

# Consolidated financial statements

**As of 31 December 2024**

عالم جديد احنا أوله

Internal

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Mostafa Shawki

Translation of Auditors' Report

Originally Issued in Arabic

Accountability State Authority

Central Administration for Financial Supervision of Banks

**Auditors' Report**  
**Export Development Bank of Egypt**  
**On the Consolidated financial statements as at Dec 31, 2024**

**To the shareholders of Export Development Bank of Egypt**

**Report on the consolidated financial statements**

We have audited the accompanying consolidated financial statements of Export Development Bank of Egypt (S.A.E.), which comprise the consolidated balance sheet as at Dec 31, 2024 and the consolidated statements of income and other 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 consolidated financial statements in accordance with central bank of Egypt's rules, pertaining to the preparation and presentation & the financial statements issued on December 16, 2008 which is amended by instructions issued on 26 Feb 2019 and in light of the prevailing Egyptian laws, management responsibility includes, designing , implementing internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatements, 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 Egyptian Standards on Auditing and in the 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 about whether the consolidated financial statements are free from significant and material misstatements.

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 and significant misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity'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 consolidated financial statements presentation.

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

## Opinion

In our opinion, the consolidated financial statements, referred to above, present fairly, in all material respects, the consolidated financial position of the Export Development Bank of Egypt (S.A.E) as of Dec 31, 2024 and of its financial performance and its cash flows for the financial year ending on that date in accordance with Central Bank of Egypt's rules pertaining to the preparation and presentation of financial statements issued on December 16, 2008 which is amended by instructions issued on 26 Feb 2019 and the Egyptian laws and regulations relating to the preparation of these consolidated financial statements.

## Report on Other Legal and Regulatory Requirements

No contravention of the Central Bank and Banking Sector Law No 194 of the year 2020 were noted during the financial year ended 31 December 2024.

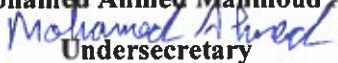
The Bank maintains proper books of accounting, which include all that is required by the law and by the statutes of the Bank; the consolidated financial statements are in agreement thereto.

The consolidated financial information included in the Board of Director's report, prepared in accordance with Law No. 159 of 1981 and its executive regulations, is in agreement with the Bank's books of account.

Cairo, 20 February, 2025

  
Mrs. Hoda Mostafa Shawki  
Forvis Mazars Mostafa Shawki

*Auditors*

Mr. Mohamed Ahmed Mahmoud Awad  
  
Undersecretary

Accountability State Authority

Export Development Bank of Egypt (S.A.E.)

Consolidated Statement of Financial Position for the year ended December 31, 2024



	Notes	December 31, 2024 EGP Thousands	December 31, 2023 EGP Thousands
<b>Assets</b>			
Cash and Balances with Central Bank of Egypt	(12)	6,097,116	9,184,743
Due from banks	(13)	53,385,882	20,722,864
Financial Assets at Fair value through P&L	(14)	567,870	524,342
Loans and advances to customers	(15)	71,832,618	52,133,245
Loans and advances to Banks	(15)	1,437,977	691,776
Financial Derivatives	(16)	32	4,211
<b>Financial Investments:</b>			
-Financial Assets at Fair value through OCI	A/(17)	27,801,583	21,436,004
-Financial Assets at Amortized Cost	B/(17)	15,744,771	7,934,115
Financial investments in associated	(18)	6,875	6,875
Intangible assets	(19)	188,984	146,070
Other assets	(20)	5,864,855	4,422,805
Fixed assets	(21)	1,331,300	1,220,543
Deferred tax Assets	(22)	402	247
<b>Total Assets</b>		<b>184,260,265</b>	<b>118,427,840</b>
<b>Liabilities and shareholders' equity</b>			
<b>Liabilities</b>			
Due to banks	(23)	19,059,027	12,413,957
Reprurchase agreement - Sale treasury bills	(24)	18,544	19,913
Customers' deposits	(25)	136,995,950	86,707,383
Debt Instruments	(26)	-	50,000
Other loans	(27)	3,859,528	1,839,965
Other liabilities	(28)	3,905,093	2,344,675
Other provisions	(29)	705,737	381,741
Deferred tax Liabilities	(22)	125,863	69,026
<b>Total liabilities</b>		<b>164,669,742</b>	<b>103,826,660</b>
<b>Shareholders' equity</b>			
Paid up capital	(30)	9,896,668	6,600,960
Amounts paid under the capital increase account	(30)	-	840,144
Reserves	(30)	2,038,866	1,747,230
Retained Earnings		7,424,504	5,193,697
Non-Controlling interests		230,485	219,149
<b>Total shareholders' equity</b>		<b>19,590,523</b>	<b>14,601,180</b>
<b>Total liabilities and shareholders' equity</b>		<b>184,260,265</b>	<b>118,427,840</b>

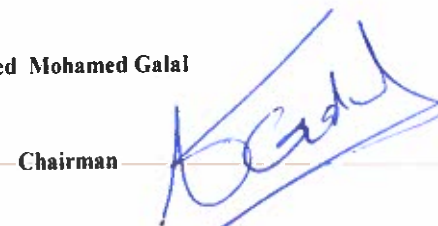
\* The accompanying notes are an integral part of these financial statements.

\* Auditor's Report attached

Mohamed Fatouh Emam

  
Head of Finance Group

Ahmed Mohamed Galal

  
Chairman

Auditors

Mrs. Hoda Mostafa Shawki

  
FORVIS MAZARS Mostafa Shawki

Mohamed Ahmed Mahmoud Awad

  
Undersecretary

Accountability State Authority

**Consolidated Income Statement for the year ended December 31, 2024**

	Notes	The Year Ended December 31, 2024 EGP Thousands	The Year Ended December 31, 2023 EGP Thousands
Interest income & loans and similar income	(5)	24,918,851	13,967,600
Interest income & loans and similar expenses	(5)	(16,229,543)	(8,248,482)
<b>Net Interest Income</b>		<b>8,689,308</b>	<b>5,719,118</b>
Fees and commissions income	(6)	2,396,188	1,823,346
Fees and commissions expenses	(6)	(540,779)	(297,765)
<b>Net fees &amp; commissions income</b>		<b>1,855,409</b>	<b>1,525,581</b>
Dividends Income	(7)	17,502	20,905
Net Trading Income	(8)	774,067	435,383
Profit (Losses) from Financial Investments	(17)	33,858	16,406
Change of expected credit losses charge	(9)	(643,709)	(651,203)
Administrative expenses	(10)	(3,133,925)	(2,261,543)
Other operating income (expense)	(11)	(222,060)	(781)
<b>Net profit before Tax</b>		<b>7,370,450</b>	<b>4,803,866</b>
Income Tax		(2,151,339)	(1,402,320)
Deferred tax		602	927
<b>Net profit for the financial year</b>		<b>5,219,712</b>	<b>3,402,473</b>
Represented in:			
Bank's shareholders		5,203,185	3,375,334
Non-Controlling interests		16,527	27,138
		<b>5,219,712</b>	<b>3,402,473</b>

\* The accompanying notes are an integral part of these financial statements.

  
Mohamed Fatouh Emam

Head Of Finance Group

Consolidated statement of Other Comprehensive Income for the year ended December 31, 2024

	<u>The Year Ended December 31,2024 EGP Thousands</u>	<u>The Year Ended December 31,2023 EGP Thousands</u>
<b>Net profit for the year</b>	<b>5,219,712</b>	<b>3,402,473</b>
<b><u>Items that are not reclassified through profit and loss</u></b>		
Change in fair value of equity instruments measured at fair value through comprehensive income	48,977	9,755
Revaluation differences of mutual funds at fair value through OCI	18,037	19,180
Revaluation differences of foreign exchange rates for equity instruments at fair value through OCI	186,690	76,868
Income Taxes	(59,711)	(30,290)
<b><u>Items reclassified through profit and loss</u></b>		
Change in fair value of debt instruments measured at fair value through comprehensive income	11,680	28,798
Effect of ECL in fair value of debt instruments measured at fair value through comprehensive income	75,949	50,053
<b><u>Total other comprehensive income for the year</u></b>	<b>5,501,333</b>	<b>3,556,835</b>

\* The accompanying notes are an integral part of these financial statements.

December 31,2023	Reserves											
	Issued & Paid up capital	Amounts paid under the capital increase account	Legal Reserve	General Reserve	Special Reserves	Capital Reserves	Banking Risk Reserve	General Banking Risk Reserve Acquired Assets	Reserve of revaluation at Fair value through OCI	Retained Earnings	Non-controllable interests	Total
	EGP Thousands	EGP Thousands	EGP Thousands	EGP Thousands	EGP Thousands	EGP Thousands	EGP Thousands	EGP Thousands	EGP Thousands	EGP Thousands	EGP Thousands	EGP Thousands
<b>Balance at the beginning of the year</b>	5,273,600	327,360	525,994	31,347	32,842	195,431	231,334	1,913	118,938	3,057,117	190,011	9,985,885
Increasing the issued and paid-up capital through Cash Subscription	1,000,000	-	-	-	-	-	-	-	-	-	7,221	1,007,221
Amounts paid under the capital increase account	327,360	(327,360)	-	-	-	-	-	-	-	-	-	-
Increasing the issued and paid-up capital through general assembly	-	840,144	-	-	-	-	-	-	-	(840,144)	-	-
Transferred to General Reserve	-	-	-	174,634	-	-	-	-	-	(3,000)	884	172,517
Transferred to Legal Reserve	-	-	190,318	-	-	-	-	-	-	(132,500)	1,825	59,643
Transferred to Capital Reserve	-	-	-	-	-	3,000	-	-	-	(3,022)	22	-
Transferred to General Banking Risk Reserve	-	-	-	-	-	-	85,162	-	-	(85,162)	-	-
Transferred to Banking Risk Reserve-Assets acquired	-	-	-	-	-	-	-	1,957	-	(1,957)	-	-
Net change in Expected Credit Losses on debt instruments at Fair value through OCI	-	-	-	-	-	-	-	-	50,053	-	-	50,053
Net change in Fair Value through OCI	-	-	-	-	-	-	-	-	134,600	-	-	134,600
Deferred tax - fair value differences of Fair value through OCI	-	-	-	-	-	-	-	-	(30,289)	-	-	(30,289)
Transferred to retained earnings	-	-	-	-	-	-	-	-	-	101,268	(7,952)	93,316
Dividends paid	-	-	-	-	-	-	-	-	-	(274,234)	-	(274,234)
Net profit for the year	-	-	-	-	-	-	-	-	-	3,375,333	27,138	3,402,473
<b>Balance at the end of the year</b>	<b>6,600,960</b>	<b>840,144</b>	<b>716,311</b>	<b>205,981</b>	<b>32,842</b>	<b>198,432</b>	<b>316,495</b>	<b>3,870</b>	<b>273,299</b>	<b>5,193,699</b>	<b>219,149</b>	<b>14,601,180</b>
<b>December 31,2024</b>												
<b>Balance at the beginning of the year</b>	<b>6,600,960</b>	<b>840,144</b>	<b>716,311</b>	<b>205,981</b>	<b>32,842</b>	<b>198,432</b>	<b>316,495</b>	<b>3,870</b>	<b>273,299</b>	<b>5,193,699</b>	<b>219,149</b>	<b>14,601,180</b>
Increasing the issued and paid-up capital through Free shares	840,144	(840,144)	-	-	-	-	-	-	-	-	-	-
Amounts paid under the capital increase account	2,455,564	-	-	-	-	-	-	-	-	(2,455,564)	-	-
Transferred to General Reserve	-	-	-	2,117	-	-	-	-	-	(3,000)	884	-
Transferred to Legal Reserve	-	-	328,169	-	-	-	-	-	-	(330,409)	2,239	0
Transferred to Capital Reserve	-	-	-	-	-	309	-	-	-	(323)	14	(0)
Transferred to General Banking Risk Reserve	-	-	-	-	-	-	(315,585)	-	-	315,585	-	-
Transferred to Banking Risk Reserve-Assets acquired	-	-	-	-	-	-	-	1,710	-	(1,710)	-	-
Transferred from Banking Risk Reserve-Assets acquired to Retained Earnings	-	-	-	-	-	-	-	(5,580)	-	5,580	-	-
Net change of ECL in fair value of debt instruments measured at fair value through OCI	-	-	-	-	-	-	-	-	75,949	-	-	75,949
Net change in Fair value through OCI	-	-	-	-	-	-	-	-	265,382	19,062	-	284,444
Deferred tax - fair value differences of Fair value through OCI	-	-	-	-	-	-	-	-	(59,710)	-	-	(59,710)
Net change in Special Reserve	-	-	-	-	(1,123)	-	-	-	-	-	(469)	(1,592)
Change in Non-Controlling Interest of EGE	-	-	-	-	-	-	-	-	-	-	(260)	(260)
Transferred to Retained Earnings	-	-	-	-	-	-	-	-	-	8,551	(7,598)	952
Dividends paid	-	-	-	-	-	-	-	-	-	(530,150)	-	(530,150)
Net profit for the financial year	-	-	-	-	-	-	-	-	-	5,203,185	16,527	5,219,712
<b>Balance at the end of the year</b>	<b>9,896,668</b>	<b>-</b>	<b>1,044,480</b>	<b>208,098</b>	<b>31,719</b>	<b>198,741</b>	<b>910</b>	<b>-</b>	<b>554,919</b>	<b>7,424,505</b>	<b>230,485</b>	<b>19,590,523</b>

\* The accompanying notes are an integral part of these financial statements.

## Consolidated Cash Flows Statement for the year ended December 31, 2024

	Notes	<u>December 31,2024</u>	<u>December 31,2023</u>
		EGP Thousands	EGP Thousands
Cash flows from operating activities			
Net profit before income tax		7,370,450	4,803,866
Adjustments to reconcile net profit to cash provided from operating activities:			
Fixed Assets Depreciation	(21)	140,716	132,653
Intangible Assets Amortization	(19)	135,365	93,077
Expected of Credit losses for Loans and overdrafts for customers	(8)	542,388	536,677
Expected of Credit losses for Treasury bills	(8)	23,345	38,161
Expected of Credit losses for Treasury Bonds	(8)	74,839	14,434
Expected of Credit losses for Loans and overdrafts for Banks	(8)	(61,630)	40,681
Expected of Credit losses for Due from banks	(8)	43,036	9,163
Expected of Credit losses for Corporate Bonds	(8)	179	(1,648)
Expected of Credit losses for Accrued revenues	(8)	21,554	13,736
Reversal - Expected of Credit losses for other Provisions	(29)	322,654	137,949
Profit (Loss) Reserve Acquired Assets	(10)	(23,027)	(1,869)
Capital Profits		-	(192)
revaluation differences of Financial Investments at fair value through OCI FX		(3,377,996)	(411,247)
Foreign currencies revaluation differences of provisions (other than provision for loans)	(29)	92,121	11,312
Dividends Income		(17,502)	(20,905)
amortization for Discount and premium for Financial Investments		(92,954)	(45,711)
<b>Operating profit before changes in assets and liabilities used in operating activities</b>		<b>5,193,536</b>	<b>5,350,135</b>
<b>Net decrease (increase) in Assets &amp; Liabilities</b>			
Due from banks	(13)	(2,447,723)	608,227
Treasury bills and other governmental notes		(13,010,346)	3,337,175
Financial Assets at Fair value through P&L	(14)	(83,392)	(136,515)
Loans and advances to customers and banks	(15)	(21,062,887)	(10,711,715)
Inventory		-	302,387
Other assets	(20)	(1,440,240)	1,602,766
Due to banks	(23)	6,645,070	5,579,326
Reprurchase agreement - Sale treasury bills	(24)	(1,368)	(4,152,905)
Customers' deposits	(25)	50,288,567	14,025,944
Other liabilities	(28)	809,298	(391,993)
Income tax paid		(1,405,219)	(991,212)
Other provisions	(29)	(23,026)	(8,602)
<b>Net cash flows provided from Operation activities</b>		<b>23,462,271</b>	<b>14,413,018</b>
<b>Cash flows from investing activities</b>			
Purchase of fixed assets and branches improvements	(21)	(238,778)	(268,252)
Proceeds from sale of Acquired Assets	(21)	107,500	22,625
Capital Profits		-	192
Payments for the purchase of Intangible Assets	(19)	(159,681)	(151,028)
Purchases of Financial investments through OCI	A/(17)	(1,930,571)	(830,260)
Proceeds from redemption of OCI Financial investments	A/(17)	795,843	702,861
Purchases of Financial investments by Amortized cost	B/(17)	(7,919,428)	(824,919)
Proceeds from redemption of Financial investments by Amortized cost	B/(17)	2,963,903	5,291,722
Dividends Income		17,502	20,905
<b>Net cash flows (used in) provided from investing activities</b>		<b>(6,363,710)</b>	<b>3,963,846</b>

## Consolidated Cash Flows Statement for the year ended December 31, 2024

	Notes	<u>December 31,2024</u>	<u>December 31,2023</u>
		EGP Thousands	EGP Thousands
<b>Cash flows from financing activities</b>			
Net proceeds (repayments) from debt instruments & other loans	(27)	1,969,563	(148,321)
Increasing the issued and paid-up capital through cash subscription		-	1,000,000
Paid Dividends		(530,150)	(274,234)
Change in retained earnings-Shareholders' Equity		-	325,476
<b>Net cash flows provided from financing activities</b>		<b>1,439,413</b>	<b>902,920</b>
<b>Net increase in cash and cash equivalents during the year</b>			
Cash and cash equivalents at the beginning of the year	(31)	18,537,974	19,279,785
<b>Cash and cash equivalents at the end of the year</b>		<b>49,483,117</b>	<b>30,945,143</b>
<b>Cash and cash equivalents are represented in:</b>			
Cash and due from Central Bank of Egypt	(12)	6,097,116	9,184,743
Due from banks	(13)	53,430,803	20,722,864
Treasury bills and other governmental notes		24,813,822	20,449,401
Balances with Central bank of Egypt (Mandatory reserve)	(12)	(5,728,391)	(8,807,988)
Balances due from Banks with maturities more than three months	(13)	(5,516,010)	-
Treasury bills and other governmental notes with maturities more than three months		(23,614,222)	(10,603,876)
<b>Cash and cash equivalents at the end of the year</b>		<b>49,483,117</b>	<b>30,945,143</b>

**Non-Cash Transaction**

\* EGP 35,121 thousands value of fixed asset additions transferred from debit balances to fixed assets during the Year, the impact of which has been cancelled from the change in debit balances, fixed assets and intangible assets.

