Abu Dhabi Commercial Bank – EGYPT (S.A.E)

FINANCIAL STATEMENTS
For the Year Ended 31 December 2024
AND AUDITORS' REPORT

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BT Mohamed Hilal - Wahid Abdel Ghaffar
Public Accountants & Consultants

Wafik, Ramy & Partners - Deloitte
Accountants & Auditors

Translation of Auditor's report originally issued in Arabic

AUDITORS' REPORT

To: The Shareholders of Abu Dhabi Commercial Bank - Egypt (S.A.E)

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the Egyptian Standards on Auditing and in the light of the prevailing Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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

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

BT Mohamed Hilal - Wahid Abdel Ghaffar
Public Accountants & Consultants

Wafik, Ramy & Partners - Deloitte
Accountants & Auditors

Opinion

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

Report on Legal and Other Regulatory Requirements

No material contravention, during the financial year ended 31 December 2024, of the provisions of Central Bank of Egypt and the Banking System Law No. 194 of 2020 has come to our attention as part of our audit of the financial statements.

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

The financial information included in the Board of Directors' report, prepared in accordance with the Companies Law No. 159 of 1981 and its Executive Regulations and their amendments, is in agreement with the Bank's books of accounts insofar such information is normally recorded therein.

Auditors

Tarek Salah
CPA - FESAA
Financial Regulatory Authority register No. "105"
Accountants and Auditors register No. "9631"

Wafik Alfred Hanna
CPA - FESAA
Financial Regulatory Authority register No. "132"
Accountants and Auditors register No. "9176"

BT Mohamed Hilal - Wahid Abdel Ghaffar
Public Accountants & Consultants

Deloitte - Wafik, Ramy & Partners
Accountants & Auditors

Cairo, January 22, 2025

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Statement of Financial Position As of December 31, 2024

In Egyptian Pound	Note	31 December 2024	31 December 2023
Assets			
Cash and due from Central Bank of Egypt	(6)	15 636 013 914	11 476 534 067
Due from banks	(7)	24 147 888 947	16 497 324 011
Treasury bills at fair value through other comprehensive income	(8)	27 344 284 014	25 890 525 144
Loans and advances to Banks	(9)	1 062 055 668	–
Loans and advances to Customers	(10)	52 345 570 926	35 943 119 007
Financial derivatives	(11)	2 379 916	–
Financial Investments :			
– At Amortized Cost	(12)	–	78 570 493
– At fair value through other comprehensive income	(13)	9 818 551 659	5 859 956 794
Investments in associates	(14)	100	100
Intangible assets	(15)	120 560 653	61 088 294
Other assets	(16)	1 988 300 289	1 632 619 406
Deferred Tax Assets	(17)	129 821 903	100 457 328
Property, Plant, and Equipment	(18)	1 561 482 959	523 901 345
Total assets		**134 156 910 948**	**98 064 095 989**
Liabilities and shareholders' equity			
Liabilities			
Due to banks	(19)	667 899 417	90 888 620
Customers' deposits	(20)	116 504 468 240	86 635 033 597
Financial derivatives	(11)	1 563 016	–
Other liabilities	(21)	3 256 300 617	1 948 690 802
Other provisions	(22)	298 161 316	156 517 712
Total liabilities		**120 728 392 606**	**88 831 130 731**
Shareholders' equity			
Paid – Up Capital	(23)	5 512 500 000	5 250 000 000
Reserves	(23)	1 260 431 811	1 205 428 396
Retained earnings	(23)	6 655 586 531	2 777 536 862
Total shareholders' equity		**13 428 518 342**	**9 232 965 258**
Total liabilities and shareholders' equity		**134 156 910 948**	**98 064 095 989**

– The accompanying notes from (1) to (37) are an integral part of these Financial Statements and read with it.

Chairman	Managing Director and CEO	Chief Finance Officer
Mohamed Dhaen Al Hamli	Ihab Elsewerky	Kamel Fayed

Income Statement for Year Ended December 31, 2024

In Egyptian Pound	Note	31 December 2024	31 December 2023
Interest on loans and similar income	(26)	21 540 063 038	12 376 666 030
Cost of deposits and similar expense	(26)	(12 894 932 168)	(7 800 647 088)
Net interest income		**8 645 130 870**	**4 576 018 942**
Fees and Commissions income	(27)	1 132 085 518	698 576 233
Fees and Commissions expenses	(27)	(112 426 900)	(54 517 791)
Net fees and commissions income		**1 019 658 618**	**644 058 442**
Dividends income	(28)	2 934 911	2 531 111
Net trading income	(29)	869 525	1 043 318
Gains from financial investments	(30)	13 807 314	16 226 991
Expected credit losses charges	(31)	(1 346 641 188)	(690 770 272)
Administrative expenses	(32)	(1 954 921 899)	(1267 821 433)
Other operating revenues (expenses)	(33)	(129 332 317)	(179 412 757)
Profit for the Year before income tax		**6 251 505 834**	**3 101 874 342**
Income tax expenses	(17)	(1 979 894 269)	(1 054 737 750)
Net profit for the Year after tax		**4 271 611 565**	**2 047 136 592**
Earnings per share (EGP / Share)	(34)	**3.80**	**1.81**

