up	63,295,313	68,519,446	3,957,225,881	386,118,470	3,002,100,022	11,788,885,253	5,591,191,726	24,857,336,111	
Watch list	40,200	817,877	121,632,492	3,198,475	18,430,006	399,147,931	1,158,678,999	1,701,945,980	
Non-performing	--	186,188	59,775,560	5,317,064	34,158,831	38,126,495	348,415,224	485,979,362	
<b>Total</b>	<b>90,678,985</b>	<b>174,951,710</b>	<b>7,468,819,805</b>	<b>394,634,009</b>	<b>3,372,634,890</b>	<b>13,227,071,260</b>	<b>7,165,637,935</b>	<b>31,894,428,594</b>	

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 3. Financial risk management – continued

#### 3.A Credit risk – continued

##### 3.A.6 Loans and advances – continued

##### Loans and advances past due but not impaired

Loans and advances less than 90 days past due are not considered impaired, unless there is an objective evidence of impairment:

Retail	31 December 2024			
	Credit cards	Personal loans	Mortgage	Total
	L.E.	L.E.	L.E.	L.E.
Past due up to 30 days	4,458,651	1,032,100,176	23,518	1,036,582,345
Past due from 30 to 60 days	590,152	161,296,937	15,518	161,902,607
Past due from 60 to 90 days	170,056	59,591,088	35,939	59,797,083
<b>Total</b>	<b>5,218,859</b>	<b>1,252,988,201</b>	<b>74,975</b>	<b>1,258,282,035</b>

Corporate	31 December 2024			
	Overdraft	Direct loans	Syndicated loans	Total
	L.E.	L.E.	L.E.	L.E.
Past due up to 30 days	14,060,575	400,881,507	--	414,942,082
Past due from 30 to 60 days	6,386,147	203,544,859	--	209,931,006
Past due from 60 to 90 days	10,610,995	57,578,375	259,503,825	327,693,195
<b>Total</b>	<b>31,057,717</b>	<b>662,004,741</b>	<b>259,503,825</b>	<b>952,566,283</b>

Retail	31 December 2023			
	Credit cards	Personal loans	Mortgage	Total
	L.E.	L.E.	L.E.	L.E.
Past due up to 30 days	616,751	600,774,763	20,780	601,412,294
Past due from 30 to 60 days	257,424	167,437,088	16,615	167,711,127
Past due from 60 to 90 days	89,654	42,168,175	86,296	42,344,125
<b>Total</b>	<b>963,829</b>	<b>810,380,026</b>	<b>123,691</b>	<b>811,467,546</b>

Corporate	31 December 2023			
	Overdraft	Direct loans	Syndicated loans	Total
	L.E.	L.E.	L.E.	L.E.
Past due up to 30 days	4,770,021	622,759,706	--	627,529,727
Past due from 30 to 60 days	1,340,106	53,745,664	--	55,085,770
Past due from 60 to 90 days	--	78,348,901	803,713,274	882,062,175
<b>Total</b>	<b>6,110,127</b>	<b>754,854,271</b>	<b>803,713,274</b>	<b>1,564,677,672</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 3. Financial risk management – continued

#### 3.A Credit risk – continued

##### 3.A.6 Loans and advances – continued

###### Individually impaired loans

###### Loans and advances to customers

Loans and advances subject to individual impairment before taking into consideration cash flows from guarantees in 30 September 2024 amounted to EGP 1,548,370,759 against EGP 1,344,824,397 as of 31 December 2023.

The breakdown of the total loans and advances subject to individual impairment including fair value of collateral obtained by the bank against these loans is as follows:

	Individual				Corporate			Total L.E.
	Overdraft L.E.	Credit cards L.E.	Personal loans L.E.	Mortgage loans L.E.	Overdraft L.E.	Direct Loans L.E.	Syndicated Loans L.E.	
Individually impaired loans 31 December 2024	--	1,865,012	176,456,232	28,859	262,636,693	248,819,996	858,563,967	1,548,370,759
Individually impaired loans 31 December 2023	4,955	346,131	115,904,705	76,521	254,784,297	237,738,463	735,969,325	1,344,824,397

###### Loans and advances Restructured

Restructuring activities include renegotiating in terms of payments terms extension, restructure of mandatory management policies, and adjusting ,postponing repayment terms, renegotiating policies depend on indicators or standards in addition to the management personal judgment to show that regular payments are of high probability, these policies are subject to regular review, Long-term loans, especially loans to customers are usually subject to renegotiation, total renegotiated loans reached EGP 6,815,528 thousand at 31 December 2024 against EGP 3,883,974thousand at 31 December 2023.

	31 December 2024 In thousand EGP	31 December 2023 In thousand EGP
<b>Loans and advances to customers</b>		
<b>Corporate</b>		
- Direct Loans	6,815,528	3,883,974
<b>Total</b>	<b>6,815,528</b>	<b>3,883,974</b>

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

The table below shows an analysis of debt instruments, treasury bills and other governmental notes by rating agency designation at end of financial year, based on standard & Poor's and their equivalent.

	Treasury bills L.E.	Investments securities L.E.	Total L.E.
From A to +AA	--	788,251	788,251
- B	45,960,817,871	--	45,960,817,871
<b>Total</b>	<b>45,960,817,871</b>	<b>788,251</b>	<b>45,961,606,122</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 3. Financial risk management – continued

#### 3.B Market risk

The bank is exposed to market risks of the fair value or future cash flow fluctuation resulting from changes in market prices, Market risks arise from open market related to interest rate, currency, and equity products represented in each of which is exposed to general and specific market movements and changes in sensitivity levels of market rates or prices such as interest rates, foreign exchange rates and equity instrument prices, the bank divides its exposure to market risk into trading and non-trading portfolios.

The market risk management department is responsible for managing the market risks arising from trading and non-trading activities which are monitored by two separate teams, regular reports are submitted to the Board of Directors and each business unit head, trading portfolios include transactions where the Bank deals direct with clients or with the market; Non-trading portfolios include positions that primarily arise from the interest rate management of the group's retail and commercial banking assets and liabilities, non-trading portfolios also includes foreign exchange risk and equity instruments risks arising from the bank's held to maturity and available for sale investments.

#### 3.B.1 Market risk measurement techniques

As part of market risk management the bank undertakes various hedging strategies and enters into swaps to match the interest rate risk associated with the fixed-rate long-term loans if the fair value option has been applied, the major measurement techniques used to control market risk are outlined below:

##### Stress Testing

Stress testing provides an indicator of the expected losses that may arise from sharp adverse circumstances, stress testing is designed to match business using standard analysis for specific scenarios, the stress testing is carried out by the bank treasury and includes risk factor stress testing where sharp movements are applied to each risk category and test emerging market stress, as emerging market are subject to sharp movements, and subject to special stress testing including possible events effect specific positions or regions - for example the stress outcome to a region applying a free currency rate, The results of the stress testing are reviewed by Top Management and the Board of Directors.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 3. Financial risk management – continued

#### 3.B Market risk – continued

##### 3.B.2 Foreign exchange volatility risk

The bank is exposed to foreign exchange volatility risk in terms of the financial position and cash flows, The Board of Directors set aggregate limits for foreign exchange for each position at the end of the day, and during the day which is controlled on timely basis, the following table summarizes the bank' exposure to foreign exchange volatility risk at the end of the financial year and includes the carrying amounts of the financial instruments in currencies:

Amount to the nearest EGP equivalent

	EGP	USD	GBP	EUR	Other currencies	Total
<b>Financial assets as of 31 December 2024</b>						
Cash and balances with the CBE	12,999,088,710	227,046,488	10,727,923	73,257,863	20,967,873	13,331,088,857
Due from Banks	16,998,005,335	7,251,878,495	79,626,676	2,662,639,819	55,967,517	27,048,117,842
Treasury bills	1,199,934,020	9,656,787,619	--	983,339,741	--	11,840,061,380
Loans and advances to customers	35,175,713,792	9,917,076,852	7,976	108,104	10,327	45,092,917,051
<b>Financial investments:</b>						
-At fair value through profit and loss	26,692,625	--	--	--	--	26,692,625
- At fair value through OCI	7,513,333,443	2,959,833,082	--	342,069,129	--	10,815,235,654
- At amortized cost	14,838,470,284	7,640,414,821	--	1,100,732,331	--	23,579,617,436
<b>Total financial assets</b>	<b>88,751,238,209</b>	<b>37,653,037,357</b>	<b>90,362,575</b>	<b>5,162,146,987</b>	<b>76,945,717</b>	<b>131,733,730,845</b>
<b>Financial liabilities 31 December 2024</b>						
Due to banks	4,399,999,999	507,944,212	131	3,038,699,858	48,494	7,946,692,694
Customer deposits	76,951,004,958	32,281,246,358	96,279,396	2,177,017,381	70,500,452	111,576,048,545
Other loans \ Subordinated deposits	1,250,000,000	3,304,522,000	--	--	--	4,554,522,000
<b>Total financial liabilities</b>	<b>82,601,004,957</b>	<b>36,093,712,570</b>	<b>96,279,527</b>	<b>5,215,717,239</b>	<b>70,548,946</b>	<b>124,077,263,239</b>
<b>Net financial position 31 December 2024</b>	<b>6,150,233,252</b>	<b>1,559,324,787</b>	<b>(5,916,952)</b>	<b>(53,570,252)</b>	<b>6,396,771</b>	<b>7,656,467,606</b>

Financial assets and Liabilities as of 31 December 2023

Total financial assets	69,028,404,289	21,807,136,955	13,352,115	1,868,043,046	24,719,759	92,741,656,164
Total financial liabilities	62,272,880,609	22,958,046,276	154,620,071	1,917,841,903	27,950,329	87,331,339,188
<b>Net financial position 31 December 2023</b>	<b>6,755,523,680</b>	<b>(1,150,909,321)</b>	<b>(141,267,956)</b>	<b>(49,798,857)</b>	<b>(3,230,570)</b>	<b>5,410,316,976</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 3. Financial risk management – continued

#### 3.B Market risk – continued

##### 3.B.3 Interest rate risk

The bank is exposed to the effect of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Cash flow interest rate risk is the risk of fluctuation in future cash flows of a financial instrument due to changes in market interest rates. Fair value interest rate risk is the risk whereby the value of a financial instrument fluctuates because of changes in market interest rates, Interest margins may increase as a result of such changes but profit may decrease in the event that unexpected movements arise. The Board sets limits on the level of mismatch of interest rate reprising that may be undertaken and is monitored daily.