\* EGP 281,621 thousands value of the revaluation of financial investments at Fair value through OCI has been cancelled from the change Equity Reserve and financial investments at Fair value through OCI and financial investments by amortized cost , deferred tax and retained earnings.

\* EGP 137,245 thousands value of acquired assets transferred from Loans and other debit balances during the Period, the impact of which has been cancelled from the change in debit balances and Loans and advances to customers.

\* The accompanying notes are an integral part of these financial statements.

## **1. General information**

Export Development Bank of Egypt (Egyptian Joint Stock Company) was established on July 30, 1983 in the Arab Republic of Egypt, the head office located in New Cairo at 78, south teseen, New Cairo, the bank is listed in the Egyptian stock exchange (EGX). The objective of the Bank is to encourage, develop egyptian export activities, and assist in developing agricultural, industrial, and commercial and service exporting sectors, also to provide all banking services in local and foreign currencies through its head office and forty-five branches and the number of employees has reached 1678 employee on the date of financial statement. The bank's fiscal year begins on 1<sup>st</sup> January and ends on 31<sup>st</sup> December.

Financial Statements have been approved by Board of Directors on 20 February 2025.

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

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

### **2.1 Basis of preparation of the consolidated financial statements**

These consolidated financial statements have been prepared in accordance with the instructions of the Central Bank of Egypt approved by the Board of Directors on December 16, 2008, as well as in accordance with the instructions for preparing financial statements for banks in accordance with the requirements of International Financial Reporting Standard (9) "Financial Instruments" issued by the Central Bank of Egypt on February 26, 2019, and reference is made to Egyptian accounting standards in matters not specifically provided for in these rules and instructions.

The Bank has prepared the consolidated financial statements of the Bank and its subsidiaries in Accordance with Egyptian accounting standards. The subsidiaries have been entirely grouped in the consolidated financial statements, and they are the companies in which the Bank has, directly and indirectly, more than half of the voting rights or has the ability to control the financial and operational policies of the subsidiary by paying regardless of the type of activity, the bank's consolidated financial statements can be obtained from the bank's management. Investments in subsidiaries and sister companies are presented in the Bank's separate financial statements and accounted for at cost less impairment losses.

The financial statements of the companies have been compiled according to the latest financial statements of the subsidiaries on December 31, 2024.

### **2.2 Basis of consolidation**

#### **(a) Subsidiaries**

- Subsidiaries are all entities over which the bank has owned directly or indirectly the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the bank has the ability to control the entity.
- The group fully consolidates its subsidiaries from the effective date in which control is obtained till such control ceases to exist.
- The subsidiary companies which have been owned indirectly have been consolidated from June 30, 2013.

Subsidiaries companies consolidated by the bank (The holding co.) represented in the following as at December 31, 2024:

	<u>Dec. 31, 2024</u>	<u>%</u>	<u>Dec 31,2023</u>	<u>%</u>
	<u>EGP Thousands</u>		<u>EGP Thousands</u>	
Egypt Capital Holding Company	410,979	99.99	410,979	99.99
International holding for financial investments	5,000	99.99	5,000	99.99
BETA Financial holding	14,999	99.99	106,989	99.99
Export Credit Guarantee Company of Egypt	176,548	70.55	176,383	70.55
Egyptian company for real estate investments	11,850	39.50	11,850	39.5
A BETA for real estate investment	99	39.50	67,940	39.5
Egypt Capital for real estate investments	3	0.05	3	0.05
EFS Financial Solutions Company	170,279	85.139	170,279	85.139

- The Touristic Investment Company (Sahl Hashish) & Egyptian Tourism Development Company (one of Egypt's Capital Holding Company's subsidiaries) represent an indirect investment that has been consolidated.
- Law No. 178 of 2023 on the Egyptian Export and Investment Guarantee Agency was issued, according to which the law regulating the company's business No. 21 of 1992 was canceled, and the procedures for the Central Bank of Egypt to acquire all its shares are being completed.
- On October 21, 2024, the bank's shareholding in A Beta Real Estate Investment Company was reduced to reach EGP 98,000 based on the decision of the Extraordinary General Assembly that approved the reduction of the company's capital from EGP 171 million to EGP 250,000.
- On November 17, 2024, the Bank's shareholding in Beta Financial Holding Company was reduced to EGP 14.9 million based on the decision of the Extraordinary General Assembly that approved the reduction of the company's capital from EGP 107 million to EGP 15 million.
- On September 19, 2024, EBE Factor's commercial register was marked with the amendment of the company commercial name of EBE FACTORS to become EFS Financial Solutions.

**A brief description of the activities of the Group:**

**- Egypt Capital Holding Company:**

Is an Egyptian joint stock company in accordance with the provisions of Law No. 95 of 1992 and its executive regulations (holding companies) of the Egyptian Export Development Bank. The purpose of the company is to participate in establishing companies that issue their securities and increase their capital.

**- International holding for Development and Financial Investments:**

Is an Egyptian joint stock company in accordance with the provisions of Law No. 95 of 1992 and its executive regulations (holding companies) of the Egyptian Export Development Bank. The purpose of the company is to participate in the establishment of companies that issue their securities and increase their capital.

**Beta Financial Holding Company:**

Is an Egyptian joint stock company pursuant to the provisions of Law No. 95 of 1992 and its executive regulations (Holding Companies) of the Egyptian Export Development Bank. The purpose of the company is to participate in the establishment of companies that issue their securities and increase their capital.

Export Credit Guarantee Company of Egypt:

The Export Development Bank of Egypt stated that it is one of its main purposes to "develop and implement a system to secure the exporters of national goods against commercial and non-commercial risks which may be exposed to them for reasons not due to the exporter's fault, whether arising before the delivery of goods contracted for export or after the delivery, in accordance with the rules set by the Board of Directors of the bank. "The bank performed this task by establishing the Egyptian Company for Export Guarantee in 1992, "an Egyptian joint stock company".

Egyptian company for real estate investments:

Is an Egyptian joint stock company in accordance with the provisions of Law No. 159 of 1981 and its executive regulations are subordinate to the Egyptian Export Development Bank. The purpose of the company is to engage in real estate investment activity of all types throughout the Arab Republic of Egypt.

- A Beta Company for Real Estate Investments:

Is an Egyptian joint stock company in accordance with the provisions of Law No. 159 of 1981 and its executive regulations are subordinate to the Egyptian Export Development Bank. The purpose of the company is to engage in real estate investment activity of all types throughout the Arab Republic of Egypt.

Egypt Capital Real Estate Investment Company:

Is an Egyptian joint stock company in accordance with the provisions of Law No. 159 of 1981 and its executive regulations are subordinate to the Egyptian Export Development Bank. The purpose of the company is to engage in real estate investment activity of all types throughout the Arab Republic of Egypt.

Egyptian Tourism Development Company:

Is an Egyptian joint stock company in accordance with the provisions of Law No. 159 of 1981 and its executive regulations are subordinate to the Egyptian Export Development Bank. The purpose of the company is to establish various tourism projects and establishments such as tourist villages, hotels, motels, establishment and ownership of floating hotel establishments already existing, issuing licenses and restaurants, exploiting, managing, selling and leasing these units in whole or in part and providing all necessary and complementary services to these establishments and to direct all the tourism activities mentioned above both inside and outside the Arab Republic of Egypt and may have an interest or to participate in any way with companies and other establishments that carry out activities similar to their activities or which may have cooperated to achieve their purpose in Egypt And abroad.

Tourism Investment Company in Sahl Hashish:

The Tourism Investments Company was established in Sahl Hashish, "Oberoi Hurghada - Previously - Egyptian Joint Stock Company" in accordance with the provisions of Law No. 230 of 1989 on the approval of the General Authority for Investment on 19 September 1994 under the Egyptian Export Development Bank. The purpose of the company is to establish a five-star tourist village.

EBE FACTORS Company:

The EBE Factors Company was established in accordance with Law 159 of 1981 and is subject to the capital market law and has been registered in the commercial registry and has obtained a license to practice the activity from financial supervisory authority.

The purchase method is used to account for the Group's acquisitions of companies. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or accepted at the date of exchange, plus any direct costs attributable to the acquisition. Specified assets acquired and liabilities and contingent liabilities accepted are measured at their fair value at the acquisition date, regardless of the existence of any non-controlling interest. The excess of the acquisition cost over the fair value of the group's share in the net assets, including Specified assets and contingent liabilities acquired, is recorded as goodwill, and if the acquisition cost is less than the fair value of that net, the difference is recorded directly in the income statement.

### **B/2 - Transactions excluded when compiling the financial statements**

When consolidating, transactions, balances and unrealized profits arising from transactions between group companies are excluded, and unrealized losses are excluded unless they provide evidence of impairment in the value of the transferred asset. The accounting policies of the subsidiaries are changed whenever necessary so as to ensure that uniform policies are applied to the group and the financial statements of the subsidiaries are compiled according to the latest approved balance sheet.

### **B/3 - Transactions with Non-Controlling interest holders**

The group considers transactions with non-controlling interest as transactions with parties outside the group, and profits and losses resulting from the sale to non-controlling interest are recognized in the income statement, and purchases from non-controlling interest result in goodwill, which represents the difference between the consideration paid for the acquired shares and the book value of net assets to the subsidiaries company.

#### **(b) Associates**

Associates are all entities over which the Bank has significant influence directly or indirectly but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights.

The Accounting for subsidiaries and associates are recorded by cost method, investments are recognized by the cost of acquisition including any good will, deducting impairment losses in value.

### **2.3 Segment reporting**

A business segment is a group of assets and operations related to 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 different economic environments.

### **2.4 Foreign currency translation**

#### **(a) Functional and presentation currency**

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

#### **(b) Transactions and balances in foreign currencies**

- The bank holds accounts in Egyptian pounds and proves transactions in other currencies during the financial year on the basis of prevailing exchange rates at the date of the transaction, and re-evaluation of balances of assets and liabilities of other monetary currencies at the end of the financial period on the basis of prevailing exchange rates at that date, and is recognized in the list Gains and losses resulting from the settlement of such transactions and the differences resulting from the assessment within the following items:
  - Net trading income or net income from financial instruments classified at fair value through profit and loss of assets / liabilities held for trading or those classified at fair value through profit and loss according to type.
  - Shareholders' equity of financial derivatives which are eligible qualified hedge for cash flows or eligible for qualified hedge for net investment.
  - Other operating revenues (expenses) for the rest of the items.
- Changes in the fair value of monetary financial instruments denominated in foreign currencies and classified as Financial Investments at Fair value through OCI (debt instruments) are analyzed into valuation differences resulting from changes in amortized cost of the instrument, translation

differences arising from changes in foreign exchange rates and differences resulting from changes in the fair value of the instrument. Valuation differences are recognized in profit or loss to the extent they relate to changes in amortized cost and changes in exchange rates which are reported in the income statement

under the line items 'revenues from loans and similar activities' and 'other operating revenues (expenses)' respectively. The remaining differences resulting from changes in fair value of the instrument are carried to 'reserve for cumulative change in fair value of Financial Investments at Fair value through OCI in the equity section.

- Valuation differences resulting from measuring the non-monetary financial instruments at fair value include gains and losses resulting from changes in fair value of those items. Revaluation differences arising from the measurement of equity instruments classified as at fair value through profit or loss are recognized in the income statement, whereas the revaluation differences arising from the measurement of equity instruments classified as available for sale financial investments are carried to 'reserve for cumulative change in fair value of Financial Investments at Fair value through OCI investments' in treasury bills section.

### (c) Treasury bills

Treasury bills are recognized at their acquisition cost and appear in the statement of financial position at fair value excluding the balance of unearned returns.

## 2.5 Financial assets

The Bank classifies its financial assets in the following categories:

Financial assets classified as at fair value through profits or loss, loans and receivables, Financial Investments by Amortized cost, and Financial Investments at Fair value through OCI. The Bank's classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Management determines the classification of its investments at initial recognition.

Financial assets and liabilities

### 1. Initial Recognition

All "regular" purchases and sales of financial assets are recognized on the trade date, the date on which the bank commits to purchase or sell the asset. Regular purchases and sales are the purchases and sales of financial assets that require delivery of assets within the time frame generally provided by law or by market norms.

Financial assets or liabilities are measured initially at fair value plus, in the case of an item not carried at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue.

### 2. Measurement and Classification

On initial recognition, financial assets are classified as measured at cost, carried at fair value through other comprehensive income or at fair value through profit or loss. Financial assets are measured at amortized cost when each of the following conditions are met and is not classified as at fair value through profit or loss:

- Assets are retained in a business model that is intended to hold assets in order to collect contractual cash flows;
- The contractual terms of the financial assets on specific dates result in cash flows which are only payments on the original amount and interest on the original amount outstanding.

Financial assets are measured at fair value through other comprehensive income only when both of the following conditions are met and are not classified as at fair value through profit or loss:

Assets are retained in the business model, which is intended to achieve both the collection of contractual cash flows and the sale of financial assets. The contractual terms of the financial assets on specific dates result in cash flows that are only payments on the original amount and interest on the original amount outstanding.

Upon initial recognition of equity investments that are not held for trading, the Bank may elect irrevocably to present changes in fair value in other comprehensive income. This choice is made on an investment-by-investment basis.

### Expected credit losses (ECL)

The requirements in IFRS 9 represent a material change from the requirements of EAS number 26 Financial Instruments: Recognition and Measurement. The new standard leads to fundamental changes in the accounting of financial assets and some aspects of accounting of financial liabilities.

- The Bank applies a three-stage approach to measure expected credit losses for financial assets carried at amortized cost and debt instruments classified as at fair value through other comprehensive income. Assets are transferred through the following three stages on the basis of changes in the quality of credit ratings since the initial recognition of these assets:

- Stage 1: expected credit losses over 12 months

For exposures where there has been no significant increase in credit risk since initial recognition, the portion of expected long-term credit losses associated with the probability of default over the next 12 months is recognized.

- Stage 2: credit losses over life - non-credit impaired for credit exposures where there has been a significant increase in credit risk since initial recognition, but not credit default, expected credit losses are recognized over the life of the asset.

The Corporate Credit Customer Classification Form includes the assessment of customers based on quantitative and other qualitative criteria with different relative weights, leading to the customer's final evaluation, corresponding to probability of default at the level of the different classification categories, including the future outlook, which depends on the most important macroeconomic indicators to reflect the economic conditions, which in turn affect the customer's classification in the future, noting that credit customers are classified on an individual basis (individual) . With regard to the retail banking portfolio, asset purchase receivables and loans granted to small projects through different products with similar characteristics, they are evaluated and the expected credit losses are calculated on a consolidated basis (collective) and based on the data in the market.