- The accompanying notes from (1) to (37) are an integral part of these Financial Statements and read with it.

Statement of Comprehensive Income for Year Ended December 31, 2024

In Egyptian Pound	31 December 2024	31 December 2023
Net profit for the Year	**4 271 611 565**	**2 047 136 592**
Items that will not be reclassified to profit or loss		
Net change in the fair value of investments in equity instruments measured at fair value through other comprehensive income	(53 294 963)	79 221 582
Income tax related to items that will not be reclassified to profit or loss	11 991 367	(17 824 856)
Items that may be reclassified to profit or loss		
Net change in the fair value of investments measured at fair value through other comprehensive income	240 617 488	177 835 288
Income tax related to items that may be reclassified to profit or loss	(54 138 935)	(40 012 940)
Expected credit losses on debt instruments measured at fair value through other comprehensive income	15 216 320	3 391 892
Total other comprehensive income for the Year, net after tax	**160 391 277**	**202 610 966**
Total comprehensive income for the Year, net after tax	**4 432 002 842**	**2 249 747 558**

- The accompanying notes from (1) to (37) are an integral part of these Financial Statements and read with it.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY For The Year ended 31 December 2024

In Egyptian Pound	Paid-Up capital	Under capital increase	Legal Reserve	General Reserve	Capital Reserve	General banking risk reserve	Fair value reserve	Retained earnings	Total
Year ended 31 December 2023									
Balance as at January 1, 2023 before distribution	**5 000 000 001**	**-**	**311 089 891**	**11 504 993**	**326 442 419**	**661 408 983**	**(262 250 024)**	**1 005 669 351**	**7 053 865 614**
Profit distribution (Staff & BOD members) - 2022	-	-	-	-	-	-	-	(118 521 373)	(118 521 373)
Profit distribution (shareholders) - 2022	-	249 999 999	-	-	-	-	-	(249 999 999)	-
Transfer to legal reserve	-	-	101 045 951	-	-	-	-	(101 045 951)	-
Transfer to capital reserve	-	-	-	-	54 754 220	-	-	(54 754 220)	-
Banking Support and Development Fund	-	-	-	-	-	-	-	(6 570 954)	(6 570 954)
Transfer to General Risk Reserve	-	-	-	-	-	(255 624 907)	-	255 624 907	-
Net of change in fair value of financial investments through OCI	-	-	-	-	-	-	257 056 870	-	257 056 870
Losses on the sale of financial assets	-	-	-	-		-	-	(1 491)	(1 491)
Paid under capital increase	249 999 999	(249 999 999)	-	-	-	-	-	-	-
Net profit for the Year 31 December 2023	-	-	-	-	-	-	-	2 047 136 592	2 047 136 592
Balance as at 31 December 2023	**5 250 000 000**	**-**	**412 135 842**	**11 504 993**	**381 196 639**	**405 784 076**	**(5 193 154)**	**2 777 536 862**	**9 232 965 258**
Year ended 31 December 2024									
Balance as at January 1, 2023 before distribution	**5 250 000 000**	**-**	**412 135 842**	**11 504 993**	**381 196 639**	**405 784 076**	**(5 193 154)**	**2 777 536 862**	**9 232 965 258**
Profit distribution (Staff & BOD members) - 2023	-	-	-	-	-	-	-	(245 447 343)	(245 447 343)
Bouns Share from Profit distribution (shareholders) - 2023	-	262 500 000	-	-	-	-	-	(262 500 000)	-
Transfer to legal reserve	-	-	201 884 853	-	-	-	-	(201 884 853)	-
Transfer to capital reserve	-	-	-	-	28 288 066	-	-	(28 288 066)	-
Banking Support and Development Fund	-	-	-	-	-	-	-	(22 744 734)	(22 744 734)
Transfer from General Risk Reserve	-	-	-	-	-	(362 492 029)	-	362 492 029	-
Net of change in fair value of financial investments through OCI	-	-	-	-	-	-	187 322 525	-	187 322 525
Disposal Gain financial Assets Fair value through OCI	-	-	-	-	-	-	-	4 811 071	4 811 071
Paid under capital increase	262 500 000	(262 500 000)	-	-	-	-	-	-	-
Net profit for the Year 31 December 2024	-	-	-	-	-	-	-	4 271 611 565	4 271 611 565
Balance as at 31 December 2024	**5 512 500 000**	**-**	**614 020 695**	**11 504 993**	**409 484 705**	**43 292 047**	**182 129 371**	**6 655 586 531**	**13 428 518 342**

- The accompanying notes from (1) to (37) are an integral part of these Financial Statements and read with it.