The table below summarizes the bank's exposure to interest rate risks. It includes the bank's financial instruments at carrying amounts, categorized by the earlier of re-pricing or contractual maturity dates:

	Up to one Month	1-3 Months	3-12 Months	1-5 years	Over 5 years	Total
<b>Financial assets as of 31 December 2024</b>						
Cash and balances with the CBE	17,110,707,085	3,420,774,830	--	--	--	20,531,481,915
Due from Banks	6,517,784,161	102,269,307	--	--	--	6,620,053,468
Treasury bills	177,825,000	8,230,608,960	3,722,952,540	--	--	12,131,386,500
Bonds and other financial instruments	497,591,661	10,870,652,581	11,859,628,831	12,290,254,291	1,898,797,863	37,416,925,227
Performing loans and advances to customers	39,103,611,725	2,987,367,969	2,670,657,199	7,748,405,367	1,136,967,786	53,647,010,046
Non performing loans and advances to customers	--	--	--	--	367,602,135	367,602,135
Other Assets	--	60,876,927	--	--	--	60,876,927
<b>Total financial assets</b>	<b>63,407,519,632</b>	<b>25,672,550,574</b>	<b>18,253,238,570</b>	<b>20,038,659,658</b>	<b>3,403,367,784</b>	<b>130,775,336,218</b>
<b>Financial liabilities as of 31 December 2024</b>						
Due to banks	7,966,676,039	--	--	--	--	7,966,676,039
Demand deposits	28,081,265,583	3,474,891,819	10,424,675,457	14,744,762,931	--	56,725,595,790
Saving deposits	780,669,773	147,130,130	441,390,391	735,017,720	--	2,104,208,014
Time and call deposits	32,315,850,725	6,281,231,179	5,455,720,455	4,218,156,746	--	48,270,959,105
Certificates of deposits	739,423,370	1,086,932,435	1,085,546,217	7,438,625,241	5,185,595	10,355,712,858
Long term loans	--	1,284,598,426	26,842,896	90,852,877	3,304,522,000	4,706,816,199
<b>Total financial liabilities</b>	<b>69,883,885,490</b>	<b>12,274,783,989</b>	<b>17,434,175,416</b>	<b>27,227,415,515</b>	<b>3,309,707,595</b>	<b>130,129,968,005</b>
<b>Net financial position 31 December 2024</b>	<b>(6,476,365,858)</b>	<b>13,397,766,585</b>	<b>819,063,154</b>	<b>(7,188,755,857)</b>	<b>93,660,189</b>	<b>645,368,213</b>
Financial assets and liabilities as of 31 December 2023						
Total financial assets	30,711,806,935	19,123,895,917	18,232,103,314	15,837,809,815	3,766,320,868	87,671,936,849
Total financial liabilities	37,466,026,816	14,369,414,131	18,622,521,597	19,231,505,271	1,924,384,717	91,613,852,532
Re-pricing gap	(6,754,219,881)	4,754,481,786	(390,418,283)	(3,393,695,456)	1,841,936,151	(3,941,915,683)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 3. Financial risk management – continued

#### 3.C Liquidity risk

Liquidity risk represents difficulty encountering the bank in meeting its financial commitments when they fall due or to replace funds when they are withdrawn, this may result in failure in fulfilling the bank's obligation to repay to the depositors and fulfilling lending commitments.

#### **Liquidity risk management**

The bank's liquidity management process carried out by the market risk management department includes:

- Daily funding is managed by monitoring future cash flows to ensure that all requirements can be met, this includes availability of liquidity when due or borrowed by customers, to ensure that the Bank reaches its objective it maintains an active presence in global money markets.
- The Bank maintains a portfolio of highly marketable that ,are assumed to be easily liquidated in the event of an unforeseen interruption of cash flow
- Monitoring liquidity ratios are according to internal requirements and Central Bank of Egypt requirements,
- Managing loans concentration and dues.

For monitoring and reporting purposes, the Bank calculates the expected cash flow and liquidity are expected and monitored on the next day, week and month basis, which are the main times to manage liquidity the starting point to calculate these expectations is through analyzing the financial liabilities dues and expected financial assets collections.

The market risk management department monitors the mismatch between medium term assets, the level and nature of unused loans limits, overdraft utilizations, and the effect of contingent liabilities such as letters of guarantees and letters of credit.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 3. Financial risk management – continued

#### 3.C Liquidity risk – continued

##### Funding approach

Sources of liquidity are regularly reviewed by separate team in the bank to maintain a wide diversification according to currency, geographic locations, sources, products and terms.

	Up to one Month L.E.	1-3 Months L.E.	3-12 Months L.E.	1-5 years L.E.	Over 5 year L.E.	Total L.E.
<b>Financial liabilities as of 31 Decembaer 2024</b>						
Due to banks	7,946,644,200	--	48,494	--	--	7,946,692,694
Customer deposits	35,218,246,014	11,031,663,786	27,237,347,379	23,377,403,539	14,711,387,827	111,576,048,545
Other loans / Subordinated deposits	--	--	--	--	4,554,522,000	4,554,522,000
<b>Total financial liabilities</b>	<b>43,164,890,214</b>	<b>11,031,663,786</b>	<b>27,237,395,873</b>	<b>23,377,403,539</b>	<b>19,265,909,827</b>	<b>124,077,263,239</b>
<b>Total financial assets</b>	<b>66,962,704,261</b>	<b>10,973,681,449</b>	<b>17,155,353,079</b>	<b>24,501,931,796</b>	<b>12,140,060,260</b>	<b>131,733,730,845</b>
Financial liabilities as of 31 December 2023						
Due to banks	2,987,560,053	--	--	--	--	2,987,560,053
Customer deposits	16,753,054,657	13,424,291,519	25,627,378,376	17,417,170,966	7,786,599,367	81,008,494,885
Other loans	--	--	--	--	3,335,284,250	3,335,284,250
<b>Total financial liabilities</b>	<b>19,740,614,710</b>	<b>13,424,291,519</b>	<b>25,627,378,376</b>	<b>17,417,170,966</b>	<b>11,121,883,617</b>	<b>87,331,339,188</b>
<b>Total financial assets</b>	<b>48,451,242,577</b>	<b>8,295,819,687</b>	<b>9,068,553,871</b>	<b>19,320,595,886</b>	<b>7,605,443,150</b>	<b>92,741,655,171</b>

Assets available to meet all liabilities and cover loan commitments include cash, balances with central banks, due from banks, treasury bills, other governmental notes and loans and credit facilities to banks and clients. Maturity term is extended for a part of clients' loans that are maturing within a year in the normal course of the bank's business. Moreover, some debt instruments, treasury bills and other governmental notes are pledged to cover liabilities. The Bank has the ability to meet unexpected net cash flows through selling securities, and finding other financing sources.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 3. Financial risk management – continued

#### 3.D Fair value of financial assets and liabilities

##### 3.D.1 Financial instruments not measured at fair value

The table below summarizes the carrying amounts and fair values for those financial assets and liabilities not presented on the Bank's balance sheet at their fair value.