- When calculating the expected credit losses, the credit rating model contracted with is based on the following equation:  
(Probability of default rate X loss given default X Exposure at default) It is measured on an individual or collective basis and includes the corporate and small and medium-sized enterprise credit classification model to prepare a final evaluation of the customer corresponding to probability of default at the level of the different classification categories, including the outlook, which is based on the most important macroeconomic indicators to reflect the economic conditions

that In turn, affects the customer's classification in the future with the calculation of the loss given default of each facility, in addition to the loss given default (LGD) representing the loss in the exposed portion after excluding the expected recovery rate (the present value of what can be recovered from the investment value in the financial asset, whether from guarantees Or cash flows divided by the value at default 1- The recovery rate, and this rate is calculated for each facility individually) and the basis for the calculation is based on the main axes explained as follows:

- Cash flow
- Corresponding collateral to facilitate
- Financial leverage
- Any obligations on the facility with priority in paying for our bank debt

Exposure at default (E.A.D) is represented in the balance used on the date of preparing the position in addition to the amounts that may be used in the future by the client.

**The criteria of classifying credit customers in 3 stages:**

It includes the basis of classification for the portfolio of credit customers according to the quantitative and qualitative standards specified by the Central Bank and based on the experience of those in charge of management and accordingly, all customers have been classified according to the following criteria:

**Stage 1:**

Includes all customers who are regular in payment with payment arrears and those customers do not meet any of the criteria mentioned in the second and third stages. For large companies and medium enterprises credit customers, customers classified as risky are listed (1-6).

**Stage 2:**

This stage includes customers who have witnessed a significant increase in credit risk. The classification is done in this stage based on the following criteria:

Info.	Quantitative standards	Quality standards
Large and medium-corporate loans	<ul style="list-style-type: none"> <li>-If the borrower delays in paying his contractual obligations from 30 to 90 days from the due date.</li> <li>-All clients who have a credit score 7 (risks need special attention).</li> <li>-A decrease in the creditworthiness of the borrower by three degrees compared to the degree of creditworthiness of the customer at the beginning of dealing with our bank</li> </ul>	<ul style="list-style-type: none"> <li>-A significant increase in the interest rate, which may negatively affect the borrower's activity and lead to an increase in credit risk.</li> <li>-Negative material changes in the activity and financial or economic conditions in which the borrower operates.</li> <li>-Scheduling request due to difficulties facing the borrower.</li> <li>-Negative material changes in actual or expected operating results or cash flows.</li> <li>-Negative future economic changes that affect the borrower's future cash flows</li> <li>-Early signs of cash flow problems such as delays in servicing creditors, business loans</li> </ul>
Small and micro enterprise loans, retail bank loans and real estate loans	<ul style="list-style-type: none"> <li>-The borrower's behavior exhibited a usual delay in repayment beyond the permissible time limit for repayment and with delay periods, up to a maximum of 30 days.</li> <li>-Previous arrears are frequent during the previous 12 months.</li> </ul>	<ul style="list-style-type: none"> <li>Negative future economic changes that affect the borrower's future cash flows</li> </ul>

### Stage 3:

This stage includes loans and facilities that have experienced a decline in their value (NPL clients)

Which requires calculating the expected credit loss over the life of the asset on the basis of the difference between the book value and the present value of the expected future cash flows and is classified based on the following criteria:

Info.	Quantitative standards	Quality standards
Large and medium-corporate loans	-grades of credit rating 8,9,10.  -and, or Delayed borrower more than 90 days in the payment of contractual installments	-The borrower has defaulted financially.  - The disappearance of the active market for the financial asset or one of the borrower's financial instruments due to financial difficulties.
Small, Micro and infinitesimal Enterprise Loans	- Delayed borrower more than 90 days in the payment of contractual installments become in default case.	- The possibility that the borrower will enter the stage of bankruptcy and restructuring due to financial difficulties.  - If the financial assets of the borrower are purchased at a significant discount that reflects the credit losses incurred.
Retail bank loans and real estate loans	- Delayed borrower more than 90 days in the payment of contractual installments become in default case.	Death or disability of the borrower

**It was amended based on the Central Bank's circular to become 180 days.**

**Where the decision of the Board of Directors of the Central Bank of Egypt was issued at its meeting held on December 7, 2021, which stated:**

**First: For small and medium companies:**

1. Customers are included within the third stage in the event of non-compliance with the contractual terms, in the event that there are dues equal to or more than 180 continuous days (instead of 90 days according to the current instructions).
2. For customers who were previously listed in the third stage for having dues equal to or more than (90) days, they will be upgraded to the second stage if the dues are less than 180 days, while continuing to retain the expected credit losses calculated for these customers.

**Second: For small and medium companies - who are regular in payments according to the center on December 31, 2019 - and their default came as a result of the repercussions of the current crisis:**

These customers must be upgraded from the third stage to the second stage, with an emphasis on continuing to calculate the expected credit losses on the basis of the third stage, until the customers fulfill all the conditions for promotion in accordance with the amendments mentioned in the first item above, so that the expected credit losses can be calculated on the basis of the second stage.

**Third: All of the above are applied for a period of 18 months starting from December 14, 2021**

Defining the concept of default and amending the customer's classification and moving it to the third stage is an integral part of the risk management role, which includes quantitative criteria and other qualitative indicators, in accordance with the international standard for preparing financial statements No. 9 in paragraph No. (B5, 5, 37).

(3) Expected credit losses of NPL (non-performing loans):

Any of the following principles are followed to compute the loss given default (LGD) rate in order to calculate the expected credit losses (ECL) for irregular customers:

- The present value of future cash flows according to the programmed settlement and scheduling agreements
- The present value of the list guarantee after excluding judicial expenses related to implementation
- Historical failure rates

**1. Business model**

The Bank assesses the objective of the business model in which the asset is maintained at the business portfolio level. This method better reflects how business is managed and how information is presented to management. The following information is taken into consideration

Specific policies and objectives of the business portfolio and practical application of these policies. In particular, whether the management strategy focuses on the achievement of contractual interest income and the realization of cash flows through the sale or retention of assets for liquidity purposes:

- The risks that affect the performance of the business model (and the financial assets that are retained within that business model), how these risks are managed; the frequency, value and timing of the sales in prior periods, the reasons for such sales, as well as their forecast for future sales activities. Information on sales activities cannot be taken into account alone from the rest of the activities. Rather, they are part of a comprehensive assessment of how the Bank achieves the objectives of managing the financial assets as well as how to achieve cash flows.

Financial assets held for trading or managed, whose performance is measured at fair value, are measured at fair value through profit or loss where they are not held to collect contractual cash flows and are not held for the purpose of collecting cash flows And the sale of financial assets.

**Assess whether contractual cash flows are only payments of the original amount and interest on the original amount outstanding:**

For the purposes of this valuation, the original amount is determined on the basis of the fair value of financial assets at initial recognition. Interest is determined on the basis of the time value of the

money and the credit risk associated with the original principal over a given period of time or other basic lending risk and costs (eg liquidity risk and administrative costs), as well as profit margin.

## Reclassification

Financial assets are not recognized after initial recognition, unless the Bank changes the business model to manage financial assets

## 2. Disposal

### Financial assets

The Bank derecognizes the financial assets at the end of the contractual rights of the cash flows from the financial asset or transfers its rights to receive the contractual cash flows in accordance with the transactions in which all significant risks and rewards of ownership relating to the transferred financial asset are transferred or when the Bank has not transferred or retained all the risks. The fundamental benefits of ownership and did not retain control of financial assets.

When the financial asset is derecognized, the difference between the carrying amount of the financial asset (or the carrying amount allocated to the financial asset excluded) and the total of the consideration received (including any new acquired asset) In other comprehensive income is recognized in profit or loss.

Effective July 1, 2019, any gain / loss recognized in other comprehensive income in respect of investment securities in equity securities is not recognized in profit or loss on disposal of such securities.

If the terms of the financial assets are modified, the Bank assesses whether the cash flows of the financial assets are substantially different. If there are significant differences in cash flows, the contractual rights to the cash flows from the original financial assets are past due. In this case, the original financial assets are derecognized and the new financial assets are recognized at fair value.

The financial asset (in whole or in part) is derecognized when:

- Expiration of rights to receive cash flows from the original

The Bank has transferred substantially all the risks and rewards of the asset or has not transferred or retained all the material risks and benefits of the assets but transferred control over the assets.

- The financial liability is excluded when the liability has been incorporated or cancel or its tribute

## 2.6 Offsetting financial instruments

Financial assets and liabilities are offset if there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to receive the asset and settle the liability simultaneously.

## 2.7 Derivative financial instruments and hedge accounting

- Derivatives are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including discounted cash flow models and options pricing models, as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.
- Embedded derivatives, such as the conversion option in a convertible bond, are treated as separate derivatives when their economic characteristics and risks are not closely related to those of the host contract, provided that the host contract is not classified as at fair value through profit or loss as part of "net trading income". Embedded

derivatives are not split if the Bank chooses to designate the entire hybrid contract as at fair value through profit or loss.

- The accounting treatment used to recognize changes in fair value of derivatives depends on whether or not the derivative is designated as a hedging instrument under hedge accounting rules and on the nature of the hedged item. The Bank designates certain derivatives as either:
  - Hedges of the fair value of recognized assets or liabilities or firm commitments (fair value hedge);
  - Hedging relating to future cash flows attributable to a recognized asset or liability or a highly probable forecast transaction (cash flow hedge).
  - Hedging for net investment in foreign operations relating to future cash flows attributable to a recognized (net investment hedge).

Hedge accounting is used for derivatives designated in a hedging relationship when the criteria are met.

- The Bank documents, at the inception of the transaction, the relationship between hedged items and hedging instruments, as well as its risk management objective and strategy for undertaking various hedge transactions. The Bank also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair value of hedged items.

### **2.7.1 Fair value hedge**

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognized in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

The effective portion of changes in the fair value of the interest rate swaps and the changes in the fair value of the hedged item attributable to the hedged risk are recognized in the 'net interest income'. The effective portion of changes in the fair value of the currency swaps are recognized in the 'net trading income'. Any ineffectiveness is recognized in profit or loss in 'net trading income'.

When the hedging instrument no longer qualified for hedge accounting, the adjustment to the book value of a hedged item is amortized which are accounted for using the amortized cost method, by charging to the profit and loss to the maturity. The adjustments made to the book value of the hedged equity instrument remains in the equity section until being excluded.

### **2.7.2 Cash flow hedge**

The effective portion of changes in the fair value of derivatives designated and effective for cash flow hedge shall be recognized in equity while changes in fair value relating to the ineffective portion shall be recognized in the income statement in "net trading income".

Amounts accumulated in equity are transferred to income statement in the relevant periods when the hedged item affects the income statement. The effective portion of changes in fair value of interest rate swaps and options are reported in "net trading income".

When a hedged item becomes due or is sold or if hedging instrument no longer qualifies for hedge accounting requirements, gains or losses that have been previously accumulated in equity remain in equity and shall only be recognized in profit or loss when the forecast transaction ultimately occurs. If the forecast transaction is no longer expected to occur any related cumulative gain or loss on the hedging instrument that has been recognized in equity shall be reclassified immediately to income statement. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item that is measured at amortized cost is amortized to profit or loss over the period to maturity.

### **2.7.3 Net investment hedge**

Accounting for net investment hedge is the same for cash flows hedge. Profit or loss from hedging instrument related to the effective portion of the hedge to be recognized in Equity, while it is recognized in the income statement directly for hedging instrument not related to the effective portion. Accumulated profit or loss in equity to be transferred to the income statement upon disposal of foreign transactions.

### **2.7.4 Derivatives that do not qualify for hedge accounting**

Interest on and changes in fair value of any derivative instrument that does not qualify for hedge accounting is recognized immediately in the income statement in "net trading income" line item. However, gains or losses

arising from changes in the fair value of derivatives that are managed in conjunction with designated financial assets or financial liabilities are included in “net income from financial instruments designated at fair value through profit or loss”.

## **2.8 Interest income and expense**

Interest income and expense for all interest-bearing financial instruments, except for those classified as held for trading or designated as at fair value through profit or loss, are recognized within ‘interest income’ and ‘interest expense’ in the income statement using the effective interest rate method. The effective interest rate method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Bank estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

When loans or debts are classified as non-performing or impaired, related interest income are not recognized but rather, are carried off balance sheet in statistical records and are recognized as revenues on the cash basis as follows:

- 1- When collected and after recovery of all arrears for retail loans, personal loans, real estate loans for personal housing and loans to small business.
- 2- For corporate loans, interest income is also recognized on the cash basis, according to which interest earned during the periods subsequent to reschedule agreements does not start to accrete on the loan principal until the Bank collects 25% of the rescheduled installments and after payments of the installments continue to be regular for at least one year. if the customer is always paying at his due dates the interest calculated is added to the loan balance which makes revenues (interest on rescheduling without deficits) without interests aside before rescheduling which is avoiding revenues except after paying all the loan balance in the balance sheet before rescheduling.

## **2.9 Fees and commissions income**

Fees and commissions charged by the Bank for servicing a loan are recognized as revenue as the services are provided. Recognition of such fees and commission in profit or loss ceases when a loan becomes non-performing or is impaired in which case fees and commission income is rather marginalized and carried off the balance sheet. Recognition of such fees and commissions as revenues continues on the cash basis when the relevant interest income on the financial instrument is recognized since they are generally treated as an adjustment to the effective interest rate on the financial asset.

If it is probable that the Bank will enter into a specific lending arrangement, the commitment fee received is regarded as compensation for an ongoing involvement with the acquisition of a financial instrument and, together with the related transaction costs, is deferred and recognized as an adjustment to the effective interest rate. If the commitment expires without the Bank making the loan, the fee is recognized as revenue on expiry.

A syndication fee received by the Bank that arranges a loan and retains no part of the loan package for itself (or retains a part at the same effective interest rate for comparable risk as other participants) is compensation for the service of syndication. Such a fee is recognized as revenue when the syndication has been completed.

Fees and commissions resulting from direct negotiations or participation in such negotiations for the benefit of or on behalf of another party, such as those earned on the allotment of shares or other financial assets to a client or acquisition or disposal of entities for a client, are recognized as revenue when the specific transaction has been completed.

Administrative and other services fees are recognized as income on a time proportionate basis over the lifetime of the service.

Fees charged for financial planning services and custodian services provided over long periods are recognized as income over the period during which the service is rendered.

## **2.10 Dividend income**

Dividends are recognized in the income statement when the bank's right to receive payment is established.

## **2.11 Purchase and resale agreements, sale and repurchase agreements**

The financial instruments sold, subject to repurchase agreements, are reported as additions to the balance of treasury bills and other governmental notes in the assets side at the balance sheet, whereas the liability (purchase and resale agreement) is reported in the balance sheet as a deduction therefrom. Difference between the sale price and repurchase price is recognized as a return throughout the period of the arrangement using the effective interest rate method.

## **2.12 Impairment of financial assets**

### **(a) Assets carried at amortized cost**

The Bank assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The criteria that the Bank uses to determine that there is objective evidence of an impairment loss include:

- Cash flow difficulties experienced by the borrower (for example, equity ratio, net income percentage of sales);
- Breach of loan covenants or conditions;
- Initiation of bankruptcy proceedings;
- Deterioration of the borrower's competitive position;
- The Bank for reasons of economic or legal financial difficulties of the borrower by granting concessions may not agree with the Bank granted in normal circumstances;
- Deterioration in the value of collateral; and
- Downgrading below investment grade level.

The objective evidence of impairment loss for group of financial assets is the clear data indicate to a decline can be measured in future cash flows expected from this group since its initial recognition, although not possible to determine the decrease of each asset separately, for example increasing the number of failures in payment for One of the banking products.

The estimated period between a losses occurring and its identification is determined by local management for each identified portfolio. In general, the periods used vary between three months and 12 months.

The Bank first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant and in this field the following are considered.

- If the Bank determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment according to historical default ratios.
- Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.
- If no impairment losses result from the previous assessment of impairment in this case the asset included in a collective assessment of impairment.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the income statement.

If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract when there is objective evidence for asset impairment. As a practical

expedient, the Bank may measure impairment on the basis of an instrument's fair value using an observable market price. The calculation of the present value of the estimated future cash flows of a collateralized financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics (i.e., on the basis of the Group's grading process that considers asset type, industry, geographical location, collateral type, past-due status and other relevant factors). Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

For the purposes of evaluation of impairment for a group of a financial assets according to historical default ratios future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the assets in the Bank and historical loss experience for assets with credit risk characteristics similar to those in the Bank. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not currently exist.

Estimates of changes in future cash flows for groups of assets should reflect and be directionally consistent with changes in related observable data from period to period (for example, changes in unemployment rates, property prices, payment status, or other factors indicative of changes in the probability of losses in the Bank and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Bank.

The Bank assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets classify at Fair value through OCI or by Amortized cost is impaired. In the case of equity investments classified at Fair value through OCI, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the assets are impaired.