In Egyptian Pound	Note	31 December 2024	31 December 2023
Cash flow from operating activities			
Net profit for the Year before tax		6 251 505 834	3 101 874 342
Adjustments to reconcile net profit to cash flow from operating activities			
Depreciation and amortization	(18,15)	124 236 058	107 754 968
Reversed charged during the Year–other provisions	(33,22)	136 044 445	89 229 728
Charged (Reversed) during the Year provision at fair value through OCI		3 498 606	
Charged (Reversed charged during the Year–due from banks	(31,7)	35 325 765	(271 519)
Foreign revaluation differences for other provisions	(22)	7 379 567	2 591 512
Foreign revaluation differences for expected credit losses– Due from Bank		333 219	–
Gain on sale of fixed assets	(33)	(2 800 000)	(36 500 730)
Dividends payable	(28)	(2 934 911)	(2 531 111)
Operating profit before changes in assets and liabilities from operating activities		**6 552 588 583**	**3 262 147 190**
Net decrease (increase) in assets and increase (decrease) in liabilities			
Change in due from banks	(7)	(5 717 099 924)	1 069 978 419
Change in due from Central Bank of Egypt within reserve percentage	(6)	(3767 762 616)	667 455 149
Change in treasury bills and other governmental notes	(8)	(4 812 291 401)	138 626 504
Change in loans and advances to Banks	(9)	(1 062 055 668)	–
Change in loans and advances to Customers	(10)	(16 374 957 597)	(6 162 626 021)
Financial derivatives	(11)	(2 379 916)	–
Change in other assets	(16)	(770 245 671)	9 564 647
Change in due to bank	(19)	577 010 797	(2 315 552 078)
Change in customers' deposits	(20)	29 869 434 643	11 142 592 761
Financial derivatives	(11)	1 563 016	–
Change in used from other provisions	(22)	(1 780 408)	(38 469 481)
Change in other liabilities	(21)	233 078 706	1 839 644 719
Change in income tax paid		(1 329 733 686)	(935 072 391)
Net cash flow provided from operating activities		**3 395 368 858**	**8 678 289 418**

In Egyptian Pound	Note	31 December 2024	31 December 2023
Cash flow from investing activities			
Payments to purchase fixed assets and establishments of branches		(807 449 044)	(631 247 217)
Proceeds from sale of fixed assets		3 523 800	42 999 999
Retrieval of financial investments – Amortized cost	(12)	78 576 000	17 905 000
Purchase of financial investment Amortized cost, net investment Fair Value through OCI and in associates	(12 , 13)	(3 800 690 955)	1 506 333 606
Reversed during the Year provision at fair value through OCI		–	2 481 072
Dividends received	(28)	2 934 911	2 531 111
Net cash flow provided from investing activities		**(4 523 105 288)**	**941 003 571**
Cash flow from financing activities			
Dividends paid		(245 447 343)	(125 092 327)
Net cash flow (used in) financing activities		**(245 447 343)**	**(125 092 327)**
Net (decrease) increase in cash and cash equivalents during the Year		**(1 373 183 773)**	**9 494 200 662**
Cash and cash equivalents at the beginning of the Year		19 487 605 659	9 993 404 997
Cash and cash equivalents at the end of the Year		**18 114 421 886**	**19 487 605 659**
For the purpose of preparing the statement of cash flow, the cash and cash equivalent comprise of the following			
Cash and due from Central Bank of Egypt	(6)	15 636 013 914	11 476 534 067
Due from banks	(7)	24 188 040 127	16 501 816 207
Treasury bills and other governmental notes	(8)	29 992 892 532	28 914 626 131
Due from Central Bank within reserve percentage		(14 753 409 990)	(10 985 647 374)
Due from banks (over 3 months maturity)		(6 956 222 165)	(1 239 122 241)
Treasury bills and other governmental notes (over 3 months maturity)		(29 992 892 532)	(25 180 601 131)
Cash and cash equivalents at the end of the Year	(24)	**18 114 421 886**	**19 487 605 659**

- The accompanying notes from (1) to (37) are an integral part of these Financial Statements and read with it.