	Book value		FMV	
	31 December 2024 L.E.	31 December 2023 L.E.	31 December 2024 L.E.	31 December 2023 L.E.
<b>Financial assets</b>				
Due from banks	<b>27,048,117,842</b>	8,965,036,340	<b>27,048,117,842</b>	8,965,036,340
<b>Loans and advances to customers</b>				
<b>A- Retail</b>				
- Overdraft	<b>2,162,328,625</b>	90,678,985	<b>2,162,328,625</b>	90,678,985
- Credit cards	<b>221,649,496</b>	174,951,710	<b>221,649,496</b>	174,951,710
- Personal loans	<b>12,702,222,959</b>	7,468,819,805	<b>12,702,222,959</b>	7,468,819,805
- Mortgage loans	<b>509,009,027</b>	394,634,009	<b>509,009,027</b>	394,634,009
<b>B- Corporate</b>				
- Overdraft	<b>4,521,149,490</b>	3,372,634,890	<b>4,521,149,490</b>	3,372,634,890
- Direct loans	<b>16,088,218,976</b>	13,227,071,260	<b>16,088,218,976</b>	13,227,071,260
- Syndicated loans	<b>8,816,828,974</b>	7,165,637,935	<b>8,816,828,974</b>	7,165,637,935
<b>Financial investments</b>				
- At fair value through other comprehensive income	<b>170,220,601</b>	158,313,350	<b>170,220,601</b>	158,313,350
- At amortized cost	<b>23,579,617,436</b>	16,879,489,710	<b>22,999,767,096</b>	15,822,350,657
<b>Financial liabilities</b>				
Due to banks	<b>7,946,692,694</b>	2,987,560,053	<b>7,946,692,694</b>	2,987,560,053
<b>Customers deposits</b>				
- Corporate	<b>86,967,365,836</b>	61,302,392,330	<b>86,967,365,836</b>	61,302,392,330
- Retail	<b>24,608,682,709</b>	19,706,102,555	<b>24,608,682,709</b>	19,706,102,555
Other loans / Subordinated deposits	<b>4,554,522,000</b>	3,335,284,250	<b>4,554,522,000</b>	3,335,284,250

#### Due from banks

Fair value of placements and deposits bearing variable interest rate for one day is its current value, the expected fair value for deposits bearing variable interest is based on the discounted cash flow using rate of similar loans of similar credit risk and due dates.

#### Loans and advances to banks

Loans and advances to banks are represented in loans other than deposits hold in banks, fair value expected for loans and advances represents the discounted value of future cash flows expected to be collected and cash flows are discounted using the current market interest rate to determine the fair value.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 3. Financial risk management – continued

#### 3.D Fair value of financial assets and liabilities – continued

##### 3.D.1 Financial instruments not measured at fair value – continued

###### Loans and advances to customers

Loans and advances are net of provisions for impairment. The estimated fair value of loans and advances represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

###### Financial investments

Financial investments shown in the above schedule includes only held to maturity assets investments; as available for sale investments are measured at fair value except for equity instruments for which the market value can't be reliably determined, Fair value of held-to-maturity investments is based on market prices or broker prices, Fair value is estimated using quoted market prices for securities with similar credit and maturity and yield characteristics where information is not available.

###### Due to banks and customers

The estimated fair value of deposits of indefinite maturity which includes interest-free deposits is the amount paid on call.

The estimated fair value of fixed interest-bearing deposits and other loans not traded in an active market is based on discounted cash flows using interest rates for new debts of similar maturity dates.

###### Issued debt instrument

Total Fair value is calculated based on current financial markets' rates. As for securities that have no active market, discounted cash flows model is used in the first time according to the current rate applicable to the remaining year till maturity date.

#### 3.E Capital management

For capital management purpose, the bank's capital includes total equity as reported in the balance sheet plus some other elements that are managed as capital; the bank manages its capital to ensure that the following objectives are achieved:

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

Capital adequacy and the use of regulatory capital are monitored on a daily basis by the bank's management. Employing techniques based on the guidelines developed by the Basel committee as implemented by the banking supervision unit in the central bank of Egypt on a quarterly basis.

The CBE requires the bank to comply with the following:

- Maintaining EGP 500 million as a minimum requirement for the issued and paid-up capital.
- Maintaining a minimum level of capital adequacy ratio of 11.875%, calculated as the ratio between total value of the capital elements, and the risk weighted average of the bank's assets and contingent liabilities.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 3. Financial risk management – continued

#### 3.E Capital management – continued

According to new instructions issued in 18 December 2012:

The numerator of the capital adequacy ratio consists of the following two tiers:

##### Tier One:

Consists of two parts which are continuous basic paid in capital and additional basic paid in capital.

##### Tier Two:

Is the supported paid in capital and consist of:

- 45% from positive foreign currencies translation reserve.
- 45% from special reserve.
- 45% from fair value increment over the book value for financial investments. (Positive portion only)
- 45% from fair value reserve balance for financial investment available for sale.
- 45% from fair value increment over the book value for financial investments held for maturity.
- 45% from fair value increment over the book value for financial investments in associates and affiliates.
- Financial instruments with embedded derivative.
- Loans (Supportive deposits with 20% amortization from its value each year from the last five years from its maturity).
- Impairment loss provision for performing loans, advances and contingent liabilities (should not be more than 1.25% from total performing weighted assets and weighted contingent liabilities, also impairment loss provision for non-performing loans, advances and contingent liabilities should be sufficient to meet liabilities for which the provision was created).
- 50% disposals from tier 1 and 2.
- Assets reverted to the bank value in general banking risk reserve.
- When calculating the numerator of capital adequacy ratio, the rules limits the subordinated deposits to no more than 50% of tier1 after exclusion.
- Assets and contingent liabilities are weighted by credit risk, market risk and operational risk.

For denominator of capital adequacy ratio consists of:

- Credit risk
- Market risk
- Operational risk

Assets risk weight scale ranging from zero to 100% is based on the counterparty risk to reflect the related credit risk scheme, taking into consideration the cash collaterals.

Similar criteria are used for off balance sheet items after adjustments to reflect the nature of contingency and the potential loss of those amounts.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 3. Financial risk management – continued

#### 3.E Capital management – continued

The tables below summarize the capital adequacy ratio according to Basel II for the current and previous years:

	30 September 2024 In thousand EGP	31 December 2023 In thousand EGP
<b>Tier 1 capital</b>		
Issued and paid up capital	5,505,500	5,005,000
Goodwill	(85,237)	--
Legal reserve	716,854	575,503
Other reserves	31,336	31,336
General risk reserve	208,750	208,750
Retained earnings	3,335,073	1,602,528
Additional capital	--	19
Total other comprehensive income	(436,653)	(213,063)
Total deductions from tier 1 capital	(346,484)	(346,728)
<b>Total qualifying tier 1 capital</b>	<b>8,929,139</b>	<b>6,863,345</b>
<b>Tier 2 capital</b>		
Impairment provision for loans and regular contingent liabilities and debt instruments stage 1	795,476	504,252
Loans (subordinated deposits)	4,464,570	3,258,052
<b>Total qualifying tier 2 capital</b>	<b>5,260,046</b>	<b>3,762,304</b>
<b>Total capital 1+2</b>	<b>14,189,185</b>	<b>10,625,649</b>
<b>Risk weighted assets and contingent liabilities</b>		
Total Credit risk	66,705,012	40,367,973
Total Market risk	--	--
Total Operation risk	6,111,223	4,367,505
Top 50 concentration	1,679,094	6,459,177
<b>Total risk weighted assets and contingent liabilities</b>	<b>74,495,329</b>	<b>51,194,655</b>
<b>Capital Adequacy Ratio (%)</b>	<b>19.05%</b>	<b>%20.76</b>

#### 3.F Leverage Financial Ratio

Central Bank of Egypt Board of Directors had approved in its meeting held on July 7, 2015 on special supervisory instructions related to leverage ratio which maintain a minimum level of leverage ratio of 3% to be reported in quarterly basis as following:

- Guidance ratio starting from reporting period September 2015 till 2017.
- Obligatory ratio started from year 2018.

This ratio will be included in Basel requirement tier 1 in order to maintain the Egyptian Banking System strong and safe, as long to keep up with the best international regulatory treatments. Leverage financial ratio reflect relationship between tier 1 for capital that is used in capital adequacy ratio (After Exclusions) and Banks' assets (on balance sheet and off-balance sheet) that are not risk weighted assets.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 3. Financial risk management – continued

#### 3.G Leverage Financial Ratio – continued

##### Ratio Elements:

##### A- The numerator elements

The numerator consists of tier 1 (After Exclusions) for capital that is used in capital adequacy ratio in accordance with the requirements of the regulatory authority represented by the Central Bank of Egypt (CBE).

##### B-The denominator elements

The denominator consists of all bank assets (on balance sheet and off-balance sheet) according to financial statements called "Bank Exposure" which include total the following:

- 1- On the balance sheet exposure items after deducting some of tier 1 exclusions for capital base.
- 2- Financing financial papers operations exposures.
- 3- Off-balance sheet items (weighted by credit conversion factor).

The table below summarizes the leverage financial ratio:

	30 September 2024 In thousand EGP	31 December 2023 In thousand EGP
<b>Tier 1 capital after exclusions</b>	<b>8,929,139</b>	6,863,345
On-balance sheet items, derivatives and financing securities	<b>138,224,173</b>	87,612,497
Off-balance sheet items	<b>4,490,654</b>	3,641,149
<b>Total exposures</b>	<b>142,714,827</b>	91,253,646
<b>Leverage Financial Ratio (%)</b>	<b>6.26%</b>	%7.52

#### Liquidity coverage ratio and net stable fund ratio:

##### - Liquidity coverage ratio (LCR):

Liquidity coverage ratio aims to ensure that the bank maintains sufficient non-encumbered high quality liquid assets to meet the net outflows within the next 30 days under an unfavorable conditions scenario, and is calculated as follow:

Liquidity coverage ratio (LCR) = High quality liquid assets / Net outflows within 30 days.

This ratio shouldn't be less than 80% in 2017 and to gradually reach 100% by 2019.

For 31 December 2024: LCR ratio record LCY 493%, FCY 165% and total of 349%.