### **2.13 Real Estate Investments**

The real estate investments represent lands and buildings owned by the Bank In order to obtain rental returns or capital gains and therefore does not include real estate assets which the bank exercised its work through or those that have owned by the bank as settlement of debts. The accounting treatment is the same used with fixed assets.

### **2.14 Intangible assets**

#### **2.14.1 Software**

Expenditure on upgrade and maintenance of computer programs is recognized as an expense in the income Statement in the period in which it is incurred. Expenditures directly incurred in connection with specific software are recognized as intangible assets if they are controlled by the bank and when it is probable that they will generate future economic benefits that exceed its cost within more than one year. Direct costs include the will generate future economic benefits that exceed its cost within more than one year. Direct costs include the cost of the staff involved in upgrading the software in addition to a reasonable portion of relative overheads. Upgrade costs are recognized and added to the original cost of the software when it is likely that such costs will increase the efficiency or enhance the performance of the computers software beyond its original specification Cost of computer software recognized as an asset shall be amortized over the period of expected benefits which shall not exceed three years.

#### **2.14.2 Other intangible assets**

Other intangible assets represent intangible assets other than software programs (they include but not limited to trademark, licenses, and benefits of rental contracts). The other intangible assets are recorded at their acquisition cost and are amortized on the straight-line method or based on economic benefits expected from these assets over their estimated useful life (ranging from 33.33% to 100%) Concerning the assets which do not have a finite

useful life, they are not subject to amortization they are annually assessed for impairment, while value of impairment (if any) is charged to the income statement.

### **2.15 Fixed Assets**

Lands and buildings are mainly represented in head office, branches and offices premises. All fixed assets are disclosed at historical cost less accumulated depreciation and impairment losses. The historical cost includes expenditures that are directly attributable to the acquisitions of the fixed assets' items.

Subsequent costs are included in the assets carrying amount or recognized separately, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. Repairs and maintenance expenses are recognized in profit or loss within "other operating costs" line item during the financial period in which they are incurred.

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

Premises and constructions	40 years
Fixtures and air conditions	5-10 years
Safes	20 years
Copiers and fax	8 years
Vehicles and means of transportation	5 years
Electric appliances	10 years
Mobile phones	3 years
Computers	3 years
Furniture	10 years

The residual value and useful lives of the fixed assets are reviewed on each balance sheet date and they are adjusted whenever it is necessary. Depreciated assets are reviewed for purposes of determining extent of impairment when an event or change in conditions occurs suggesting that the book value may not be recovered. Consequently, the book value of the asset is reduced immediately to the asset's net realizable value in case increasing the book value over the net realizable value.

The net realizable value represents the net selling value of the asset or its utilization value whichever is greater. Gains and losses from the disposal of fixed assets are determined by comparing the net proceeds at book value. Gains (losses) are included within other operating income (expenses) in the income statement.

### **2.16 Other assets**

This item includes other assets that were not classified under specific assets in the statement of financial position, such as accrued revenues, advance expenses, including taxes paid in excess (excluding tax liabilities), advance payments under the purchase account of fixed assets, and the deferred balance for the losses of the first day that were not It is depreciated after, the current and non-current assets that devolved to the bank in settlement of debts (after deducting the allowance for impairment losses), insurances, trusts, gold bars, commemorative coins, and accounts under settlement debit.

Most of the other assets are measured at cost, and if there is objective evidence of impairment losses in the value of those assets, then the value of the loss is measured for each asset separately by the difference between the asset's book value and its net selling value or the present value of the estimated future cash flows discounted at the current market rate for similar assets. Whichever is higher. The book value of the asset is reduced directly and the value of the loss is recognized in the income statement within the item of other operating income (expenses). If the impairment loss decreases in any subsequent period, and that decrease can be linked objectively to an event that occurred after the impairment loss was recognized, then the previously recognized impairment loss is returned to the income statement, provided that this cancellation does not result in a book value of the asset at the date of recovering the impairment losses that exceeds the value that the asset would have reached had the impairment loss not been recognized.

### **2.17 Impairment of non-financial assets**

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. 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. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

### **2.18 Leases**

#### **(a) Being lessee**

Lease payments made under operating leases, net of any discounts received from the lessor, are recognized in profit or loss on a straight-line basis over the term of the contract.

#### **(b) Being lesser**

Assets leased out under operating lease contracts are reported as part of the fixed assets in the balance sheet and are depreciated over the expected useful lives of the assets, on the same basis as other property assets. Lease rental income is recognized net of any discounts granted to the lessee, using the straight line method over the contract term.

### **2.19 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, They include cash and balances due from Central Bank of Egypt (other than those under the mandatory reserve), balances due from banks, treasury bills and other governmental notes.

### **2.20 Other Provisions**

Provisions for restructuring costs and legal claims are recognized when: the Bank has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions which negated the purpose of wholly or partly repaid within the item other operating income (expense).

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation which become due after one year from the financial statement date using appropriate rate for the due date (without being affected by effective tax rate) which reflect time value of money, and if the due date is less than one year we calculate the estimated value of obligation but if it have significant impact then it calculated using the present value.

### **2.21 Financial Guarantees Contracts**

A financial guarantee contract is a contract issued by the bank as security for loans or debit current accounts due from its clients to other entities that requires the bank to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. These financial guarantees are presented to the banks, corporations and other entities on behalf of the bank's clients. When a financial guarantee is recognized initially, the Bank shall measure it at its fair value that is directly attributable to the issue of such financial guarantee.

The amount initially recognized less, when appropriate, cumulative amortization of security fees recognized in the income statement using the straight-line method over the term of the guarantee and The best estimate for the payments required to settle any financial obligation resulting from the financial guarantee at the balance sheet date Such estimates are made based on experience in similar transactions and historical losses as supported by management judgment. Any increase in the obligations resulting from the financial guarantee, shall be recognized within other operating income (costs) in the income statement.

## **2.22 Employees' benefits**

### **2.21.1 Pension obligations**

The bank has employees insurance fund, it was founded at the first of July 2000 under the law of 54 for the year 1975 and its executive regulations for the purpose of granting insurance and compensation benefits for the members. This fund rules and modifications are applied to all the bank staff in the head office and its branches in Arab Republic of Egypt.

The Bank is committed to lead to the fund monthly and annual subscriptions in accordance with the Rules of the Fund and its amendments, and there are no obligations to the bank following the payment of additional contributions. Contributions are recognized in expenses of employee benefits when due. The recognition of contributions paid in advance as an asset to the extent that its payment to the reduction of future payments or cash refund.

### **2.21.2 Post-employment benefits – Health Care**

The bank provides health care benefits to retirees after the end of service, and the entitlement to these benefits is usually conditional on the worker remaining in service until retirement age and completion of a minimum service period. The health care commitment is accounted for as defined contribution schemes.

## **2.23 Income taxes**

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

Income tax is recognized based on net taxable profit using the tax rates applicable at 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 foundations 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 at the date of the balance sheet.

Deferred tax 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 not 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.

## **2.24 Borrowing**

Borrowing is recognized initially at fair value net of transaction costs incurred. Borrowings are subsequently stated at amortized cost, any difference between proceeds net of transaction costs and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method.

## **2.25 Capital**

### **2.25.1 Capital issuance cost**

Cost of issuance of new shares, issuance of shares to effect an acquisition, or issue of share options, net of tax benefits, are reported a deduction from equity.

### **2.25.2 Dividends**

Dividends are recognized when the general assembly of shareholders approves them. Dividends include the employees' profit share and the board of directors' remuneration as prescribed by the Bank's articles of association and the corporate law.

### **2.25.3 Treasury shares**

in case of purchasing treasury stocks the purchased amount is deducted from shareholders' equity till its cancellation and in case of selling or reissuing these stocks all collected amounts will be added to shareholders' equity.

### **2.26 Trust activities**

The bank practices trust activities that result in ownerships or management of assets on behalf of individuals, trusts, and retirement benefit plans. These assets and related income are excluded from the bank's separate financial statements, as they are assets not owned by the bank.

### **2.27 Comparatives figures**

Comparative figures are reclassified, where necessary, to conform with changes in the current year presentation.

## **3. Financial risk management**

The Bank's activities expose it to a variety of 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 return and minimize potential adverse effects on the Bank's financial performance. And 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 analyses 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 a 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 the control environment.

### **3.1 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, debt securities and other bills. There is also credit risk in off-balance sheet financial arrangements 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 head of each business unit regularly.

#### **3.1.1 Credit risk measurement**

##### **(a) Loans and advances to banks and customers**

To measure credit risk related to loans and advances extended to banks and customers, the bank examines the following three components:

- Probability of default of the customer or others in fulfilling their contractual obligations.
- The current position and the likely expected future development from which the bank can conclude the balance exposed to default (Exposure at default).
- Loss given default.

The daily activities of the bank's business involves of measurement for credit risk which reflect the expected loss (The Expected Loss Model) required by the Basel Committee on Banking Supervision. The operating measures may interfere with the impairment charge according to the Egyptian Accounting Standard no. (26), which depends on losses realized at the balance sheet's date (realized losses models) and not on expected losses.

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:**

<b>Bank's internal ratings scale</b>	<b>Bank's rating Description of the grade</b>
1	Performing loans
2	Regular watching
3	Watch list
4	Nonperforming loans

And the loans expose to default depend on the bank's expectation for the outstanding amounts when default occur.

example, as for a loan position is the nominal value while for commitments the bank enlists all already drawn amounts besides these amounts expected to be withdrawn until the date of default, if it happens.

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.

#### **(b) Debt instruments and treasury and other governmental notes**

For debt instruments and treasury bills and other governmental notes, external rating 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.

#### **3.1.2 Risk limit control and mitigation policies**

The bank manages, limits 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 a 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.

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:

**(a) Collateral**

The bank employs 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;
- Mortgage business assets such as premises, and inventory;
- Mortgage 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 collateral 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 is 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.

**(b) Derivatives**

The bank maintains strict control limits on net open derivative positions (i.e., the difference between purchase and sale contracts), by both amount and term. At any one time, the amount subject to credit risk is limited to the current fair value of instruments that are favorable to the bank (i.e., assets where their fair value is positive), which in relation to derivatives is only a small fraction of the contract, or notional values used to express the volume of instruments outstanding. This credit risk exposure is managed as part of the overall lending limits with customers, together with potential exposures from market movements. Collateral or other security is not usually obtained for credit risk exposures on these instruments, except where the bank requires margin deposits from counterparties.

Settlement risk arises in any situation where a payment in cash, securities or equities is made in the expectation of a corresponding receipt in cash, securities or equities. Daily settlement limits are established for each counterparty to cover the aggregate of all settlement risk arising from the Bank market transactions on any single day.

**(c) 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 a 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.

**(d) 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 conditions – are collateralized by the underlying shipments of goods to which they relate and therefore carry less risk than a direct loan. Commitments to extend credit represent unused portions 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.

### 3.1.3 Impairment and provisioning policies

The internal rating systems described in Note 3.1.1 focus more on credit-quality mapping from the inception of the lending and investment activities.

In contrast, impairment provisions are recognized for financial reporting purposes only for losses that have been incurred at the balance sheet date based on objective evidence of impairment. Due to the different methodologies applied, the amount of incurred credit losses provided for in the financial statements 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 shown in the balance sheet at the year-end is derived from each of the four internal rating grades. However, the majority of the impairment provision comes from the bottom two grades. The table below shows the percentage of the Bank's in balance sheet items relating to loans and advances and the associated impairment provision for each of the Bank's internal rating categories:

Bank's rating	December 31,2024		Dec 31,2023	
	Loans and advances	ECL provisions	Loans and advances	ECL provisions
loans Performing	86.42%	17.33%	82.75%	22.68%
Regular watching	9.63%	21.84%	14.54%	28.10%
list watch	1.20%	12.32%	0.35%	3.34%
Non-performing loans	2.75%	48.51%	2.36%	45.88
	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

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
- Breach of loan covenants or conditions
- Initiation of bankruptcy proceedings
- Deterioration of the borrower's competitive position
- Bank granted concessions may not be approved under normal circumstances, for economic, legal reasons, or financial difficulties facing the borrower
- Deterioration in the value of collateral
- Deterioration in 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 individual circumstances require. Impairment allowances on individually assessed accounts are determined by an evaluation of the incurred loss at balance-sheet date on a case-by-case basis, and are applied to all individually significant accounts. The assessment normally encompasses collateral held (including re-confirmation of its enforceability) and the anticipated receipts for that individual account. Collectively assessed impairment allowances are provided portfolios of homogenous assets by using the available historical experience, experienced judgment and statistical techniques.

### 3.1.4 Pattern of measuring the general banking risk

In addition to the four categories of measuring credit worthiness discussed in disclosure 3.1.1.a the management makes small groups more detailed according to the CBE rules. Assets facing credit risk are classified to detailed

conditions relying greatly on customer's information, activities, financial position and his regular payments to his debts.

The bank calculates the provisions needed for assets impairment in addition to credit regulations according to special percentages determined by CBE.

In the case of increase of impairment loss provision needed according to CBE than that for purposes of making the financial statements according to the EAS, the general banking risk reserve is included in owners' equity deducted from the retained earning with this increase, this reserve is modified with periodic basis with the increase and decrease, which equals the increase in provisions and this reserve is not distributed.

With CBE ratings and rates of provisions needed for assets impairment related to credit risk.

First: institutional worthiness:

CBE Rating	Description	Provision %	Internal Rating	Internal Description
1	Low Risk	0	1	Performing loans
2	Average Risk	1%	1	Performing loans
3	Satisfactory Risk	1%	1	Performing loans
4	Reasonable Risk	2%	1	Performing loans
5	Acceptable Risk	2%	1	Performing loans
6	Marginally Acceptable risk	3%	2	Regular watching
7	Watch list	5%	3	Watch list
8	Substandard	20%	4	Non-performing loans
9	Doubtful	50%	4	Non-performing loans
10	Bad Debt	100%	4	Non-performing loans

Second: Classification of small loans according to economic activities:

Terms of classification	Performing loans	Non-performing loans		
		Substandard	Doubtful	Bad Debt
payment period Delayed	—	6Months	9Months	12Months
Provision	%3	%20	%50	%100

5.1.3 Maximum exposure to credit risk before collateral held

- **Balance sheet items exposed to credit risks**

	December 31,2024 EGP Thousands	December 31,2023 EGP Thousands
Cash and due from Central Bank of Egypt	6,122,912	9,199,230
Less:Expected Credit losses	(25,796)	(14,487)
Due from banks	53,430,878	20,723,019
Less:Expected Credit losses	(44,996)	(156)
Financial Assets at Fair value through P&L : Debt instruments	188,780	156,155
<b>loans and advances to customers:</b>		
<b>Individual:</b>		
Overdraft	412,354	374,017
Credit cards	279,297	169,734
Personal loans	9,047,205	6,332,254
Mortgages	1,156,771	837,564
<b>Corporate:</b>		
Overdraft	40,483,085	29,566,745
Direct loans	13,334,942	9,583,148
Syndicated loans	9,859,541	7,529,938
Less:interest in suspense	(94,208)	(151,582)
Less:Expected Credit losses	(2,646,368)	(2,108,574)
Loans and advances to Banks	1,440,584	732,630
Less:Expected Credit losses	(2,608)	(40,854)
Drivatives	32	4,211
Financial Investments: at Fair value through OCI & Amortized cost	42,781,983	28,738,061
Less:Expected Credit losses	(100,455)	(13,390)
Other assets ( Accrued Revenue)	1,712,104	872,244
<b>Total</b>	<b>177,336,036</b>	<b>112,489,908</b>

Notes to the Consolidated Financial Statements  
For the year ended December 31, 2024



Off Balance sheet items exposed to credit risk

	December 31,2024	December 31,2023
	EGP Thousands	EGP Thousands
Letter of guarantee	18,450,380	14,595,795
Letter of Credit (Import)	5,483,858	2,670,651
Letters of credit (Export-confirmed)	1,688,607	2,767,794
Shipping documents (Export)	1,196,405	967,846
Less : Cash cover	(6,743,547)	(4,038,375)
<b>Net</b>	<b>20,075,703</b>	<b>16,963,712</b>
Irrevocable commitments for credit facilities	3,368,702	2,821,794
<b>Total</b>	<b>23,444,404</b>	<b>19,785,506</b>

3.1.6 Loans and advances

	December 31,2024	December 31,2023
	EGP Thousands	EGP Thousands
Neither have arrears nor impaired	71,822,533	52,575,316
Have arrears but not impaired	693,091	527,812
subject to impairment	2,057,572	1,290,273
<b>Total</b>	<b>74,573,195</b>	<b>54,393,400</b>
Less:interest in suspense	(94,208)	(151,582)
Less:Expected Credit losses	(2,646,368)	(2,108,574)
<b>Net</b>	<b>71,832,618</b>	<b>52,133,245</b>

**Loans and advances neither have arrears nor impaired**

The credit quality of loans and Advances that do not have arrears and which are not subject to impairment is assessed by reference to the bank's internal rating.