Proposed Profits appropriation Statement

For The Year Ended 31 December 2024

In Egyptian Pound	31 December 2024	31 December 2023
Net profit for the year based on the income statement	**4 271 611 565**	**2 047 136 592**
Deduct Gain from sale of fixed assets transferred to Capital reserve according to the statue of law *	(2 170 000)	(28 288 066)
Add (Deduct) change in General Banking Reserve (Change in Assets Revert to the bank Reserve)	16 519 357	(1 351 557)
Add Change in General Banking Reserve (Change in Loans and Advances Reserve)	345 972 672	256 976 464
Distributable net profit	**4 631 933 595**	**2 274 473 433**
Add Retained earnings as at beginning of the Year	2 016 671 866	474 776 854
Add (Deduct) Disposal Gain \ Loss financial Assets Fair value through Comprehensive Income - Equity	4 811 071	(1 491)
Total	**6 653 416 532**	**2 749 248 796**
Distributed as follows:		
Legal reserves	426 944 157	201 884 853
Shareholders 1st Dividend **	275 625 000	262 500 000
Employees' profit share	463 193 359	227 447 343
B.O.D. remuneration	17 500 000	18 000 000
Shareholders 2nd Dividend **	275 625 000	–
Banking System Support and Development Fund ***	46 319 336	22 744 734
Retained earnings as at end of the Year	5 148 209 680	2 016 671 866
Total	**6 653 416 532**	**2 749 248 796**

* Fixed Assets disposal gain was eliminated and transferred to the capital reserve after deducting tax in accordance with the provisions of the law.

** Distributing one bonus shares for every 10 original shares owned by shareholder

*** Aligning to Central Bank and Banking Sector Law No. 194 Year 2020, Article No (178) which includes establishment of a Banking Support and Development Fund, Considering a percentage not exceeding (1%) of the annual net profits as an amount of fund resources.

1- Background

- Abu Dhabi Commercial Bank - Egypt provides retail, corporate and investment banking services in Arab Republic of Egypt and abroad through 50 branches and employs 1342 employees as at 31 December 2024.
- Abu Dhabi Commercial Bank – Egypt (Union National Bank – Egypt formerly) which acquired (Alexandria Commercial and Maritime Bank formerly) is an Egyptian Joint Stock Company as a commercial Bank established in pursuance of Ministerial Decree no, 262 of 1981, published in the Official Gazette in September 12,1981 and in accordance with the provisions of Investment Law No, 43 for the year 1974 and its amendments, which was superseded by Law No, 230 for the Year 1989, cancelled by the Law No, 8 for the year 1997 concerning Investment Guarantees and Incentives. The Bank provides all banking services related to its activity and operates through its Giza - Head office, 50 branches and 233 ATM, the bank is unlisted on Egyptian stock exchange since March 25, 2020.
- The extraordinary general assembly dated January 13, 2007 decided to change the bank's name to Union National Bank – Egypt from Alexandria Commercial and Maritime Bank and it was annotated in the Bank's Commercial Register.
- The extraordinary general assembly dated June 1, 2020 decided to change the bank's name to Abu Dhabi Commercial Bank - Egypt instead of Union National Bank - Egypt, and this was indicated in the bank's commercial register on July 26, 2020.
- Board of Directors dated January 16, 2025 approved the adoption of the Financial Statements for Year Ended December 31, 2024.

2- Summary of significant accounting policies

The following are the most important accounting policies used in preparing these financial statements. These policies have been consistently followed for all the years presented, unless otherwise disclosed.

A- Basis of preparation

The financial statements are prepared in accordance with Egyptian Accounting Standards issued during 2006 and its amendments and in accordance with Central Bank of Egypt instructions approved by its Board of Directors as at December 16, 2008 As well as the accompanying explanatory instructions issued in April 2009 and in conformity with the mentioned standards, and after releasing the instructions of the Central Bank of Egypt to prepare the financial statements of banks in accordance with the requirements of IFRS 9 "Financial Instruments" issued by the Central Bank of Egypt on 26 February 2019

These financial statements were prepared according to the related local laws.

B- Changes in accounting policies :

The following is a summary of key changes in the Bank's accounting policies resulting from the implementation those instructions .

Classification of financial assets and the financial liabilities:

Upon initial recognition ,financial assets are classified as: at amortized cost ,fair value through other comprehensive income or fair value through profit and loss.

The financial assets are classified in accordance with the business model which is managed these financial assets and its contractual cash flows

A financial asset is measured at amortized cost if it meets the following conditions and is not measured at fair value through profit or loss.