##### - Net stable fund ratio (NSFR):

Net stable fund ratio represents the relation between the available stable funding (the numerator) and the required stable funding (the denominator), this ratio seeks to face the mismatch of the long-term financing structure by encouraging banks to use a stable long-term fund sources for at least one year in order to cover assets' investments and any financing claims resulting from off-balance sheet commitments to help the bank to structure its fund sources. This ratio shouldn't be less than 100%, and is calculated as follow:

Net stable fund ratio (NSFR) = Available stable funding / required stable funding ≥ 100%

For 31 December 2024: NSFR ratio record LCY 244%, FCY 222% and total of 238%.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 4. Significant accounting estimates and assumptions

The bank makes subjective estimates and judgments that affect the reported amounts of assets and liabilities for the following financial year consistent estimations and judgments are continually evaluated based on historical experience and other factors including the expectations of future events that are believed to be reasonable.

#### 4.A Impairment losses for loans and advances

The bank reviews the portfolio of loans and advance sat least quarterly to evaluate their impairment, 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 includes 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 in question.

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.

#### 4.B Held-to-maturity investments

Non-derivatives financial assets with fixed or determinable payments and fixed maturity are classified as held to maturity, this classification requires high degree of judgment; In return the bank tests the intent and ability to hold such investments to maturity, if the bank fails to hold such investments till maturity except for certain circumstances (selling an insignificant amount of held-to-maturity investments near to maturity date) then all held to maturity investment portfolio should be reclassified as available for sale which will be measured at fair value instead of amortized cost, in addition the bank should suspend classifying investments as held to maturity caption.

If classification of investments as held to maturity is suspended the carrying amount shall decrease by EGP (579,850,340) to reach its fair value by increasing the valuation reserve available for sale within the equity caption.

#### 4.C Income tax

The bank is subject to income tax which requires the use of important estimates to calculate the income tax provision, there are a number of complicated processes and calculations to determine the final income tax, the bank records a liability related to the tax inspection estimated results, according to estimates of probabilities of extra taxes ,when there is a difference between the final result of the actual tax inspection and the amounts previously recorded by the bank such, differences affect the income and deferred tax provision at the year which the differences were noted.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 5. By activity segment

Activity segment include operations and assets used in providing banking services and managing related risks and yields which may differ from other activities, the segmentation analyses of operations according to the banking activities are as follows:

- **Large enterprises medium and small ones**  
Activities include current accounts, deposits, overdrafts, loans, credit facilities and financial derivatives.
- **Investments**  
Include merging companies, purchasing investments, financing company's restructure and financial instruments.
- **Individuals**  
Activities include current accounts, savings, deposits, credit cards, personal loans and mortgage loans.
- **Other activities**  
Include other banking activities such as fund management.

### 6. Net interest income

	31 December 2024 L.E.	31 December 2023 L.E.
<b>Interest from loans and similar income from:</b>		
Loans and advances to customers	<b>8,943,783,767</b>	4,934,755,578
Treasury bills and treasury bonds	<b>8,025,576,731</b>	5,302,930,559
Deposits and current accounts	<b>5,747,257,125</b>	1,764,093,260
Investments in debt instruments	<b>883,738</b>	8,853,733
<b>Total</b>	<b>22,717,501,361</b>	12,010,633,130
<b>Interest on Deposits and similar expenses from:</b>		
Deposits and current accounts from banks	<b>(1,735,967,966)</b>	(704,497,746)
Deposits and current accounts from customers	<b>(14,335,399,107)</b>	(7,396,426,407)
Treasury bills sale and repurchase agreement	<b>(3,859,812)</b>	(4,042,628)
Subordinated deposits	<b>(508,140,066)</b>	(245,805,423)
<b>Total</b>	<b>(16,583,366,951)</b>	(8,350,772,204)
<b>Net interest income</b>	<b>6,134,134,410</b>	3,659,860,926

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 7. Net fees and commission income

	31 December 2024	31 December 2023
	L.E.	L.E.
<b>Fees and commission income</b>		
Fees and commissions related to credit banking services	1,523,961,504	880,618,039
Custody fees	1,928,782	1,984,843
Other fees	93,315,997	69,447,355
<b>Total</b>	<b>1,619,206,283</b>	<b>952,050,237</b>
<b>Fees and commission expenses</b>		
Brokerage fees paid	(57,665,157)	(22,959,543)
Other fees paid	(406,633,567)	(266,881,434)
<b>Total</b>	<b>(464,298,724)</b>	<b>(289,840,977)</b>
<b>Net fees and commission income</b>	<b>1,154,907,559</b>	<b>662,209,260</b>

### 8. Dividends income

	31 December 2024	31 December 2023
	L.E.	L.E.
investment funds	1,538,559	1,174,359
Dividends from Financial investments	4,893,684	3,952,354
<b>Total</b>	<b>6,432,243</b>	<b>5,126,713</b>

### 9. Net trading income

	31 December 2024	31 December 2023
	L.E.	L.E.
Foreign exchange trading gains	336,006,703	514,241,800
Gain from selling debt instruments at fair value through profit or loss	8,591,022	3,567,309
Gain from financial investments at FVTPL	59,699,311	9,650,752
<b>Total</b>	<b>404,297,036</b>	<b>527,459,861</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 10. Administrative expenses

	31 December 2024 L.E.	31 December 2023 L.E.
<b>Staff costs</b>		
Wages and salaries	(935,680,710)	(681,178,575)
Social insurance	(47,206,021)	(38,471,057)
Other	(894,004,276)	(407,239,289)
<b>Total</b>	<b>(1,876,891,007)</b>	<b>(1,126,888,921)</b>
Other administrative expenses	(1,299,776,848)	(992,360,949)
<b>Total</b>	<b>(3,176,667,855)</b>	<b>(2,119,249,870)</b>

### 11. Other operating income (expenses)

	31 December 2024 L.E.	31 December 2023 L.E.
Gain from selling property and equipment	1,334,871	(484,734)
Release (charge) of other provisions	(141,253,353)	36,714,523
Others	(3,575,176)	132,550,352
Consulting Revenue	54,087,575	--
<b>Total</b>	<b>(89,406,083)</b>	<b>168,780,141</b>

### 12. Impairment (charge) release for credit losses

	31 December 2024 L.E.	31 December 2023 L.E.
Loans and advances to customers (note 17)	(845,659,037)	(251,488,851)
Due from banks	12,556,495	(7,532,960)
Treasury bills	53,880,403	(51,411,996)
Debt instruments at FVTOCI	25,398,898	14,039,187
Debt instruments at Amortized cost	202,813,640	(219,410,208)
<b>Total</b>	<b>(551,009,601)</b>	<b>(515,804,828)</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 13. Earnings per basic share of net profit of the year (EGP/ share)\*

	31 December 2024	31 December 2023
	L.E.	L.E.
Profits available for distribution for the year after tax	<b>2,550,332,432</b>	1,413,508,005
Less:		
Employees profit share	<b>(253,613,194)</b>	(142,627,184)
Board of directors remuneration	<b>(76,509,972)</b>	(44,807,879)
Dividends to shareholders	<b>2,220,209,266</b>	1,226,072,942
Weighted average number of shares	<b>504,977,992</b>	504,977,992
Earnings per share (EGP/ share)	<b>4.40</b>	2.43

\*According to the separate financial statements

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 14. Classification and measurement of financial assets and financial liabilities

The following table shows the gross financial assets and financial liabilities (excluding allowances for impairment) according to the business model classification:

31 December 2024	Amortized cost	Debt instruments at fair value through other comprehensive income	Equity instruments at fair value through other comprehensive income	Financial Assets through profit or loss	Total Carrying amount
Cash and balances with the CBE	13,331,088,857	--	--	--	13,331,088,857
Due from banks	27,053,985,045	--	--	--	27,053,985,045
Treasury bills	--	11,840,061,380	--	--	11,840,061,380
Loans and advances to customers	47,992,134,897	--	--	--	47,992,134,897
Financial investments at FVTOCI	--	10,255,052,310	560,183,344	--	10,815,235,654
Financial investments at amortized cost	23,655,150,279	--	--	--	23,655,150,279
Financial investments at FVTPL	--	--	--	26,692,625	26,692,625
Other financial assets	2,385,970,728	--	--	--	2,385,970,728
<b>Total financial assets</b>	<b>114,418,329,806</b>	<b>22,095,113,690</b>	<b>560,183,344</b>	<b>26,692,625</b>	<b>137,100,319,465</b>
Due to banks	7,946,692,694	--	--	--	7,946,692,694
Customers' deposits	111,576,048,545	--	--	--	111,576,048,545
Other loans	4,554,522,000	--	--	--	4,554,522,000
Other financial liabilities	602,609,295	--	--	--	602,609,295
<b>Total financial liabilities</b>	<b>124,679,872,534</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>124,679,872,534</b>
31 December 2023	Amortized cost	Debt instruments at fair value through other comprehensive income	Equity instruments at fair value through other comprehensive income	Financial Assets through profit or loss	Total Carrying amount
Cash and balances with the CBE	11,300,445,702	--	--	--	11,300,445,702
Due from banks	8,965,036,340	--	--	--	8,965,036,340
Treasury bills	--	10,898,229,214	--	--	10,898,229,214
Loans and advances to customers	33,712,789,580	--	--	--	33,712,789,580
Financial investment at FVTOCI	--	12,518,325,000	388,473,321	--	12,906,798,321
Financial investments at amortized cost	17,120,744,090	--	--	--	17,120,744,090
Financial investments at FVTPL	--	--	--	13,412,904	13,412,904
Other financial assets	1,717,817,729	--	--	--	1,717,817,729
<b>Total financial assets</b>	<b>72,816,833,441</b>	<b>23,416,554,214</b>	<b>388,473,321</b>	<b>13,412,904</b>	<b>96,635,273,880</b>
Due to banks	2,987,560,053	--	--	--	2,987,560,053
Customer deposits	81,008,494,885	--	--	--	81,008,494,885
Other loans	3,335,284,250	--	--	--	3,335,284,250
Other financial liabilities	527,280,459	--	--	--	527,280,459
<b>Total financial liabilities</b>	<b>87,858,619,647</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>87,858,619,647</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 15. Cash and balances with the Central Bank of Egypt (CBE)