**December 31,2024**

Rating	EGP Thousands							
	Retail				Corporate			Total loans and advances to customers
	Overdrafts	Credit cards	Personal loan	Mortgage	Overdrafts	Direct loan	Syndicated loan	
Performing loans	412,354	237,177	8,493,134	1,141,711	35,478,322	11,644,411	6,540,974	<b>63,948,082</b>
Regular watching	-	-	-	-	3,634,825	1,530,860	2,708,765	<b>7,874,451</b>
<b>Total</b>	<b>412,354</b>	<b>237,177</b>	<b>8,493,134</b>	<b>1,141,711</b>	<b>39,113,147</b>	<b>13,175,271</b>	<b>9,249,739</b>	<b>71,822,533</b>

**December 31,2023**

Rating	EGP Thousands							
	Retail				Corporate			Total loans and advances to customers
	Overdrafts	Credit cards	Personal loan	Mortgage	Overdrafts	Direct loan	Syndicated loan	
Performing loans	374,017	145,756	5,909,082	822,902	25,139,099	7,537,532	4,691,406	<b>44,619,794</b>
Regular watching	-	-	-	-	3,243,658	1,898,355	2,813,509	<b>7,955,522</b>
<b>Total</b>	<b>374,017</b>	<b>145,756</b>	<b>5,909,082</b>	<b>822,902</b>	<b>28,382,757</b>	<b>9,435,888</b>	<b>7,504,914</b>	<b>52,575,316</b>

**Notes to the Consolidated Financial Statements**  
**For the year ended December 31, 2024**

**Loans and advances have arrears but are not subject to impairment**

These are loans and facilities with past-due installments but are not subject to impairment, unless Information has otherwise indicated. Loans and facilities to customers which have arrears but are not subject to impairment are analyzed below:

December 31, 2024		EGP Thousands				
Rating	Retail			Corporate		Total loans and advances to customers
	Credit cards	Personal loan	Mortgage	Direct loan	Syndicated loan	
Arrears up to 30 days	28,055	250,470	10,232	62,929	135,323	<b>487,009</b>
Arrears from 31 to 90 days	11,935	170,951	4,639	16,980	1,577	<b>206,083</b>
<b>Total</b>	<b>39,989</b>	<b>421,421</b>	<b>14,872</b>	<b>79,909</b>	<b>136,900</b>	<b>693,091</b>

December 31, 2023		EGP Thousands				
Rating	Retail			Corporate		Total loans and advances to customers
	Credit cards	Personal loan	Mortgage	Direct loan	Syndicated loan	
Arrears up to 30 days	15,252	218,467	7,235	24,344	6,884	<b>272,181</b>
Arrears from 31 to 90 days	5,951	97,840	7,350	126,349	18,139	<b>255,630</b>
<b>Total</b>	<b>21,203</b>	<b>316,307</b>	<b>14,585</b>	<b>150,693</b>	<b>25,023</b>	<b>527,812</b>

**Loans and Advances which are individually impaired**

Loans and advances individually assessed without taking into consideration cash flows from guarantees are totaled EGP Thousands 2,057,572 on Dec 31, 2024 compared to EGP Thousands 1,290,273 on Dec 31,2023, The total fair value of the guarantees amounted to 1,527,399 thousand pounds

The breakdown of the gross amount of individually impaired loans and advances held by the Bank, are as follows:

		December 31,2024					EGP Thousands	
		Retail			Corporate		Syndicated loan	Total loans and advances to customers
Rating	Credit cards	Personal loan	Mortgage	Overdrafts	Direct loan			
Loans which are individually impaired	2,131	132,651	188	1,207,289	242,411	472,902	2,057,572	
<b>Total</b>	<b>2,131</b>	<b>132,651</b>	<b>188</b>	<b>1,207,289</b>	<b>242,411</b>	<b>472,902</b>	<b>2,057,572</b>	
		December 31,2023					EGP Thousands	
		Retail			Corporate		Syndicated loan	Total loans and advances to customers
Rating	Credit cards	Personal loan	Mortgage	Overdrafts	Direct loan			
Loans which are individually impaired	2,775	106,865	77	960,135	220,420	-	1,290,273	
<b>Total</b>	<b>2,775</b>	<b>106,865</b>	<b>77</b>	<b>960,135</b>	<b>220,420</b>	<b>0</b>	<b>1,290,273</b>	

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**Restructured loans and Advances:**

Restructuring activities include rescheduling arrangements, obligatory management programs, modification and deferral of payments. The application of restructuring policies are based on indicators or criteria of credit performance of the borrower that is based on the personal judgment of the management, indicate that payment will most likely continue

Restructuring is commonly applied to term loans, especially customer loans. Renegotiated loans totaled at the end of the Year

Renegotiated loans totaled at the end of December 31,2024 :

<b>Loans and advances to customerscorporates</b>	<b>December 31,2024</b>
	<b>EGP Thousands</b>
Direct loans	440,681

**3.1.7 Government debt instruments, treasury bills and other governmental notes**

The table below presents an analysis of Debt instruments, treasury bills and other governmental notes by rating agency at the end of the financial Year :

	<b>EGP Thousands</b>	
	<b>December 31,2024</b>	<b>December 31,2023</b>
<b>Financial investments</b>	<b>Financial Investments</b>	<b>Financial Investments</b>
	<b>Debt instruments</b>	<b>Debt instruments</b>
Rating B-	40,954,490	28,117,938
<b>Total</b>	<b>40,954,490</b>	<b>28,117,938</b>

3.1.8 Concentration of risks of financial assets exposed to credit risks

3.1.8.1 Geographical segments

The following table provides a breakdown of the gross amount of the most significant credit risk limits to which the bank is exposed at the end of the current reporting year.

	EGP Thousands			
	<u>Cairo</u>	<u>Alex and Delta</u>	<u>Upper Egypt</u>	<u>Total</u>
Cash and due from Central Bank of Egypt	5,932,504	134,406	56,002	6,122,912
Less:Expected Credit losses	(25,796)	-	-	(25,796)
Due from banks	53,430,878	-	-	53,430,878
Less:Expected Credit losses	(44,996)	-	-	(44,996)
Financial Assets at Fair value through P&L	188,780	-	-	188,780
<b>loans and advances to customers:</b>				
<b>Individual :</b>				
Overdraft	305,316	85,521	21,517	412,354
Credit Cards	192,180	70,316	16,801	279,297
Personal loans	6,137,903	2,312,743	596,559	9,047,205
Mortgages	739,518	226,660	190,593	1,156,771
<b>Corporate:</b>				
Overdraft	33,267,056	6,817,616	398,413	40,483,085
Direct loans	9,017,407	3,850,596	466,939	13,334,942
Syndicated loans	8,687,832	855,570	316,139	9,859,541
Less:interest in suspense	(93,217)	(992)	-	(94,208)
Less:Expected Credit losses	(1,882,622)	(627,196)	(136,550)	(2,646,368)
Loans and advances to Banks	1,298,871	141,714	-	1,440,584
Less:Expected Credit losses	(2,608)	-	-	(2,608)
Financial Drivatives	32	-	-	32
Financial Investments: at Fair value through OCI				
Debt instruments	26,936,756	-	-	26,936,756
Less:Expected Credit losses	-	-	-	-
Financial Investments: Amortized cost				
Debt instruments	15,845,226	-	-	15,845,226
Less: Expected Credit losses	(100,455)	-	-	(100,455)
Other assets ( Accrued Revenue)	1,638,447	62,761	10,897	1,712,104
<b>Total</b>	<b>161,469,012</b>	<b>13,929,715</b>	<b>1,937,310</b>	<b>177,336,036</b>

3.1.8.2 Industry Segments

	<u>Government</u>	<u>Private</u>	<u>External and</u> <u>International</u> <u>transactions</u>	<u>individuals and</u> <u>other activities</u>	EGP Thousands
	<u>Sector</u>	<u>Sector</u>	<u>Sector</u>	<u>Sector</u>	<u>Total</u>
Cash and due from Central Bank of Egypt	6,122,912	-	-	-	6,122,912
Less:Expected Credit losses	(25,796)	-	-	-	(25,796)
Due from banks	45,743,273	13,249	7,674,356	-	53,430,878
Less:Expected Credit losses	(44,996)	-	-	-	(44,996)
Financial Assets at Fair value through P&L:Debt instruments	188,780	-	-	-	188,780
<b>loans and advances to customers:</b>					
<b>Individual :</b>					
Overdraft	-	-	-	412,354	412,354
Credit Cards	-	-	-	279,297	279,297
Personal loans	-	-	-	9,047,205	9,047,205
Mortgages	-	-	-	1,156,771	1,156,771
<b>Corporate:</b>					
Overdraft	1,700,809	38,742,608	-	39,668	40,483,085
Direct loans	48,235	13,279,683	-	7,024	13,334,942
Syndicated loans	5,662,567	4,196,974	-	-	9,859,541
Less:interest in suspense	-	(94,208)	-	-	(94,208)
Less:Expected Credit losses	(18,938)	(2,627,390)	-	(40)	(2,646,368)
Loans and advances to Banks	1,304,385	-	136,199	-	1,440,584
Less:Expected Credit losses	(13,321)	-	10,713	-	(2,608)
Financial Drivatives	32	-	-	-	32
<b>Financial Investments: at Fair value through OCI</b>					
Debt instruments	25,020,939	1,915,817	-	-	26,936,756
Less:Expected Credit losses	-	-	-	-	-
<b>Financial Investments: Amortized cost</b>					
Debt instruments	15,845,226	-	-	-	15,845,226
Less: Expected Credit losses	(100,455)	-	-	-	(100,455)
Other assets ( Accrued Revenue)	870,388	15,522	-	826,193	1,712,104
<b>Total</b>	<b>102,304,041</b>	<b>55,442,255</b>	<b>7,821,268</b>	<b>11,768,472</b>	<b>177,336,036</b>

### 3.2 Market Risks

The bank is exposed to market risk represented in volatility in fair value or future cash flows resulted from changes in market prices. Market risk arise from the open positions of interest rates, currency rates and the equity instruments, the management of market risk resulted from trading, non-trading activities are centralized in the market risk department in the bank.

#### 3.2.1 Foreign exchange rate volatility risk

The Bank is exposed to foreign exchange rate volatility risk in terms of the financial position and cash flows. The board of directors set limits for foreign exchange risk at the total value of positions at the end of the day and during the day when timely control is exercised.

#### 3.2.2 Interest rate risk

The bank is exposed to impact of fluctuations in the levels of interest rates prevailing in the market that is the cash flow risk of interest rate represented in the volatility of future cash flow of a financial instrument due to change in the interest rate of the mentioned instrument. Whereas the interest rate is fair value risk is the risk of fluctuations in the value of the financial instrument due to changes in interest rates in the market

The interest margin may rise due to these changes but still the profits may decrease if unexpected movements occur The board of directors sets limits for the level of difference in the re-pricing of interest rate that the bank can maintain and Risk department in the bank daily monitors this

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

#### Liquidity Risk Management Process

The processes of liquidity risk control carried by Assets and Liabilities management department in the bank include the following:

The daily funding is managed by monitoring and controlling The future cash flows to ensure The ability to fulfill all obligations and requirements. This includes replenishment of funds AS they mature or is borrowed by customers. The bank maintains an active presence in The global money markets to ensure achievement of This target.

Monitoring liquidity ratios compared to the internal requirements of the bank and the Central Bank of Egypt's requirements

Management of concentration and profile the debt maturities

Monitoring and reporting take the form of cash flow measurement and projections for the next day, week, and month respectively. The starting point for these projections is represented in the analysis of the contractual maturities of financial liabilities and expected collection dates of financial assets.

Assets and Liabilities management department controls the unmatched medium term assets management, the level and type of the unutilized portion of loans' commitments, the extent of utilizing debit current accounts advances and the impact of contingent liabilities such as letters of guarantees and letters of credit.

#### Financing approach

Liquidity resources are reviewed by a separate team from treasury department of the bank to provide a wide variety of currencies, geographical regions, resources, products, and maturities

Assets available to meet all liabilities and cover loan commitments include cash, balances with central Banks, balances due from Banks, treasury bills and other governmental notes, and loans and facilities to Banks and clients. Maturity term of percentage of loans to clients that are maturing within a period is extended 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.

**- Due from Banks:**

The fair value of floating rate placements and overnight deposits is their carrying amount. The estimated fair value of fixed interest bearing deposits is based on discounted cash flows using prevailing money-market interest rates for debts with similar credit risk and similar maturity date.

**- Loans and advances to banks:**

Loans and advances to banks are represented in loans other than deposits with banks.

The expected fair value for loans and advances represents the discounted value of future cash flows expected to be collected. Cash flows are discounted by adopting the current market rate to determine the fair value.

**- Loans and advances to customers**

Loans and Facilities are net of provisions for impairment. The estimated fair value of loans and Facilities 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:**

Investments in financial securities in the previous table include only held to maturity bearing assets. Available for sale assets are assessed at fair value with the exception of equity instruments which the bank has been unable to evaluate their fair value to a reliable extent. The fair value of financial assets held to maturity is determined based on market rates or prices obtained from brokers. If these data are unavailable then the fair value is assessed by applying the financial markets' rates for negotiable financial securities with similar credit features, maturity dates as well as similar rates.

**- Due to other banks and customers:**

The estimated fair value of deposits with no stated maturity, which includes non-interest-bearing deposits, is the amount repayable on demand. The estimated fair value of fixed interest-bearing deposits and other borrowings not quoted in an active market is based on discounted cash flows using interest rates for new debts with similar remaining maturity.

### 3.5 Capital Management

The Bank's objectives when managing capital, which consists of another items in addition of owner's equity stated in balance sheet are:

- To comply with the capital requirements in Egypt.
- To safeguard the Bank's ability to continue as an ongoing concern so that it can continue to provide returns for shareholders and stakeholders
- To maintain a strong capital base to support the development of its business.
- Capital adequacy and the use of regulatory capital are monitored daily by the Bank's management, employing techniques based on the guidelines developed by the Basel Committee as implemented by the Central bank Of Egypt, for supervisory purposes. The required information is filed with the Authority on a quarterly basis

**Central bank Of Egypt requires the following:**

- Maintaining an amount of LE 5 billion in accordance with the Central Bank Law No. 194 of 2020 issued on September 15, 2020, and the Central Bank granted banks a period not exceeding one period for those addressed to it to reconcile their positions in accordance with its provisions, and the Central Bank permitted an extension of this period for another period or periods not exceeding two periods
- Maintaining a percentage between capital elements and asset and contingent liabilities elements weighted by risk equals to or exceeds 12.50 %. The numerator of the capital adequacy ratio consists of the following two tiers:

**Tier One:**

Represented in basic capital which consists of paid-in-capital (after deducting the book value of treasury shares), retained profits and reserves from profit appropriation with the exception of general banking risk reserve less any goodwill previously recognized or any carried over losses and 40% of intangible assets and deferred taxes.

The Conservative buffer is formed from the bank's annual profits as an additional independent pillar of the continuing base capital within the first tranche of the bank's capital base and thus to the total standard, and the Conservative buffer is originally configured from annual profits but is allowed to be configured if Components with the base capital meet this.

**Tier Two:**

Supplementary Capital consists of equivalent of the general risks provision related to creditworthiness bases issued by the Central Bank Of Egypt and not exceeding 1.25% of the total risk weighted assets and contingent liabilities, subordinated loans / deposits' term which exceed 5 periods (with amortization of 20% of their value each period of the last five periods of their term) and 45% of the increase between fair value and book value of financial investments available for sale, held to maturity and associates and subsidiaries

When calculating the total numerator of the capital adequacy ratio it should be taken into consideration that the supplementary capital does not exceed in any way the basic capital and that subordinated loans (deposits) do not exceed half of the basic capital.