	31 December 2024	31 December 2023
	L.E.	L.E.
Cash	882,400,460	880,151,455
Due from the CBE (within the required limit of statutory reserve %)	12,448,688,397	10,420,294,247
<b>Total</b>	<b>13,331,088,857</b>	<b>11,300,445,702</b>
Non-interest bearing balances	13,331,088,857	11,300,445,702
<b>Total</b>	<b>13,331,088,857</b>	<b>11,300,445,702</b>

### 16. Due from banks

	31 December 2024	31 December 2023
	L.E.	L.E.
Current accounts	158,774,895	115,201,605
Deposits	26,895,210,150	8,865,366,230
Expected Credit Losses	(5,867,203)	(15,531,495)
<b>Total</b>	<b>27,048,117,842</b>	<b>8,965,036,340</b>
Central Banks otherwise the required limit of statutory reserve percentage	20,392,357,015	8,294,589,965
Local banks	6,150,057,461	381,208,237
Foreign banks	511,570,569	304,769,633
Expected Credit Losses	(5,867,203)	(15,531,495)
<b>Total</b>	<b>27,048,117,842</b>	<b>8,965,036,340</b>
Non-interest bearing balances	158,774,895	115,201,605
Variable Interest bearing balances	26,895,210,150	8,865,366,230
Expected Credit Losses	(5,867,203)	(15,531,495)
<b>Total</b>	<b>27,048,117,842</b>	<b>8,965,036,340</b>
Current balance	27,053,985,045	8,980,567,835
Expected Credit Losses	(5,867,203)	(15,531,495)
<b>Total</b>	<b>27,048,117,842</b>	<b>8,965,036,340</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 17. Loans, advances and morabihat to customers (net)

	31 Decmber 2024 L.E.	31 December 2023 L.E.
<b>Retail</b>	<b>2,217,434,459</b>	
Overdraft	272,695,647	94,195,884
Credit cards	13,040,858,383	178,308,968
Personal loans	516,003,032	7,697,566,476
Mortgage loans	16,046,991,521	396,231,622
<b>Total (1)</b>		8,366,302,950
<b>Corporate</b>		
Overdraft	4,835,374,521	3,631,762,954
Direct loans	16,533,244,586	13,606,926,961
Syndicated loans	10,411,117,908	8,107,796,715
<b>Total (2)</b>	<b>31,779,737,015</b>	25,346,486,630
<b>Total loans and advance to customers (1+2)</b>	<b>47,826,728,536</b>	33,712,789,580
<b>Financing of Subsidiaries' Customers</b>		
Consumer Finance Customers – Shahry for consumer Finance	74,576,332	--
Net Investment in Microfinance Contracts	90,830,029	--
<b>Total (3)</b>	<b>165,406,361</b>	--
<b>Total (1+2+3)</b>	<b>47,992,134,897</b>	33,712,789,580
<b>Less:</b>		
Impairment losses provision	(2,805,178,873)	(1,817,966,465)
Impairment losses provision – Subsidiary Company	(58,123,963)	--
Restricted Interest in suspense - Shahry for consumer Finance	(19,000,478)	--
Unrealized Revenues from Financing Contracts of Shari Company	(16,772,416)	--
Restricted Interest in suspense	(142,116)	(394,521)
<b>Net loans, advances and morabihat to customers</b>	<b>45,092,917,051</b>	31,894,428,594

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### Movement to impairment losses provision

Retail	31 December 2024				
	Overdraft	Credit cards	Personal loans	Mortgage loans	Total
	L.E.	L.E.	L.E.	L.E.	L.E.
Balance at the beginning of the year	3,516,899	3,357,258	228,643,855	1,597,613	237,115,625
Impairment (charge) release	51,544,073	48,069,240	151,769,054	5,379,242	256,761,609
Written-off amount	--	(1,203,276)	(62,044,859)	--	(63,248,135)
Recovered amounts during the year	--	822,929	20,164,558	17,150	21,004,637
Foreign currencies translation differences	44,862	--	--	--	44,862
<b>Balance at the end of the year</b>	<b>55,105,834</b>	<b>51,046,151</b>	<b>338,532,608</b>	<b>6,994,005</b>	<b>451,678,598</b>

Corporate	31 December 2024				Total
	Overdraft	Direct loans	Syndicated loans		
	L.E.	L.E.	L.E.	L.E.	
Balance at the beginning of the year	258,836,359	379,855,701	942,158,780		1,580,850,840
Beginning Balance for Subsidiaries	--	(4,828,335)	--		(4,828,335)
Impairment (charge) release	22,614,242	61,510,495	497,747,949		581,872,686
Written-off amount	(9,979,682)	(34,044,112)	(272,318,015)		(316,341,809)
Recovered amounts during the year	--	851,200	--		851,200
Foreign currencies translation differences	42,698,211	41,697,262	426,700,220		511,095,693
<b>Balance at the end of the year</b>	<b>314,169,130</b>	<b>445,042,211</b>	<b>1,594,288,934</b>		<b>2,353,500,275</b>

Retail	31 December 2023				
	Overdraft	Credit cards	Personal loans	Mortgage loans	Total
	L.E.	L.E.	L.E.	L.E.	L.E.
Balance at the beginning of the year	2,780,928	3,454,994	217,387,505	2,184,137	225,807,564
Impairment (charge) release	719,749	498,774	41,124,521	(631,370)	41,711,674
written-off amount	--	(1,373,162)	(54,236,609)	--	(55,609,771)
Recoveries during the year	--	776,652	24,368,438	44,846	25,189,936
Foreign currencies translation differences	16,222	--	--	--	16,222
<b>Balance at the end of the year</b>	<b>3,516,899</b>	<b>3,357,258</b>	<b>228,643,855</b>	<b>1,597,613</b>	<b>237,115,625</b>

Corporate	31 December 2023				Total
	Overdraft	Direct Loans	Syndicated loans		
	L.E.	L.E.	L.E.	L.E.	
Balance at the beginning of the year	372,343,552	298,808,739	650,233,314		1,321,385,605
Impairment (charge) release	(105,654,823)	120,545,753	194,886,247		209,777,177
written-off amount	(20,900,575)	(50,769,625)	--		(71,670,200)
Recoveries during the year	279,989	--	--		279,989
Foreign currencies translation differences	12,768,216	11,270,834	97,039,219		121,078,269
<b>Balance at the end of the year</b>	<b>258,836,359</b>	<b>379,855,701</b>	<b>942,158,780</b>		<b>1,580,850,840</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 18. Financial investments

	31 December 2024 L.E.	31 December 2023 L.E.
<b>Investments at fair value through other comprehensive income (FVTOCI)</b>		
Debt instruments at FV (listed)	10,255,052,310	12,518,325,000
Treasury Bills and other governmental notes (18-1)	11,840,061,380	11,080,404,214
Equity instruments (unlisted)	170,220,601	158,313,350
Equity instruments (listed)	--	22,680
Investment managed by other	1	1
Egyptian Gulf Bank Mutual fund's CDs	37,633,462	29,318,221
Egyptian Gulf Bank money market fund (Tharaa)	24,340,236	20,078,202
Azimut Egypt Fund	327,989,044	180,740,867
<b>Total investments at fair value through OCI</b>	<b>22,655,297,034</b>	<b>23,987,202,535</b>
<b>Amortized cost</b>		
Debt instruments (listed)	23,655,150,279	17,120,744,090
<b>Total Amortized cost</b>	<b>23,655,150,279</b>	<b>17,120,744,090</b>
Expected Credit Losses	(75,532,843)	(241,254,380)
<b>Net Amortized cost (2)</b>	<b>23,579,617,436</b>	<b>16,879,489,710</b>
<b>Fair value through profit and loss</b>		
Thraa Funds	16,344,950	13,412,904
Debt instruments (listed)	10,347,675	
<b>Total Fair value through profit and loss (3)</b>	<b>26,692,625</b>	<b>13,412,904</b>
<b>Total financial investments (1+2+3)</b>	<b>46,261,607,095</b>	<b>40,880,105,149</b>

	31 December 2024		
	Financial investment at (FVTOCI) L.E.	Financial investment at amortized cost L.E.	Total L.E.
Beginning balance	12,906,798,321	17,120,744,090	30,027,542,411
Additions	7,250,044,407	9,007,360,243	16,257,404,650
Disposals (selling / mature )	(10,660,388,526)	(5,874,839,000)	(16,535,227,526)
Foreign currencies monetary balances with translation differences	1,264,249,927	3,381,511,578	4,645,761,505
losses from change in FV (note 30)	(247,400,483)	--	(247,400,483)
Amortization of (premium ) discount	301,932,008	20,373,368	322,305,376
<b>Total</b>	<b>10,815,235,654</b>	<b>23,655,150,279</b>	<b>34,470,385,933</b>
Expected Credit Loss	--	(75,532,843)	(75,532,843)
<b>Balance at the end of the year</b>	<b>10,815,235,654</b>	<b>23,579,617,436</b>	<b>34,394,853,090</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

	31 December 2023		Total L.E.
	Financial investment at (FVTOCI) L.E.	Financial investmet at amortization cost L.E.	
Balance at the beginning of the year	20,067,018,607	10,204,922,211	30,271,940,818
Additions	2,362,406,554	4,908,165,197	7,270,571,751
Disposals (selling / mature)	(8,079,134,062)	(1,808,526,780)	(9,887,660,842)
Foreign currencies monetary balances with transaction differences	1,147,068,395	420,333,987	1,567,402,382
Gain from change in FV (note 30)	(78,715,900)	--	(78,715,900)
Amortization of (premium) discount	484,741,502	2,544,026	487,285,528
Transfer from investments at fair value to amortized cost	(2,996,586,775)	3,393,305,449	396,718,674
<b>Total</b>	<b>12,906,798,321</b>	<b>17,120,744,090</b>	<b>30,027,542,411</b>
Expected Credit Loss	--	(241,254,380)	(241,254,380)
<b>Balance at the end of the year</b>	<b>12,906,798,321</b>	<b>16,879,489,710</b>	<b>29,786,288,031</b>

### 18-1 Treasury bills and other governmental notes

	31 December 2024	31 December 2023
	L.E.	L.E.
Treasury bills 91 days	100,000	947,500,000
Treasury bills 182 days	1,477,725,000	3,381,000,000
Treasury bills 273 days	600,000	125,000
Treasury bills 365 days	10,652,961,500	6,968,712,620
<b>Total</b>	<b>12,131,386,500</b>	<b>11,297,337,620</b>
<b>Less/ Add:</b>		
Unearned interest	(286,874,996)	(205,292,214)
Changes in fair value reserve	(4,450,124)	(11,641,192)
<b>Total (1)</b>	<b>11,840,061,380</b>	<b>11,080,404,214</b>

\* Treasury bills include EGP 9,659,327,000 (equivalent to USD 190 million) as in USD Treasury bills and EGP 983,614,500 (equivalent to EUR 18.6 million) as in EUR Treasury bills.

### Gain from sale of financial investments

	31 December 2024	31 December 2023
	L.E.	L.E.
Gain from selling financial investments at FVOCI-debt instruments	<b>138,144,556</b>	116,689,327
<b>Total</b>	<b>138,144,556</b>	<b>116,689,327</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 19. Investments in associates

The banks share of investment in subsidiaries and associates is as follows:

31 December 2024	Country	Company's assets	Company's liabilities less owners' equity	Company's revenues	Company's profits / (losses)	Book value	Share %
		L.E.	L.E.	L.E.	L.E.	L.E.	
<b>Associates</b>							
Aur Capital Lease	Egypt	3,846,882,467	3,366,651,822	740,167,991	59,328,156	120,057,661	25%
Aur Microfinance	Egypt	519,760,857	443,746,798	187,265,139	(98,720,786)	19,003,515	25%
<b>Total</b>		<b>4,366,643,324</b>	<b>3,810,398,620</b>	<b>927,433,130</b>	<b>(39,392,630)</b>	<b>139,061,176</b>	
<hr/>							
31 December 2023	Country	Company's assets	Company's liabilities less owners' equity	Company's revenues	Company's profits / (losses)	Book value	Share %
		L.E.	L.E.	L.E.	L.E.	L.E.	
<b>Associates</b>							
Aur Capital Lease	Egypt	2,889,449,471	2,602,587,096	400,670,403	56,935,334	91,965,594	%25
Aur Microfinance	Egypt	646,844,050	557,412,832	189,483,335	(13,910,013)	34,857,804	%25
Shahri Consumer Finance	Egypt	62,500,654	114,565,605	12,283,295	(80,349,271)	1	24,45%
Shari Microfinance	Egypt	136,982,362	121,756,900	6,549,779	36,144,765	6,885,908	43,43%
Shari Holding	Egypt	182,205,651	866,562	4,329,961	(1,751,658)	52,386,848	28.9%
<b>Total</b>		<b>3,917,982,188</b>	<b>3,397,188,995</b>	<b>613,316,773</b>	<b>(2,930,843)</b>	<b>186,096,155</b>	

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 20. Employee stock ownership plan (ESOP)

The extraordinary general assembly meeting held on 9 May 2017 approved the establishment of the employee stock ownership plan (ESOP) by granting after amending the bank's article of association according to the decision of the extraordinary general assembly meeting held on 23 March 2016 based on a proposal from the bank's board of directors on 29 February 2016, this plan will be applied starting from 9 August 2017 which is the date of the approval of the Egyptian Financial Supervisory Authority (EFSA) on this plan in accordance with the law.

Equity securities of this plan will be granted to the bank's executive members, departments' heads, general managers, first line managers and employees of the bank based on their annual performance and appraisal according to the bank's financial performance and personal performance report based on his functional grade.

The balance of the employee stock ownership plan amounted EGP **64,580,387** as at 30 September 2024 according to of **8,150,549** shares, the fair value EGP 111,878,315 the revaluation differences amounted EGP 47,297,9281.

#### ESOP movement during the year as follows:

	31 December 2024		31 December 2023	
	Shares	L.E.	Shares	L.E.
Balance at the beginning of the year	6,820,153	51,041,366	7,430,062	69,879,638
Purchased during the year	1,330,396	13,539,021	2,504,883	17,190,097
Granted during the year	--	--	(3,114,792)	(36,028,369)
<b>Balance at the end of year</b>	<b>8,150,549</b>	<b>64,580,387</b>	6,820,153	51,041,366

\*Additions during the year of 31 December 2023 include 761,776 shares represented in bonus dividends for the profits of 2021 in accordance with the decision of the General Assembly on 31 March 2022.

#### ESOP movement in equity during the year as follows:

	31 December 2024		31 December 2023	
	L.E.		L.E.	
Balance at the beginning of the year	10,823,314		39,048,835	
Granted during the year	--		(36,028,369)	
Amortization during the year	18,398,810		7,802,848	
<b>Balance at the end of the year</b>	<b>29,222,124</b>		10,823,314	

\*The amount represents the value of 3,114,792 shares granted to the bank's employees during the financial year 31 December 2023. The share price on the stock exchange at the time of grant amounted to 0.36 US dollars.

Year	Promised	Free shares	Forfeited	Total	Granted	To be Granted
2017	1,470,644	365,433	(277,574)	1,558,503	1,500,426	58,077
2018	1,101,156	396,948	(272,954)	1,225,150	1,141,976	83,174
2019	1,726,773	481,330	(209,659)	1,998,444	1,884,542	113,902
2022	3,327,353	--	--	3,327,353	--	--
2023	3,882,341	--	--	3,882,341	--	--

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 21. Intangible assets

	31 December 2024	31 December 2023
	L.E.	L.E.
Net book value at the beginning of the year	13,794,169	18,930,640
Net book value at the beginning of the year of the subsidiaries	28,292,163	--
Amortization during the year	(4,591,090)	(5,136,471)
<b>Net book value at the end of the year</b>	<b>37,495,242</b>	<b>13,794,169</b>

### 22. Other assets

	31 December 2024	31 December 2023
	L.E.	L.E.
Accrued revenues	2,385,970,728	1,717,817,729
Prepaid expenses	471,502,673	194,196,912
Advances to purchase fixed assets	945,205,776	685,072,566
Assets reverted to the bank (after deducting the impairment)	155,626,810	154,775,610
Impress & Guarantee	29,873,582	14,431,877
Assets held for sale - investments reverted to the bank	1	1
Other	828,432,662	707,993,584
<b>Total</b>	<b>4,816,612,232</b>	<b>3,474,288,279</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 23. Fixed assets