Asset at risk are weighted ranging from zero up to 100% classified in accordance with the nature of the debit side of each asset, to reflect the related credit risks, while taking into consideration cash collaterals. Same treatment is applied on off- balance amounts after making adjustments to reflect the contingent nature and probable losses of these amounts.

the following table summarizes the components of basic and supplementary capital and capital adequacy ratios as at September 30, 2024

Notes to the Consolidated Financial Statements  
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According to Basel II:	December 31,2024 EGP Thousands	December 31,2023 EGP Thousands
<b>Capital</b>	18,318,153	13,138,661
<b>Tier one (Basic capital):</b>		
Paid up capital	9,896,668	7,441,104
Reserves	1,340,041	1,021,635
Retained Earnings	1,828,402	1,595,242
Total balance of accumulated OCI items after regulatory adjustments	401,345	204,159
Interim Profits	3,946,992	2,209,221
Un controllable interest	33,484	27,114
Total deductions from basic capital	(264,878)	(214,641)
<b>Total basic capital</b>	<b>17,182,054</b>	<b>12,283,833</b>
<b>Tier two (Supplementary capital)</b>		
45% of special reserve	10,098	10,098
Expected Credit losses for loans and regular contingent liabilities	1,126,001	844,730
Total supplementary capital	<b>1,136,099</b>	<b>854,828</b>
<b>Risk weighted assets and contingent liabilities:</b>		
<b>Total credit risk</b>	105,086,636	73,413,103
The excess value of the top 50 customers for the prescribed limits is weighted by risk weights	1,638,956	0
Total market risk	383,303	572,329
Total operational risk	5,962,155	4,072,889
<b>Total</b>	<b>113,071,050</b>	<b>78,058,322</b>
<b>Capital adequacy ratio (%) *Taking into consideration the effect of Top 50 Customers</b>	<b>16.20%</b>	<b>16.83%</b>

Based on consolidated financial statement figures and in accordance with Central Bank of Egypt regulation issued on 24 December 2012

The decision of the Central Bank of Egypt has been implemented to take into consideration the impact of 50 largest clients on the capital adequacy ratio starting from January 2017

### 3.6 Leverage Ratio

The measurement of financial leverage that supports the measurement of capital adequacy standard associated with the risk scale, simple and straightforward according does not account for the risk weights attributed its effectiveness to its ability to reduce the pressure on the banking system and indicate the leverage ratio to measure the adequacy of the first of its basic capital slide compared with total assets Bank, which is not less than 3%

The following table summarizes the components of leverage ratios as at September 30,2024 :

	December 31,2024	December 31,2023
	EGP Thousands	EGP Thousands
Tier one (Basic capital):		
Paid up capital	9,896,668	7,441,104
Reserves	1,340,041	1,021,635
Total balance of accumulated OCI items after regulatory	401,345	204,159
Retained profits	1,828,402	1,595,242
Interim Profits	3,946,992	2,209,221
Un controllable interest	33,484	27,114
Total deductions from basic capital	(264,878)	(214,641)
<b>Total basic capital</b>	<b>17,182,054</b>	<b>12,283,833</b>
<b>Assets and contingent liabilities :</b>		
Assets	181,725,658	117,114,289
contingent liabilities	20,037,330	14,098,809
<b>Total Assets and contingent liability</b>	<b>201,762,989</b>	<b>131,213,098</b>
<b>Leverage ratio (%)</b>	<b>8.52%</b>	<b>9.36%</b>

#### 4- The significant accounting estimates and assumptions

The bank applies estimates and assumptions, which affect the amounts of assets and liabilities to be disclosed within the following financial Year. Estimates and assumptions are continuously assessed based on historical experience and other factors as well, including the expectations of future events, which are considered reasonable in the light of available information and surrounding circumstances.

##### (A) The fair value of derivatives

The fair values of financial instruments, which are not listed in active markets, is identified by applying valuation methods. When such methods are used to identify fair value, they are tested and reviewed Yearically by qualified personnel who are independent of the body that prepared them.

##### (B) Income taxes

The bank records the liabilities of the expected results of tax examination according to estimates of the probability of the emergence of additional taxes. When there is, a variance between the final result of taxes and the amounts previously recorded then these variances will affect the income tax and deferred tax provision for the Year in which the variance has been identified.

5- Interest income & loans and similar income

	The Year Ended December 31,2024	The Year Ended December 31,2023
	EGP Thousands	EGP Thousands
<b>Interest From Loans and Similar Income:</b>		
- Loans and Facilities for Customers	12,850,450	8,590,242
- Treasury Bills	3,706,036	2,339,310
- Treasury Bonds	1,448,756	1,346,111
- Corporate Bonds	203,661	39,111
- Deposits and Current Accounts	6,659,010	1,573,308
- Other	50,939	79,518
<b>Total</b>	<b>24,918,851</b>	<b>13,967,600</b>
<b>Interest income &amp; loans and similar expenses</b>		
<b>Deposits and Current Accounts:</b>		
- Banks	(3,087,517)	(1,161,794)
- Customers	(12,967,254)	(6,795,013)
- Other loans	(173,488)	(126,389)
- Reprurchase agreement - Sale treasury bills	(1,046)	(165,051)
- Other	(237)	(235)
<b>Total</b>	<b>(16,229,543)</b>	<b>(8,248,482)</b>
<b>Net</b>	<b>8,689,308</b>	<b>5,719,118</b>

6- Net Income from Fees and Commissions

	The Year Ended December 31,2024	The Year Ended December 31,2023
	EGP Thousands	EGP Thousands
<b>Fees and commissions income:</b>		
- Fees and commission related to credit and operational	1,801,122	1,492,738
- Custody Fees	4,827	2,103
- Other Fees	590,239	328,505
<b>Total</b>	<b>2,396,188</b>	<b>1,823,346</b>
<b>Fees and Commissions Expenses:</b>		
- Other fees paid	(540,779)	(297,765)
<b>Total</b>	<b>(540,779)</b>	<b>(297,765)</b>
<b>Net</b>	<b>1,855,409</b>	<b>1,525,581</b>

	The Year Ended December 31,2024 EGP Thousands	The Year Ended December 31,2023 EGP Thousands
<b>7. <u>Dividends</u></b>		
- Financial Investments: at Fair value through OCI	17,502	20,905
<b>Total</b>	<b>17,502</b>	<b>20,905</b>
<b>8. <u>Net Trading Income</u></b>		
- Foreign exchange trading gains	567,200	293,823
- Profit (losses) from forward contracts	(4,111)	4,111
- Profit (losses) from swap contracts	(68)	100
- Profit arising from sale of trading investments	121,029	62,495
- Valuation differences of trading investments	18,412	22,803
- Debt instruments for trading investments	71,605	52,051
<b>Total</b>	<b>774,067</b>	<b>435,383</b>
<b>9. <u>Impairment (charge) release for credit losses</u></b>		
- Expected of Credit losses for Loans and overdrafts for customers	(542,388)	(536,677)
- Expected of Credit losses for Treasury bills	(23,345)	(38,161)
- Expected of Credit losses for Treasury Bonds	(74,839)	(14,434)
- Expected of Credit losses for Loans and overdrafts for Banks	61,630	(40,681)
- Expected of Credit losses for Due from banks	(43,036)	(9,163)
- Expected of Credit losses for Corporate Bonds	(179)	1,648
- Expected of Credit losses for Accrued revenues	(21,554)	(13,736)
<b>Total</b>	<b>(643,709)</b>	<b>(651,203)</b>
<b>10. <u>Administrative expenses</u></b>		
<b><u>Staff Costs</u></b>		
- Salaries and Wages	(1,220,035)	(1,007,427)
- Social insurance	(46,766)	(39,041)
<b><u>Pension costs</u></b>		
- Defined contribution scheme	(42,697)	(39,891)
- Defined benefits scheme	(115,880)	(83,031)
<b><u>Other Administrative expenses</u></b>		
- Operations expenses	(331,421)	(213,488)
- Communications expenses	(73,534)	(48,726)
- Business expenses	(291,509)	(134,700)
- stationery expenses	(17,530)	(17,119)
- Service expenses	(718,471)	(452,390)
- Depreciation expenses	(276,081)	(225,729)
<b>Total</b>	<b>(3,133,925)</b>	<b>(2,261,543)</b>

\* Average monthly total salaries of highest 20 employees For the year ended Dec 31, 2024 was EGP 8,857 thousands

	The Year Ended December 31,2024 EGP Thousands	The Year Ended December 31,2023 EGP Thousands
<b>11- Other operating income (expenses) :</b>		
Profit (loss) resulting from revaluation of foreign currency balances of assets and liabilities of monetary nature other than those held for trading or originally classified at fair value through profit and loss	(58,328)	(55,970)
- Collected Telex, Swift, Postage, Printed matters & Photocopy	120,722	88,275
- Legal service income	112	155
- (Charges ) release of other provisions	(322,654)	(137,949)
- Capital profits	148	60,373
- Profit (Loss) Acquired assets	21,536	770
- Miscellaneous income	46,996	62,150
- Miscellaneous expenses	(30,591)	(18,584)
<b>Total</b>	<b>(222,060)</b>	<b>(781)</b>

	December 31,2024 EGP Thousands	December 31,2023 EGP Thousands
<b>12- Cash and balances with central bank of Egypt</b>		
- Cash on hand	368,725	376,756
- Due from Central Bank of Egypt (Reserve Ratio)	5,754,187	8,822,474
- Less: Expected Credit losses	(25,796)	(14,487)
<b>Total</b>	<b>6,097,116</b>	<b>9,184,743</b>
- Fixed bearing balances	5,195,959	2,918,071
- Non- interest bearing balances	901,157	6,266,672
<b>Total</b>	<b>6,097,116</b>	<b>9,184,743</b>

\* Balances with the Central Bank of Egypt includes the dollar deposit under the reserve ratio (10%), which is settled on maturity 19 Feb 2024

	December 31,2024 EGP Thousands	December 31,2023 EGP Thousands
<b>13- Due from banks</b>		
- Current accounts	322,248	753,092
- Deposits	53,108,630	19,969,927
- Less: Expected Credit Loss provision	(44,996)	(156)
<b>Total</b>	<b>53,385,882</b>	<b>20,722,864</b>
- Central Bank (other than obligatory resrve)	30,000,000	11,352,381
- Local banks	15,756,522	5,541,786
- Foreign banks	7,674,356	3,828,852
- Less: Expected Credit Loss	(44,996)	(156)
<b>Total</b>	<b>53,385,882</b>	<b>20,722,864</b>
- Non - interest bearing balances	322,248	753,092
- Fixed bearing balances	53,063,634	19,969,771
<b>Total</b>	<b>53,385,882</b>	<b>20,722,864</b>
- Current Balances	<b>53,385,882</b>	<b>20,722,864</b>

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14- Financial Assets at Fair value through P&L

	December 31,2024 EGP Thousands	Dec 31,2023 EGP Thousands
<b>Debt instruments:</b>		
Treasury bonds	105,832	-
Treasury bills and other governmental notes at Fair value through P&L	184,970	222,217
Unearned income	(5,661)	(3,044)
Financial investment portfolios managed by others	98,324	102,871
<b>Mutual Funds:</b>		
Export Development Bank of Egypt Fund -The Second - The Monetary	184,404	202,298
<b>Total</b>	<b>567,870</b>	<b>524,342</b>

15- Loans and advances to customers

	December 31,2024 EGP Thousands	Dec 31,2023 EGP Thousands
<b>Individual :</b>		
- Overdraft	412,354	374,017
- Credit cards	279,297	169,734
- Personal loans	9,047,205	6,332,254
- Mortgages	1,156,771	837,564
<b>Corporate:</b>		
- Overdraft	40,483,085	29,566,745
- Direct loans	13,334,942	9,583,148
- Syndicated loans	9,859,541	7,529,938
- Less:interest in suspense	(94,208)	(151,582)
- Less:Expected Credit losses	(2,646,368)	(2,108,574)
<b>Net</b>	<b>71,832,618</b>	<b>52,133,245</b>

Loans and advances to Banks

	December 31,2024 EGP Thousands	Dec 31,2023 EGP Thousands
- Discounted documents	1,440,584	732,630
<b>Total</b>	<b>1,440,584</b>	<b>732,630</b>
- Less:Expected Credit losses	(2,608)	(40,854)
<b>Net</b>	<b>1,437,977</b>	<b>691,776</b>

Loans Provisions Analysis for customers

losses between the beginning and end of the Period as a result of these factors:

	December 31, 2024			
	Stage 1	Stage 2	Stage 3	Total
	months 12	Life time	Life time	
	EGP Thousands	EGP Thousands	EGP Thousands	EGP Thousands
<b>Balance at the beginning of the year</b>	517,050	624,069	967,455	2,108,574
Expected Credit losses	(56,670)	208,090	390,966	542,386
Used Provision during the year	-	(37,722)	(122,225)	(159,947)
Collections from loans previously written-off	14,158	-	-	14,158
Cumulative foreign currencies translation differences	38,730	54,701	47,766	141,197
<b>Balance at the end of the year</b>	513,267	849,139	1,283,962	2,646,368

Loans Provisions Analysis for Banks

Losses between the beginning and end of the Period as a result of these factors:

	Stage 1	Stage 2	Stage 3	Total
	months 12	Life time	Life time	
	EGP Thousands	EGP Thousands	EGP Thousands	EGP Thousands
<b>Balance at the beginning of the year</b>	-	40,854	-	40,854
Expected Credit losses	-	(61,546)	-	(61,546)
Cumulative foreign currencies translation differences	-	23,300	-	23,300
<b>Balance at the end of the year</b>	-	2,608	-	2,608

	Dec 31, 2023			
	Stage 1	Stage 2	Stage 3	Total
	months 12	Life time	Life time	
	EGP Thousands	EGP Thousands	EGP Thousands	EGP Thousands
<b>Balance at the beginning of the year</b>	298,576	398,782	1,008,317	1,705,675
Expected Credit losses	187,127	206,887	142,618	536,633
Used Provision during the year	-	-	(262,297)	(262,297)
Collections from loans previously written-off	18,568	-	-	18,568
Cumulative foreign currencies translation differences	12,779	18,399	78,817	109,995
<b>Balance at the end of the year</b>	517,050	624,069	967,455	2,108,574

	Stage 1	Stage 2	Stage 3	Total
	months 12	Life time	Life time	
	EGP Thousands	EGP Thousands	EGP Thousands	EGP Thousands
<b>Balance at the beginning of the year</b>	-	207	-	207
Expected Credit losses	-	40,596	-	40,596
Cumulative foreign currencies translation differences	-	52	-	52
<b>Balance at the end of the year</b>	-	40,854	-	40,854

16- Derivatives

Currency Swap / yield contracts represent commitments to exchange a range of cash flows. These contracts result in currency exchange or rates (Fixed rate with variable rate, for example) or (all with swap contracts and currencies)

The actual exchange of contract amounts is only in certain currency swap contracts. The Bank's credit risk is the potential cost of replacing the swap contracts if the other parties fail to perform their obligations

This risk is monitored on an ongoing basis in comparison to the fair value and by contractual amount, and for credit risk control The Bank evaluates the counterparty using the same techniques used in the lending activities

	December 31, 2024		Dec 31, 2023	
	Fair Value		Fair Value	
	Assets	Liabilities	Assets	Liabilities
	EGP Thousands	EGP Thousands	EGP Thousands	EGP Thousands
Swap Contract	249,717	249,685	27,606	27,505
Forward contract	-	-	68,781	64,671
Total Assets (Liabilities) Derivatives	32	-	4,211	-

17- **Financial Investment**

	December 31,2024	Dec 31,2023
	EGP Thousands	EGP Thousands
<b>A/17 Financial Assets at Fair value through OCI :</b>		
- <b>Debt instruments-fair value:</b>		
- Listed in stock market	3,321,056	1,658,420
- <b>NET</b>	<b>3,321,056</b>	<b>1,658,420</b>
- Treasury bills and other governmental notes at Fair value through OCI	24,850,256	19,610,853
Unearned income	(1,234,555)	(478,717)
<b>NET</b>	<b>23,615,701</b>	<b>19,132,136</b>
- <b>Equity instruments-fair value:</b>		
- Certificates of mutual funds issued according to determined percentages	<b>80,235</b>	<b>62,198</b>
- Unlisted in stock market	784,591	583,250
<b>( 1 ) Total Financial Assets at Fair value through OCI</b>	<b>27,801,583</b>	<b>21,436,004</b>
<b>B/17 Amortized cost investment</b>		
- <b>Debt instruments at amortized cost:</b>		
- Listed in stock market	14,852,012	6,848,051
- Less: Expected Credit losses	(100,455)	(13,390)
- <b>NET</b>	<b>14,751,557</b>	<b>6,834,661</b>
- Treasury bills and other governmental notes by Amortized cost	1,048,425	1,156,375
- Unearned income	(55,211)	(56,921)
- Less: Expected Credit losses	-	-
- <b>NET</b>	<b>993,214</b>	<b>1,099,454</b>
- <b>( 2 ) Total Amortized cost investment</b>	<b>15,744,771</b>	<b>7,934,115</b>
- <b>( 1+2 ) Total Financial Investments</b>	<b>43,546,354</b>	<b>29,370,119</b>
- Current balances	42,761,763	28,786,869
- Non-current balances	784,591	583,250
	<b>43,546,354</b>	<b>29,370,119</b>
- Fixed interest debt instruments	40,765,711	27,961,783
- Variable interest debt instruments	1,915,817	762,888
	<b>42,681,528</b>	<b>28,724,671</b>

\* The Bank reclassified debt instruments government bonds from financial investment at Fair value through OCI to Amortized cost investment , as bank has the ability & intension to keep it till maturity date , The value of the bonds on the date of listing (outstanding on Dec 31, 2024 ) Amounted to 1,627,488 thousand EGP

The following table shows book value & fair value as at 31 Dec 2024 for reclassified government bonds:

	Book Value	Fair Value
<b>Government Bonds</b>	<b>1,627,488</b>	<b>1,448,930</b>

\* The fair value that would have been recognized in equity gains if government bonds had not been reclassified amount of 178,558 Thousands EGP

	EGP Thousands		
	Financial investment at Fair value through OCI	Financial investment Amortized cost	Total
<b>The balance after Adjustment at 1 Jan 2023</b>	15,868,061	12,103,367	27,971,428
Additions	830,260	704,379	1,534,639
Deductions (selling-redemptions)	(702,861)	(5,291,722)	(5,994,583)
Changes in Zero coupon bonds' unearned income	-	120,540	120,540
Foreign Exchange revaluation differences	255,598	155,649	411,247
Profit (losses) from change in fair value	86,229	(4,394)	81,835
amortization for Discount and premium	4,699	41,012	45,711
Expected Credit losses	-	(9,984)	(9,984)
<b>Ending balance at 31 Dec 2023</b>	<b>16,341,985</b>	<b>7,818,847</b>	<b>24,160,831</b>
Net change in Treasury bills and other governmental notes at Fair value through OCI	5,060,121	119,800	5,179,921
The change in Unearned income	33,898	(4,672)	29,226
Expected Credit losses	-	141	141
<b>beginning balance at 1 Jan 2024</b>	<b>21,436,004</b>	<b>7,934,116</b>	<b>29,370,120</b>
Additions	1,930,571	7,905,009	9,835,580
Deductions (selling-redemptions)	(795,843)	(2,963,903)	(3,759,746)
Changes in Zero coupon bonds' unearned income	-	14,419	14,419
Foreign Exchange revaluation differences	415,713	2,962,283	3,377,996
Profit (loss) from change in fair value	321,847	2,925	324,772
amortization for Discount and premium	9,726	83,228	92,954
Expected Credit losses	-	(87,064)	(87,064)
<b>Ending balance</b>	<b>23,318,019</b>	<b>15,851,012</b>	<b>39,169,030</b>
Net change in Treasury bills and other governmental notes	5,239,403	(107,950)	5,131,453
The change in Unearned income	(755,838)	1,710	(754,128)
<b>Ending balance at 31 December 2024</b>	<b>27,801,583</b>	<b>15,744,771</b>	<b>43,546,354</b>

	December 31,2024 EGP Thousands	December 31,2023 EGP Thousands
<b>Treasury bills and other governmental notes at Fair value through OCI</b>		
Represented in:		
- 91 days Maturity	800,000	9,607,125
- 182 days Maturity	2,380,000	2,330,225
- 273 days Maturity	2,631,275	402,300
- 364 days Maturity	19,063,999	7,269,833
<b>Total</b>	<b>24,875,274</b>	<b>19,609,483</b>
- Unearned income	(1,234,555)	(478,717)
<b>Total</b>	<b>23,640,719</b>	<b>19,130,766</b>
- Profit (loss) from change in fair value	(25,011)	12,137
- Repurchase agreement - sale treasury bills	(7)	(10,767)
<b>Total</b>	<b>23,615,701</b>	<b>19,132,136</b>

Within the item of treasury bills amount 21,600 EGP thousands owed to the Central Bank of Egypt against mortgage finance and amount 15,900 EGP thousands of small & medium enterprises 7% As of 31 Dec 2024

**Profit (Losses) from Financial Investments**

	The Year Ended December 31,2024 EGP Thousands	The Year Ended December 31,2023 EGP Thousands
Profit from selling Financial Investments at Fair value through OCI	-	696
Profit from selling treasury bills	12,211	5,161
Profit from selling treasury bonds	21,647	10,549
<b>Total</b>	<b>33,858</b>	<b>16,406</b>

**18- Financial investment in subsidiaries and associated co**

	December 31,2024 EGP Thousands	Ratio %	December 31,2023 EGP Thousands	Ratio %
Philae Cruisers company	6,875	28.94%	6,875	28.94%
	<b>6,875</b>	<b>28.94%</b>	<b>6,875</b>	<b>28.94%</b>

Philae Cruisers company is one of the associates of Egypt Capital holding Company, and it is not consolidated due to the lack of control of the bank over it in any way required by the bases of consolidating basis.

**19- Intangible Assets**

	December 31,2024 EGP Thousands	Dec 31,2023 EGP Thousands
Net book value at the beginning of the year	396,722	200,053
Additions	178,994	196,669
Adjustments	428	-
Net book value at the end of the year (1)	<b>576,144</b>	<b>396,722</b>
Accumulated depreciation at the beginning of the Period	250,652	157,575
Amortization expense	135,365	93,077
Adjustments	1,143	-
Accumulated depreciation at the end of the year (2)	<b>387,160</b>	<b>250,652</b>
Net intangible assets at the end of the year (1 - 2)	<b>188,984</b>	<b>146,070</b>

**20- Other Assets**

	December 31,2024 EGP Thousands	Dec 31,2023 EGP Thousands
Accrued revenues*	1,721,855	878,537
Prepaid expenses	342,416	218,837
Advances for purchase of fixed assets	1,271,879	1,053,785
Acquired assets (Net)	507,979	468,824
Insurances and trusts	15,140	14,103
Suspense assets	1,975,570	1,213,348
Purchase of financial rights	39,824	581,825
<b>Total</b>	<b>5,874,662</b>	<b>4,429,260</b>
Less: Expected Credit losses	<b>(9,807)</b>	<b>(6,454)</b>
<b>NET</b>	<b>5,864,855</b>	<b>4,422,805</b>

	December 31,2024 EGP Thousands	Dec 31,2023 EGP Thousands
Accrued income for medium term loans	644,855	451,519
Accrued income for due from banks	191,090	76,407
Accrued income for financial investments	885,911	350,611
<b>Total</b>	<b>1,721,855</b>	<b>878,537</b>
Less: Expected Credit losses	<b>(9,751)</b>	<b>(6,293)</b>
<b>NET</b>	<b>1,712,104</b>	<b>872,244</b>

**Work in process is as follows:**

	December 31,2024 EGP Thousands	Dec 31,2023 EGP Thousands
Book value at the beginning of the year	1,053,785	1,025,368
Additions during the year	253,214	89,505
Transferred to fixed assets	<b>(35,121)</b>	<b>(61,088)</b>
<b>Balance at the End of the Year</b>	<b>1,271,879</b>	<b>1,053,785</b>

\* The assets whose ownership has devolved to the bank in settlement of debts are proven at the value at which they were transferred to the bank, which is represented in the value of the debts that the bank management decided to waive in exchange for these assets. In the event that there is objective evidence of the occurrence of impairment losses in the value of these assets at a date subsequent to the transition, then the value of the loss is measured for each asset separately by the difference between the book value of the asset and its net selling value or the present value of future cash flows estimated from the use of the asset and discounted at the current market rate for similar assets, whichever is higher. The book value of the asset is reduced through the use of an impairment account and the recognition of the value of the loss in the income statement under the item "other operating income (expenses)". If the impairment loss decreases in any subsequent Period, and that decrease can be linked objectively to an event that occurred after the impairment loss was recognized, then the previously recognized impairment loss is returned to the income statement, provided that this response does not result in an asset value exceeding the value that was previously recognized. It would have been possible for the asset to reach it if these impairment losses had not been recognized, provided that the disposal of these assets is taken into account within the time year specified in accordance with the provisions of the law. And if these assets are not disposed of within the specified year in accordance with Law No. 194 of 2020, the general bank risk reserve is reinforced by the equivalent of 10% of the value of these assets annually. Under "other operating income (expenses).

21- FIXED ASSETS (NET)

EGP Thousands

	Land	Premises	Computers	Vehicles	Fixture and improvements	Equipment	Furniture	Others	Total
Cost at the beginning of the year	323,727	733,445	293,089	23,810	527,145	93,046	62,902	48,387	2,105,551
Additions during the year	-	4,821	173,035	9,242	51,368	10,974	4,629	518	254,586
Disposals during the year	-	(188)	(14,137)	-	(11,506)	(447)	(1,727)	(10)	(28,015)
Cost at the end of the year (1)	323,727	738,078	451,987	33,051	567,007	103,573	65,804	48,895	2,332,123
Accumulated depreciation at the beginning of the year	-	146,249	217,438	17,242	383,293	52,370	36,300	32,118	885,009
Depreciation charged for the year	-	18,195	65,535	3,716	39,758	7,985	5,620	1,020	141,830
Accumulated depreciation for disposals	-	(90)	(12,249)	-	(11,504)	(447)	(1,716)	(10)	(26,016)
Accumulated depreciation at the end of the year (2)	-	164,354	270,724	20,957	411,547	59,909	40,204	33,128	1,000,823
Net book value at the end of the year (1-2)	323,727	573,724	181,263	12,094	155,460	43,665	25,600	15,767	1,331,300
Net book value at the beginning of the year	323,727	587,196	75,651	6,568	143,852	40,677	26,602	16,270	1,220,543

\* Fixed assets include assets that have not been registered under the name of the bank in the amount of 77,628 Thousand Egyptian pound (Before Depreciation)

**-22- Deferred Tax Assets / Liability**

Deferred income tax was calculated based on the deferred tax differences according to the liability method using an effective tax rate for the current fiscal year. Deferred tax assets resulting from carried forward tax losses shall not be recognized unless future taxable profits, through which carried forward taxable losses can be utilized, are likely to be proven. Clearing between deferred tax assets and liabilities is made in case of there is a legal justification for Offsetting between current tax on assets and liabilities and also when deferred income tax belong to the same tax authority, the following table represents deferred tax assets and liabilities :

	Deferred Tax Assets		Deferred Tax liabilities	
	December 31,2024	Dec 31,2023	December 31,2024	Dec 31,2023
	EGP Thousands	EGP Thousands	EGP Thousands	EGP Thousands
Deferred tax – other provisions	2,100	3,039	-	-
Tax effect of the difference between accounting depreciation and tax depreciation	2,293	-	-	151
Deferred Taxes - fair value differences resulting from the evaluation of financial investments at Fair value through OCI in foreign currencies	-	-	115,288	55,577
<b>Total Deferred Tax (Asset-Liability)</b>	<b>4,393</b>	<b>3,039</b>	<b>115,288</b>	<b>55,728</b>
<b>Net Deferred Tax</b>			<b>110,895</b>	<b>52,689</b>
<b><u>Companies</u></b>				
Deferred Tax Assets / Liabilities	402	247	14,968	16,337
<b>Net Tax</b>	<b>402</b>	<b>247</b>	<b>125,863</b>	<b>69,026</b>

	Deferred Tax Assets		Deferred Tax liabilities	
	December 31,2024	Dec 31,2023	December 31,2024	Dec 31,2023
	EGP Thousands	EGP Thousands	EGP Thousands	EGP Thousands
<b>The beginning of the year</b>	3,039	1,546	55,728	28,579
Additions during the year	1,354	1,493	115,288	30,290
Disposals during the year	-	-	(55,728)	(3,141)
<b>The Ending balance</b>	<b>4,393</b>	<b>3,039</b>	<b>115,288</b>	<b>55,728</b>

**23- Due to banks**

	December 31,2024	Dec 31,2023
	EGP Thousands	EGP Thousands
Current accounts	195,585	5,131
Deposits	18,863,443	12,408,826
	<b>19,059,027</b>	<b>12,413,957</b>
Local banks	16,955,013	10,187,677
Foreign banks	2,104,015	2,226,280
	<b>19,059,027</b>	<b>12,413,957</b>
Non - interest bearing balances	195,585	5,131
Fixed bearing balances	18,863,443	12,408,826
	<b>19,059,027</b>	<b>12,413,957</b>
Current Balances	<b>19,059,027</b>	<b>12,413,957</b>

**24- Repurchase Agreements - Sale Treasury Bills**

	December 31,2024	Dec 31,2023
	EGP Thousands	EGP Thousands
Sale of Treasury Bills with a repurchase obligation	18,544	19,913

25- Customers Deposits

		December 31,2024	Dec 31,2023
		EGP Thousands	EGP Thousands
Demand Deposits		51,786,142	38,232,534
Time Deposits		69,058,607	34,228,639
Certificates of Deposits		11,797,861	10,224,914
Saving Deposits		1,541,031	1,499,222
Other Deposits		2,812,309	2,522,074
	<b>Total</b>	<b>136,995,950</b>	<b>86,707,383</b>
Retail Deposits		18,395,716	15,441,208
Corporate Deposits		118,600,234	71,266,175
	<b>Total</b>	<b>136,995,950</b>	<b>86,707,383</b>

26- Debt Instruments

Export Credit Guarantee Company of Egypt issued Bonds by EGP 50 million with 5% annually interest rate, and this bonds will be amortized at the end of the company.

As a continuation of the acquisition of the Central Bank of Egypt in accordance with Law No. 178 of 2023 establishing the Egyptian Export and Investment Guarantee Agency, the value of these bonds with interest was refunded to the National Investment Bank on April 16, 2024.

27- Other loans

	Maturity date	% Rate	December 31,2024	Dec 31,2023
			EGP Thousands	EGP Thousands
Arab Trade Financing Program				
Agricultural Sector Development Program (ADP)	Feb 13,2023	3.30%	131,800	199,925
Management of the National Bank of Egypt	Sep 15,2023	1.75%	11,268	12,570
Green for growth fund	Sep 03,2028	7.61%	406,051	435,312
Sanad fund	June 15,2026	8.02%	808,800	371,119
CBE for small & medium projects 7%	Jan 8,2030	3.00%	7,081	37,284
projects Development Authority	July 1,2025	11.00%	644	1,500
EBE Factory Loan			1,070,398	504,218
European Bank for Reconstruction and Development	Oct 1,2026	6.85%	1,423,486	278,038
	<b>Total</b>		<b>3,859,528</b>	<b>1,839,965</b>
Current Balances			7,081	-
Non-current Balances			3,852,446	1,839,965
	<b>Total</b>		<b>3,859,528</b>	<b>1,839,965</b>

28- Other liabilities

	December 31,2024	Dec 31,2023
	EGP Thousands	EGP Thousands
Accrued Interest	787,448	441,190
Prepaid Revenues	159,428	162,471
Accrued Expenses	470,330	330,917
Accrued Taxes and Insurances	43,955	33,454
Sundry Credit Balances	100	100
Suspense assets	2,443,831	1,376,543
	<b>Total</b>	<b>2,344,675</b>

Notes to the Consolidated Financial Statements  
For the year ended December 31, 2024

29- Other Provisions

December 31,2024	Balance at the beginning of the year	Charges during the year	Foreign currencies revaluation differences	Release (charge)Provisions no longer required	Transferred from(to)other sources	Provision used during the year	Balance at the end of the year
	EGP Thousands	EGP Thousands	EGP Thousands	EGP Thousands	EGP Thousands	EGP Thousands	EGP Thousands
Provision for claims (Taxes)	53,276	22,128	-	-	-	(22,026)	53,378
Provision for legal claims	26,204	2,306	10,647	(32,987)	-	(1,000)	5,170
Provision for contingent liabilities-Stage 1	96,025	126,820	12,111	(89,961)	-	-	144,994
Provision for contingent liabilities-Stage 2	3,436	69,413	1,609	(45,335)	-	-	29,123
Provision for contingent liabilities-Stage 3	335	1,865	-	(90)	-	-	2,110
Provision for Commitment -Stage 1	123,616	113,644	-	(53,299)	-	-	183,961
Provision for Commitment -Stage 2	32,686	45,677	-	(15,531)	-	-	62,832
Technical provisions for property and casualty insurance	-	3,525	-	(1,321)	-	-	2,204
Provision for Commitment -Stage 3	46,163	218,481	22,997	(65,678)	-	-	221,963
<b>Total</b>	<b>381,741</b>	<b>603,859</b>	<b>47,364</b>	<b>(304,203)</b>	<b>-</b>	<b>(23,026)</b>	<b>705,737</b>