	Land & Buildings L.E.	Office Furniture L.E.	Equipment & Machinery L.E.	Computers L.E.	Furniture L.E.	Vehicles L.E.	Other L.E.	Total L.E.
Cost, 1 January 2023	508,087,630	649,723,817	25,769,907	215,945,432	97,090,025	24,362,510	177,648,199	1,698,627,520
Accumulated depreciation	(69,379,497)	(275,186,456)	(17,683,217)	(130,429,301)	(45,091,475)	(15,168,505)	(128,119,235)	(681,057,686)
<b>Net book value</b>	<b>438,708,133</b>	<b>374,537,361</b>	<b>8,086,690</b>	<b>85,516,131</b>	<b>51,998,550</b>	<b>9,194,005</b>	<b>49,528,964</b>	<b>1,017,569,834</b>
<b>31 December 2023</b>								
Net book value at the beginning of the year	438,708,133	374,537,361	8,086,690	85,516,131	51,998,550	9,194,005	49,528,964	1,017,569,834
Additions	2,258,063	10,423,814	51,500	77,895,972	797,560	--	35,396,383	126,823,292
Reclassification	127,446,297	(142,986,778)	--	--	271,534	--	15,268,947	--
Disposals	--	--	(935,820)	--	(137,328)	--	(347,717)	(1,420,865)
Depreciation	(11,080,227)	(50,749,305)	(2,554,771)	(26,529,924)	(9,458,617)	(2,922,138)	(30,618,886)	(133,913,868)
Accumulated depreciation of Reclassification assets	(15,930,787)	17,873,347	--	--	(33,942)	--	(1,908,618)	--
Accumulated depreciation of disposal assets	--	--	447,181	--	97,722	--	319,531	864,434
<b>Net book value</b>	<b>541,401,479</b>	<b>209,098,439</b>	<b>5,094,780</b>	<b>136,882,179</b>	<b>43,535,479</b>	<b>6,271,867</b>	<b>67,638,604</b>	<b>1,009,922,827</b>
	<b>637,791,990</b>	<b>527,774,955</b>	<b>27,956,493</b>	<b>304,270,914</b>	<b>101,428,344</b>	<b>26,010,586</b>	<b>227,965,812</b>	<b>1,853,199,094</b>
<b>Cost, 1 January 2024*</b>	<b>(96,390,511)</b>	<b>(309,010,281)</b>	<b>(19,943,543)</b>	<b>(159,704,525)</b>	<b>(54,888,296)</b>	<b>(18,612,534)</b>	<b>(160,327,208)</b>	<b>(818,876,898)</b>
Accumulated depreciation*	<b>541,401,479</b>	<b>218,764,674</b>	<b>8,012,950</b>	<b>144,566,389</b>	<b>46,540,048</b>	<b>7,398,052</b>	<b>67,638,604</b>	<b>1,034,322,196</b>
<b>Net book value</b>	<b>637,791,990</b>	<b>527,774,955</b>	<b>27,956,493</b>	<b>304,270,914</b>	<b>101,428,344</b>	<b>26,010,586</b>	<b>227,965,812</b>	<b>1,853,199,094</b>
<b>31 December 2024</b>								
Net book value at the beginning of the year	541,401,479	218,764,674	8,012,950	144,566,389	46,540,048	7,398,052	67,638,604	1,034,322,196
Additions	22,795,950	75,730,994	3,453,823	43,598,012	3,260,046	1,330,000	36,875,762	187,044,587
Disposal	--	(14,700)	(50,766)	(128,825)	(118,383)	(2,815,890)	(7,384,066)	(10,512,630)
Depreciation	(11,455,059)	(62,037,178)	(2,656,054)	(35,117,829)	(9,904,823)	(3,151,845)	(31,039,828)	(155,362,616)
depreciation of disposal assets reclassification	--	14,700	50,766	54,411	101,832	2,778,555	7,307,609	10,307,873
<b>Net book value</b>	<b>552,742,370</b>	<b>232,458,490</b>	<b>8,810,719</b>	<b>152,972,158</b>	<b>39,878,720</b>	<b>5,538,872</b>	<b>73,398,081</b>	<b>1,065,799,410</b>
Cost December 2024	660,587,940	603,491,249	31,359,550	347,740,101	104,570,007	24,524,696	257,457,508	2,029,731,051
Accumulated depreciation	(107,845,570)	(371,032,759)	(22,548,831)	(194,767,943)	(64,691,287)	(18,985,824)	(184,059,427)	(963,931,641)
<b>Net book value</b>	<b>552,742,370</b>	<b>232,458,490</b>	<b>8,810,719</b>	<b>152,972,158</b>	<b>39,878,720</b>	<b>5,538,872</b>	<b>73,398,081</b>	<b>1,065,799,410</b>

\* The opening balance for the cost and accumulated depreciation for subsidiaries companies have been added to the opening balance.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 24. Due to banks

	31 December 2024	31 December 2023
	L.E.	L.E.
Current accounts	585,272,694	825,043,053
Deposits	7,361,420,000	2,162,517,000
<b>Total</b>	<b>7,946,692,694</b>	<b>2,987,560,053</b>
Central Banks	--	--
Local banks	7,361,420,000	--
Foreign banks	585,272,694	2,987,560,053
<b>Total</b>	<b>7,946,692,694</b>	<b>2,987,560,053</b>
Non-interest bearing balances	585,272,694	825,043,053
Interest bearing balances	7,361,420,000	2,162,517,000
<b>Total</b>	<b>7,946,692,694</b>	<b>2,987,560,053</b>
Current balances	7,946,692,694	2,987,560,053
<b>Total</b>	<b>7,946,692,694</b>	<b>2,987,560,053</b>

### 25. Customers' deposits

	31 December 2024	31 December 2023
	L.E.	L.E.
Demand deposits	55,908,931,257	33,272,109,368
Time and call deposits	43,247,568,601	35,628,273,894
Certificates of deposits	9,553,798,684	9,499,228,006
Saving deposits	2,110,199,798	1,625,307,964
Other deposits	755,550,205	983,575,653
<b>Total</b>	<b>111,576,048,545</b>	<b>81,008,494,885</b>
Corporate deposits	86,967,365,836	61,302,392,330
Retail deposits	24,608,682,709	19,706,102,555
<b>Total</b>	<b>111,576,048,545</b>	<b>81,008,494,885</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 26. Other loans and Subordinated deposits

	31 December 2024	31 December 2023
	L.E.	L.E.
European Investment Bank loan	--	77,232,750
Subordinated Deposits*	4,554,522,000	3,258,051,500
<b>Total</b>	<b>4,554,522,000</b>	<b>3,335,284,250</b>

\* The bank entered into an agreement with Misr Insurance Company (S.A.E.) on 13 November 2017, whereby the company deposited an amount of EGP 800 million divided into 5 deposits where the last deposit should be made within one month and a half from the date of signing the contract, the term of each deposit will be seven years and six months starting from the date of each deposit separately.

\* The bank entered into an agreement with Misr Insurance Company (S.A.E.) on 5 May 2020, whereby the company deposited an amount of EGP 35 million, deposit should be made within one month from the date of signing the contract the term of deposit will be seven starting from the date of deposit separately.

\* The bank entered into an agreement with Misr Life Insurance Company (S.A.E.) on 5 May 2020, whereby the company deposited an amount of EGP 20 million, deposit should be made within one month from the date of signing the contract the term of deposit will be seven starting from the date of deposit separately.

\* The bank entered into an agreement with Misr Insurance Company (S.A.E.) on 19 Nov 2023, whereby the company deposited an amount of EGP 450 million and USD 10 million the term of deposits will be seven starting from the date of deposit separately.

This deposit is subject to the terms and conditions of the Central Bank of Egypt and the bank can use this deposit in all areas that deem appropriate for investment.

As this deposit is subject to the conditions of the Central Bank of Egypt and meets the requirements to be included in tier (2) of the capital base as it is not designated for specific activity or to meet specific assets and is issued and fully paid, this deposit follows the rights of the depositors and creditors at liquidation and is not guaranteed from the issuer and not subject to any legal or economic arrangements and does not include conditions to be recoverable before the due date.

### 27. Other liabilities

	31 December 2024	31 December 2023
	L.E.	L.E.
Accrued interest	602,609,295	527,280,459
Prepaid revenue	835,490,724	15,080,833
Accrued expenses	1,064,709,231	767,989,933
Creditors	1,000,707,154	919,317,441
Treasury bills sale and repurchase agreements	171,900,000	182,175,000
Other credit balances	205,335,070	199,527,272
<b>Total</b>	<b>3,880,751,474</b>	<b>2,611,370,938</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 28. Other Provisions

	31 December 2024	31 December 2023
	L.E.	L.E.
Balance at the beginning of the year	260,105,551	294,301,885
Balance at the beginning of the year of the subsidiaries	4,553,679	--
Foreign currencies translation differences	5,381,559	5,313,332
Charged during the year to the income statement	146,693,034	100,730,429
Release during the year	(245,806)	(137,444,952)
Used during the year	(22,656,480)	(2,795,143)
<b>Balance at the end of the year</b>	<b>393,831,537</b>	<b>260,105,551</b>

	31 December 2024	31 December 2023
	L.E.	L.E.
Provision for legal claims	11,679,030	10,527,959
Provision for other claim	282,220,459	163,437,342
Provision for tax claims	2,576,098	2,576,098
Provision for contingent liabilities	97,355,950	83,564,152
<b>Balance at the end of the year</b>	<b>393,831,537</b>	<b>260,105,551</b>

### 29. Capital

#### Authorized capital

The authorized capital amounted to USD 800,000,000, or its equivalent in EGP.

#### Issued and paid up capital

The issued and paid up capital amounted to USD 510,106,066 (equivalent to EGP 5,505,500,001 EGP) represented in 510,106,066 shares at par value of USD 1 each.

### 30. Reserves and retained earnings

#### 30.A Reserves during the year as follows

	31 December 2024	31 December 2023
	L.E.	L.E.
Legal reserve	716,853,799	575,502,998
Foreign currencies translation difference reserve	2,684,997	2,684,997
Fair value reserve	(436,653,445)	(213,055,156)
Expected credit losses on debt instruments at fair value through OCI	56,625,873	116,184,621
General reserve	17,529,143	17,529,143
General banking risk reserve	1	12,763,838
Capital reserve	13,806,823	13,806,823
General risk reserve*	208,750,579	208,750,579
<b>Balance at the end of the year</b>	<b>579,597,770</b>	<b>734,167,843</b>

\* According to the Egyptian Central Bank's instructions on February 26, 2019, it is not prejudiced with General risk reserves, and is not disposed of only after returning to the Central Bank of Egypt.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 30.A.1 General banking risk reserve

	31 December 2024	31 December 2023
	L.E.	L.E.
Balance at the beginning of the year	12,763,838	12,003,004
Transferred from retained earnings during the year	(12,763,837)	760,834
<b>Balance at the end of the year</b>	<b>1</b>	<b>12,763,838</b>

In accordance with the Central Bank of Egypt instructions general bank risk reserve is formed to meet unexpected risks; and this reserve is un-distributable except after obtaining the approval of the Central Bank of Egypt.