Dec 31,2023	Balance at the beginning of the Year	Charges during the Year	Foreign currencies revaluation differences	Release (charge)Provisions no longer required	Transferred from(to)other sources	Provision used during the Year	Balance at the end of the Year
	EGP Thousands	EGP Thousands	EGP Thousands	EGP Thousands	EGP Thousands	EGP Thousands	EGP Thousands
Provision for claims (Taxes)	40,298	21,562	-	-	-	(8,583)	53,276
Provision for legal claims	2,705	23,265	354	(101)	-	(19)	26,204
Provision for contingent liabilities-Stage 1	47,754	75,676	3,005	(30,410)	-	-	96,025
Provision for contingent liabilities-Stage 2	498	5,157	-	(2,219)	-	-	3,436
Provision for contingent liabilities-Stage 3	783	163	-	(611)	-	-	335
Provision for Commitment -Stage 1	109,862	22,783	-	(9,029)	-	-	123,616
Provision for Commitment -Stage 2	6,503	54,598	-	(28,415)	-	-	32,686
Technical provisions for property and casualty insurance	40,633	31,617	6,829	(32,916)	-	-	46,163
<b>Total</b>	<b>249,036</b>	<b>234,820</b>	<b>10,188</b>	<b>(103,701)</b>	<b>-</b>	<b>(8,602)</b>	<b>381,741</b>

- A provision for contingent liabilities includes indirect contingent liabilities
- Other provisions are reviewed in the financial position date and adjusted when necessary to show the best estimate of the situation

### 30- Capital and Reserves

#### 30.1 Capital

The authorized capital amounted to LE. 20,000,000,000. The issued and paid up capital amounted to LE 9,896,668,320 as of Dec 31, 2024, distributed over 989,666,832 common shares with a par value of EGP 10 each, and the shareholders structure as following:

Shareholders	No. of shares	%	Paidup capital
National investment bank	403,279,642	40.75%	4,032,796,420
Banque de misr	228,991,281	23.14%	2,289,912,810
National bank of Egypt	195,947,147	19.80%	1,959,471,470
Others	161,448,762	16.31%	1,614,487,620
	<b>989,666,832</b>	<b>100%</b>	<b>9,896,668,320</b>

- The bank was established in 1983 and paid up capital amounted to 50 Million pounds
- On January 9, 1988, the General Assembly agreed to increase the capital by an amount of 7.5 million pounds
- On December 30, 1991, the General Assembly agreed to increase the capital by 11.5 million pounds
- On May 16, 1996, the General Assembly agreed to increase the capital by an amount of 181 million pounds
- On January 20, 2002, the General Assembly agreed to increase the capital by 250 million pounds
- On September 29, 2003, the General Assembly agreed to increase the capital by 100 million pounds
- Board of Directors Decision No. 8 of 2006 dated September 12, 2006 to increase the capital by 200 million pounds
- Board of Directors Decision No. 18 of 2007 dated December 17, 2007 to increase the capital by 200 million pounds
- On September 23, 2008 the General Assembly agreed to increase the capital by 200 million pounds
- September 29, 2010, the General Assembly agreed to increase the capital by 240 million pounds
- On April 27, 2017, the General Assembly agreed to increase the capital by 288 million pounds
- On April 3, 2018, the General Assembly agreed to increase the capital by 1,000 million pounds
- On Feb 28 2021, the General Assembly agreed to increase the capital by 545.6 million pounds
- On Feb 6,2022 The General Assembly agreed to increase the capital by an amount of 2000 million pounds cash was noted in the investment newspaper on August 17, 2022
- On October 25,2022 The General Assembly agreed to distribute 327 million egyptian pound free shares
- On March30,2023 the General Assembly approved the distribution of 840 million pounds as free shares distribution
- On October 25, 2022, the General Assembly agreed to increase the capital by 1,000 million pounds
- On March 27,2024 the General Assembly approved the distribution of 2,456 million pounds as free shares distribution

#### 30.2 Reserves

- Reserves on December 31,2024 represented in the following

	December 31,2024	Dec 31,2023
	EGP Thousands	EGP Thousands
- General banking risk reserve	909	316,495
- Banking risk reserve – acquired assets	-	3,870
- Legal reserve	1,044,481	716,313
- General reserve	208,097	205,981
- Reserve for financial assets at fair value through OCI	512,391	247,008
- Deferred Taxes fair value differences resulting from the evaluation of financial assets at fair value through OCI in foreign currencies	(115,288)	(55,577)
- Expected credit losses for debt instruments at fair value through OC	157,816	81,866
- Special reserve	31,719	32,842
- Capital reserve	198,741	198,432
<b>Total</b>	<b>2,038,866</b>	<b>1,747,230</b>

##### 1- General bank risk reserve

It represents the increase in the provisions calculated according to creditworthiness principles over the provision for impairment in accordance with the instructions of the Central Bank of Egypt issued on February 26, 2019 regarding the requirements for applying the IFRS9 standard, in addition to the remainder of the impact of the application of IFRS9 where the balance of the general banking risk reserve, IFRS9 reserve and the credit reserve were merged. The largest part of this reserve was used to offset expected credit losses upon the initial application of the international standard (1 July 2019)

##### 2- Banking risk reserve - acquired assets

If the assets acquired by the Bank are not disposed of in accordance with the provisions of Article 60 of Law 88 of 2003 the general bank risk reserve shall be increased by 10% of the value of these assets annually during the year of retention by the Bank

##### 3- Legal reserve

In accordance with the Bank's Articles of Association, an amount equal to 10% of the profits shall be deducted annually to form the statutory reserve. The General Assembly may stop this deduction when the reserve total equals 50% of the issued capital of the Bank

##### 4- Fair value reserve - at Fair value through OCI

Represents revaluation differences arising from changes in the fair value of financial investments available for sale

##### 5- Capital reserve

Representing the Profit sale of fixed assets

**Notes to the Consolidated Financial Statements**  
**For the year ended December 31, 2024**

**31- Shareholders' Dividends**

Dividends are recognized when the general assembly of shareholders approves them. Dividends include the Employees' profit share and the board of directors' remuneration by deducting from the retained earnings about the end of the current fiscal year

**32- Cash and cash equivalent**

For the purpose of presenting the cash flow statement, cash and cash equivalents include the following balances maturing within less than 3 months from the date of acquisition

	<b>December 31,2024</b>	<b>December 31,2023</b>
	<b>EGP Thousands</b>	<b>EGP Thousands</b>
Cash and due from central bank of Egypt	368,725	376,755
Due from banks	47,914,793	20,722,864
Treasury bills and other governmental notes	1,199,600	9,845,525
	<b>49,483,117</b>	<b>30,945,143</b>

**33- Contingent liabilities and commitments**

**(A) Legal claims**

There are a number of existing cases filed against the bank in 31 December 2024 and provision has been made for some of them and no provision has been made for certain cases as no losses are expected

**(B) Capital commitments**

The capital commitments for the financial investment reached on the date of financial position 1,314,845 thousands as follows

	<b>Investment value</b>	<b>Paid</b>	<b>Remaining</b>
Financial assets at fair value through OCI	2,218,427	1,327,039	891,388
Fixed asset capital Commitment	-	-	423,456
	<b>2,218,427</b>	<b>1,327,039</b>	<b>1,314,845</b>

**(B)/2 Commitment for operating leases**

The total non-cancellable minimum operating leasespayment are as follows :

	<b>December 31,2024</b>	<b>Dec 31,2023</b>
	<b>EGP Thousands</b>	<b>EGP Thousands</b>
Not more than one year	1,817	1,295
More than five years	194,698	218,058
<b>Total</b>	<b>196,514</b>	<b>219,354</b>

**(C) Loans, facilities and guarantees commitments**

	<b>December 31,2024</b>	<b>Dec 31,2023</b>
	<b>EGP Thousands</b>	<b>EGP Thousands</b>
Letter of guarantee	18,450,380	14,595,795
Letter of Credit (Import)	5,483,858	2,670,651
Letters of credit (Export-confirmed)	1,688,607	2,767,794
Shipping documents (Export)	1,196,405	967,846
Less : Cash cover	<b>(6,743,547)</b>	<b>(4,038,375)</b>
<b>Net</b>	<b>20,075,703</b>	<b>16,963,712</b>
Irrevocable commitments for credit facilities	3,368,702	2,821,794
<b>Total</b>	<b>23,444,404</b>	<b>19,785,506</b>

### **34. Tax status**

#### **- Corporate income Tax.**

- The beginning of the years till 30/06/2019.

Tax Inspections done and pay all tax due.

- Year 2019-2020

The Tax Inspection has been completed, and the inspection differences for those years are being paid and settled with the collection department of the tax authority.

- Years 2021-2023

The bank submits the annual tax return on legal deadline and pay any tax due.

#### **- Stamp Taxes**

- The beginning of the years till 31/12/2022

Tax Inspections done and pay any tax due.

- 2024-2023 years

The bank submits the quarter tax return on legal deadline and pay any tax due.

#### **- Salaries tax**

- The beginning of the years till 31/12/2022

Tax Inspections done and pay any tax due.

- 2024-2023 years

The bank submits the tax returns on legal deadline and pay any tax due.

The bank also submits the monthly calculation form, the quarterly form (4-salary form), and the annual settlement form (6-salary form) within the legal deadlines.

#### **- Real Estate Tax**

The Bank pays the real estate taxes due on all its assets on the legal dates whenever it received.

\* The bank submits tax returns on a regular basis and on the scheduled dates in accordance with the Unified Tax Procedures Law No. 206 of 2020.

- **Export credit guarantee company tax status:**

- **Salaries tax**

- Salaries tax has been inspected and paid till 31-12-2021.
- The company is committed to submitting salary tax monthly to the Tax Authority and making quarterly and annual settlements within the legal deadlines.
- As of the first of January 2023, the company has joined the system for unifying salary tax standards of the Tax Authority, which calculates the tax on salaries.

- **Corporate income Tax**

- Corporate income tax was inspected and paid till 2011, and the appeal was submitted on forms (19) within the legal deadlines for the years 2015/2017.
- The tax return was submitted on 12/31/2023 and the tax due was paid according to it on the legal dates.

- **Stamp Taxes**

- Stamp tax was inspected and paid till 2006.
- Years from 2007 to 2021 are being inspected.

- **Real estate Taxes**

- Tax has been paid till the year 2024.

- **Egypt Capital Holding company tax status:**

- **Corporate income Tax:**

- Years from 2010/2014

Tax inspection done and pay any tax due.

- Years from 2015/2018

The company has not been notified of an inspection request to date.

- Years from 2019/2021

The inspection documents have been submitted and the results are awaited.

- **salaries tax**

- Years from 2010/2022

Tax inspection done and pay any tax due.

- **Stamp tax**

- Years from 2010/2020

Tax inspection done and pay the tax due.

- **Withholding tax**

Form no. 41 submitted regularly, and the due tax paid, knowing that the last date of paying was 12/2024 and we were not notified of any notification by the tax authority.

- **Value added tax**

The company is registered for value-added tax and submits the monthly declaration regularly to the electronic system of the Egyptian Tax Authority within the legal deadlines, with payment of the tax due, if any. The company has not been notified of an inspection request to date.

- **Egyptian Tourism Development Company tax status:**

- **Corporate income Tax**

- 1999/2003 years

Tax inspection done and pay the tax due.

- 2004 year

- Inspection done and appeal submitted on forms (19), the file transferred to the internal committees, and the due taxes paid, and 35% of the delay penalties has been paid according to Law No. (153) for year 2022.

- 2005/2009 years

The company was not included in the inspection sample for the 2005/2009 years and the tax returns approved in accordance to the law number 91 for 2005.

- 2010/2012

Inspection done and the file transferred to internal committees, the decision was made that there are no tax to be paid.

- 2013/2015

Inspection done and the file transferred to internal committees, and pay the tax due.

- 2016/2023

The company submitted the annual tax returns on a regular basis for the years 2016/2023 according to law number 91, 2005 and its executive regulations.

- **salaries tax**

• From the beginning of the activity till 2019

Tax inspection done and pay the tax due.

• Years 2020/2023

The company submitted the tax returns on a regular basis in the legal dates.

The inspection is ongoing and the company has not received any claims to date.

- **Stamp tax**

• From the beginning of activity until 31 December 2020

Tax inspection done and pay the tax due.

- **Al-Masri company for real estate investments tax status:**

- **Corporate income Tax**

- The company submits tax returns on a regular basis and on the legal dates in accordance with the Unified Tax Procedures Law No. 206.

- The company has been inspected for the period from 2012/2021 and pay any tax due.

- **salaries tax**

• 2012/2019

Tax inspection done and the tax due have been determined.

- **Stamp tax**

• 2012/2019

Tax inspection done and pay the tax due.

- **A BETA for real estate investment tax status :**

- **Corporate income Tax**

The company submits tax returns on a regular basis and on the scheduled dates in accordance with the Unified Tax Procedures Law No. 206 of 2020.

The actual inspection done till the year 2018 and pay the tax due.

- 2018/2021

Inspection documents have been submitted.

- **salaries tax**

The actual inspection done till the year 2021 and pay the tax due.

- **Stamp tax**

- 2013/2019

The actual inspection done and pay the tax due.

- **Egypt Capital for real estate investments tax status:**

- **Corporate income Tax**

The company submitted tax return in the legal dates and the last one submitted for the year ended in 31 Dec 2022.

-Tax inspection done for years 2013-2020 and pay the tax due and got the final settlement.

- **salaries tax**

The tax authority was inspected for the years 2012 to 2019, and pay the tax due.

- Tax inspection is ongoing for the years 2020 to 2022.

- **Stamp tax**

Tax inspection done for the years 2012 to 2022 and the tax due have been determined and paid and got the final settlement.

- **Withholding tax**

Form no. 41 submitted regularly, and the due tax was paid, moreover we did not receive any notification by the tax authority.

- **Beta Financial Holding's tax status:**

- **Corporate income Tax**

- The company submitted tax return in the legal dates.

- The tax authority was examined (estimated) tax for year 2017, and the company appealed that form on the legal dates and submitted the necessary documents for the inspection and is waiting for the inspection's results.

- The actual inspection for year 2020 requested, and all the requested documents submitted for that.

- **salaries tax**

• 2013-2020

Tax inspection done and pay the tax due.

- **Stamp tax**

• 2013-2019

Tax inspection done and pay the tax due.

- **The International Holding Company for Development and Financial Investments tax status:**

- **Corporate income Tax**

The company submitted tax return in a regular basis according to law number 91 2005 in the legal dates.

The company was inspected for the years 2013/2020 and the company submitted an appeal on the inspection results.

The tax due have been determined for the years 2017, 2019, 2020 and paid.

- **salaries tax**

• 2012-2019

Tax inspection done and the tax due have been determined

- **Stamp tax**

• 2012-2020

Tax inspection done and pay the tax due.

- **the tourism investment company in Sahl Hashish tax status:**

- **Corporate income Tax:**

The company enjoys a tax exemption for hotel activity until 31 December 2011

Tax inspection done till 2021 and the differences were paid.

- **salaries tax**

The beginning of the activity until 31 December 2022

Tax inspection done and the differences were paid.

- **Stamp tax**

The beginning of the activity until 2020

Tax inspection done and the differences were paid.

- **Real Estate**

The company pay the tax for the years 2013-2024, the company obtained a payment clearance.

- **EFS financial solutions tax status:**

- **Corporate income Tax:**

The beginning of the activity until 31 December 2023

- The company has not been inspected from the beginning of the activity.
- The company submitted tax returns on the legal dates.

- **salaries tax**

The beginning of the activity until 31 December 2023

- The company has not been inspect from the beginning of the activity.
- The company submitted tax returns on the legal dates.

- **Stamp tax**

The beginning of the activity until 31 December 2023

The company has not been inspect from the beginning of the activity and the due tax paid on the legal dates.

- **Withholding tax**

Form no. 41 submitted regularly, and the due tax paid on the legal dates.

### **35. Mutual Funds**

	Export Development Bank of Egypt first mutual fund (The Expert fund)	Export Development Bank of Egypt Fund -The Second - The Monetary	Export Development Bank of Egypt Fund - The Third - Fixed Income Instruments
law	the capital market law No. 95 for the year 1992	the capital market law No. 95 for the year 1992	the capital market law No. 95 for the year 1992
company	Azimut for funds and securities portfolios management	Azimut for funds and securities portfolios management	Prime Investments Asset Management
No. of certificates at foundation	1,000,000	2,867,466	612,501
No of certificates were allocated to the bank	50,000	143,400	50,000
nominal value	33.33	100	100
The number of the outstanding certificates on the date of balance sheet	116,726	1,060,995	52,070
the number of owned certificates by the bank	79,191	39,440	50,000
The Bank percentage from total no. of certificates	67.84%	3.72%	96.02%
The redemption value per certificate as of Dec. 31, 2024.	370.44	687.8200	475.4399
fees and commission income/other fees collected as of Dec. 31, 2024.	745.9 Thousands	2,644.7 Thousands	118.7 Thousands

### **36. Comparative Figures:**

- Some comparative figures have been reclassified to conform to the current year's financial presentation.

### **37. Important Events:**

- Standard 51 Financial Statements in Hyperinflation Economics was issued in October 2024 and the Bank is following up on the issuance of instructions for the application of the standard to the banking sector.