### 30.A.2 Legal reserve

	31 December 2024	31 December 2023
	L.E.	L.E.
Balance at the beginning of the year	575,502,998	530,933,434
Transferred from retained earnings during the year	141,350,801	44,569,564
<b>Balance at the end of the year</b>	<b>716,853,799</b>	<b>575,502,998</b>

In accordance with local laws, 10% of the net year's profit is transferred to reserve not available for distribution until this reserve reaches 100% of the capital.

### 30.A.3 Fair value reserve –financial investments

	31 December 2024	31 December 2023
	L.E.	L.E.
Balance at the beginning of the year	(213,062,506)	(969,530,441)
NET(losses) / Gain from changes in FV	(240,202,065)	(86,819,496)
Change in fair value of reclassified debt instruments	--	396,718,674
Net gains transferred to the income statement resulted from disposal	16,611,126	446,576,107
<b>Balance at the end of the year</b>	<b>(436,653,445)</b>	<b>(213,055,156)</b>

\* The amount of EGP 396,718,674 represents the value of the change in the fair value of a portion of the bond portfolio, which was classified during the period from investments at fair value through OCI to investments at amortized cost in line with the instructions of the Central Bank of Egypt.

### 30.A.4 Expected credit losses on debt instruments at fair value through other comprehensive income

	31 December 2024	31 December 2023
	L.E.	L.E.
Balance at the beginning of the year	116,184,621	63,024,492
(Reverse) Charged of expected credit losses for the year	(79,279,301)	37,372,809
Foreign currency exchange	19,720,553	15,787,320
<b>Balance at the end of the year</b>	<b>56,625,873</b>	<b>116,184,621</b>

### 30.A.5 Capital reserve

	31 December 2024	31 December 2023
	L.E.	L.E.
Balance at the Beginning of year	13,806,823	13,443,510
Transferred from retained earnings during the year	--	363,313
<b>Balance at the end of the year</b>	<b>13,806,823</b>	<b>13,806,823</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 30.B Retained earnings Retained earnings movement

	31 December 2024	31 December 2023
	L.E.	L.E.
Balance at the Beginning of the year	1,804,225,761	442,107,686
Adjustments	(212,721,734)	--
Net profit for the year	2,576,009,882	1,476,688,754
increase (stock dividends)	(500,500,000)	--
Employees profit share	(144,282,754)	(44,623,703)
Board of directors remuneration	(44,807,879)	(19,790,894)
Transferred to general banking risk reseve	12,763,837	(760,834)
Transferred to legal reserve	(141,350,801)	(44,569,564)
Transferred to other reserves	--	(363,313)
Banking System Support and Development Fund	(14,262,718)	(4,462,371)
<b>Balance at the end of the year</b>	<b>3,335,073,594</b>	<b>1,804,225,761</b>

### 31. Cash and cash equivalents

For the purpose of preparing the statement of cash flow, the cash and cash equivalent includes the following balance of maturity dates within less than three months from the date of acquisition.

	31 December 2024	31 December 2023
	L.E.	L.E.
Cash and balances with CBE	13,331,088,148	11,300,445,702
Due from banks	27,053,985,045	8,980,567,834
Treasury bills	11,840,061,380	10,898,229,214
Balance with CBE within the limit of statutory reserve	(15,829,468,597)	(12,645,493,347)
Due from banks with maturity more than 3 months	--	--
Treasury bills maturity more than 3 months	(11,839,966,287)	(9,984,280,366)
<b>Cash and cash equivalent at the end of the year</b>	<b>24,555,699,689</b>	<b>8,549,469,037</b>

### 32. Commitment and contingent liabilities

#### 31.A Capital Commitment

The Bank's total capital commitments related to building and completing new branches and purchase of assets and equipment amounted to EGP 406,881,224 which has not been finished as at 30 September 2024.

#### 31.B Commitments for loans, guarantees and facilities

Bank commitments for loans guarantees and facilities are represented as follows:

	31 December 2024	31 December 2023
	L.E.	L.E.
Letter of credit (import & export )	599,194,000	20,838,000
Letter of guarantee	3,452,640,000	2,804,996,000
<b>Total</b>	<b>4,051,834,000</b>	<b>2,825,834,000</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 33. Loans and advances to related parties

	31 December 2024	31 December 2023
	EGP	EGP
Loans and advances	345,479,000	235,077,000
Contingent liability		--

### 34. Mutual funds

#### Mutual fund established by the bank - Egyptian Gulf Bank

The Fund is one of the licensed banking activities of the Bank under the Capital Market Law No. 95 of 1992 and its Executive Regulations. The Fund is managed by Hermes Investment Fund Management Company. The Fund has a total investment of 100 million Egyptian pounds. Assigned 50,000 certificates (amounting to Five million Egyptian pounds) to start the activity of the Fund.

The recoverable amount of the certificates as at 31 December 2024 was EGP 752.6692 and the Fund's certificates on the same date were 107285 certificates.

#### The Thraa Fund cash

The Fund is one of the licensed banking activities of the Bank under the Capital Market Law no.95 for 1992 and its Executive Regulations. The fund is managed by Prime Company for mutual fund management, The number of certificates at the initial offering was 34,944,491 million certificates with a total amount of EGP 375 million of which 713359 certificates (amounting to EGP 7,5 million) were designated to the fund operation.

The recoverable amount of each certificate as of 31 December 2024 amounted EGP 34.1206 and the Fund's certificates on the same date were 13274919 certificates.

### 35. Deferred income tax

	Deferred tax assets		Deferred tax liabilities	
	31 /12/2024	31/12/2023	31/12/2024	31/12/2023
	L.E.	L.E.	L.E.	L.E.
Fixed assets	6,960,895	5,008,263	--	--
Provisions (other than loans impairment losses provision)	242,340,560	144,297,734	--	--
Total deferred tax assets / (liabilities )	249,301,455	149,305,997	--	--
<b>Net tax deferred tax assets</b>	<b>249,301,455</b>	<b>149,305,997</b>	<b>--</b>	<b>--</b>

#### Movement of deferred Assets and Liabilities

	31/12/2024	31/12/2023
	L.E.	L.E.
Balance at the beginning of the year	149,305,997	77,954,554
Additions during the year	99,995,458	71,351,443
<b>Balance at the end of the year</b>	<b>249,301,455</b>	<b>149,305,997</b>

In accordance with the Central Bank of Egypt instructions and Egyptian Accounting Standards No. (24) "income taxes" deferred tax assets are not recognized if no future benefits are expected and/or the existence of deferred tax liabilities at the same time. Accordingly, tax assets were not recognized during the financial year ended 30 September 2024 as well as the financial year ended 31 December 2023.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 36. Bank's Tax Position

#### First: Corporate income tax

##### Years from starting the operation till 2004:

All disputes have been finalized with the Tax Authority in the committee for the Settlement of tax disputes.

##### Years from 2005 to 2016:

Tax inspection was performed and all disputes have been finalized for these years.

##### Years from 2017 to 2019:

Tax inspection was performed and all disputes have been finalized for these years.

##### Years from 2020 till 31/12/2024:

Tax returns were submitted and obligations were paid on the due date and the Tax Authority did not notify the bank to start the inspection for these years.

#### Second: Payroll tax

##### Years from starting the operation till 2004:

Tax inspection was performed and the resulted tax was paid for this year.

##### Years from 2005 to 2020:

Tax inspection was performed in accordance with the new law number 91 of 2005 and all disputes have been finalized and there were no tax liabilities on the bank for these years.

##### Years from 2021 till 31/12/2024:

Tax settlements have been submitted and raised on the electronic system, and we have not been notified with the start of the tax inspection for these years to date.

#### Third: Stamp tax

##### Years from starting the operation till 31/7/2006:

All disputes have been finalized with the Tax Authority in the committee for the Settlement of tax disputes.

##### Years from 2006 to 2012:

All disputes have been finalized with the Tax Authority in accordance with the new Stamp Law Number 143 of 2006 and its amendments.

##### Years from 2013 to 2020:

Tax inspection was performed and it resulted an overestimated amount, an objection was done regarding the stamp tax on advertising and an internal committee was formed and it was agreed by the committee to reperform the tax inspection.

##### Years from 2021 till 31/12/2024:

Quarterly reports are submitted and taxes due are paid on the due date.

#### According to the Subsidiaries

##### Corporate income tax

Tax returns are submitted on the legal period, and taxes due were paid in accordance with the provisions of Law 91 for the year 2005, and the inspection was not performed until the date of preparing the financial statements.

##### Payroll tax

The company withholds the tax and delivers it to the tax authority on the legal period, and the inspection was not performed until the date of preparing the financial statements.

##### Stamp tax

The company is committed to applying the provisions of Law 143 of 2006 regarding stamp tax, and the inspection was not performed from the beginning of the activity until the date of preparing the financial statements.

### 37. Comparative figures

Comparative figures have been reclassified to conform to changes in presentation used in the current year.