- The asset is retained within a business model that aims to retain assets for contractual cash flows.
- The contractual terms of the financial assets give rise to cash flows on specific dates that are only principal and interest payments on the principal amount payable.

Debt instruments are measured at fair value through other comprehensive income only if they meet the following conditions and are not measured at fair value through profit or loss:

- The asset is held within a business model that has been achieved through the collection of contractual cash flows and the sale of financial assets
- The contractual terms of the financial assets give rise to cash flows on specific dates that are only principal and interest payments on the principal amount payable.

When the first recognition of the investment in equity is held by the trading ,the bank may choose irrevocably measure changes in subsequent fair value in other comprehensive income items are made this choice on the basis of each investment separately.

All other financial assets are classified as at fair value through profit and loss.

In addition ,upon initial recognition ,the bank may irrevocably identify a financial asset that meets the requirements to be measured at amortized cost or at fair value through other comprehensive income ,at fair value through profit or loss ,if doing so would be canceled or reduced in an appropriate manner. Significant accounting mismatches that may otherwise arise.

Business model evaluation:

The bank assessed the objective of the business model, which the asset is held at the portfolio level because this reflects the best way of business administration and to provide information to management .Information considered includes:

- The stated policies and objectives of the portfolio and the mechanism of operation of these policies in practice ,especially to determine whether the management strategy focuses on earning contractual interest income or matching the duration of financial assets with the duration of financial obligations that finance those assets or achieving cash flows through the sale of assets:
- How to evaluate the performance of the portfolio and report to the management of the bank
- Risks affecting the performance of the business model and financial assets held by the business model of this and how to manage these risks
- The number of deals, volume and timing of sales in previous periods ,the reasons for these sales and their expectations regarding future sales activity . However ,Rather, it is considered part of a comprehensive assessment of how to achieve the bank's stated goal of managing financial assets and how to achieve cash flows.

Financial assets held for trading or whose performance are valued at fair value are measured at fair value through profit or loss as they are not held to collect only contractual cash flows and are not held to collect contractual cash flows with the sale of financial assets.

Evaluate whether contractual cash flows are payments of principal and interest:

For the purpose of this valuation ,the principal amount is defined as the fair value of the financial asset at initial recognition ,interest is defined as the material consideration for the time value of money and credit risk associated with the principal amount repayable over a period of time and for other underlying lending risks and costs) such as liquidity risk and administrative costs as well as profit margin In assessing whether contractual cash flows are payments of principal and interest , the bank takes into account the contractual terms of the instrument .This includes an assessment of whether the financial asset contains contractual terms that may change the time and amount of contractual cash flows, as this condition will not be met.

Impairment of financial assets:

It replaces the International Standard for Financial Reporting No .9 " in accordance with the instructions of the Central Bank issued on 26 February 2019 " model loss achieved given instructions Bank Central issued December 16, 2008 on the model credit loss expected as a form of decay applies in the new value of all financial assets, as well as some links Loan pledges and financial guarantee contracts.

Under IFRS 9, credit losses are recognized more early than in accordance with the Central Bank directives of 16 December 2008.

The Bank has a three - stages approach to measure the expected credit losses from financial assets installed at amortized cost and debt instruments at fair value through other comprehensive income are moving assets between the following three stages based on the change in credit quality since the first recognition.

Stage 1 : Expected Credit Loss for 12 months
The first stage includes financial assets at initial recognition that do not involve a significant increase in credit risk since the first recognition or involve relatively low credit risk.
For these assets ,expected credit losses over 12 months are recognized and interest is calculated on the total carrying amount of the assets) excluding provision for credit (.12-month expected credit losses are the expected credit losses that may result from potential failures within 12 months after the reporting date.

Stage 2: Lifetime credit loss - no credit impairment
The second stage includes financial assets with a significant increase in credit risk since the initial recognition, but no objective evidence of impairment .Lifetime expected credit losses are recognized for these assets but interest is still charged to the total carrying amount of the asset .Lifetime credit loss is the expected credit loss resulting from all possible failures over the life of the financial instrument

Stage 3 : Lifetime expected credit loss - impairment of credit
The third stage includes financial assets with objective evidence of impairment at the date of the financial statements: For these assets, expected lifetime credit losses are recognized.
According to the instructions of the Central Bank of Egypt on February 26, 2019 ,the IFRS 9 As of 01 January 2019, the Bank has measured the effect of applying the standard in accordance with the above instructions.

C- Investments in subsidiaries and associates

C-1 Investments in subsidiaries

Investments in subsidiaries are investments in entities with specific purposes (Special Purpose Entities / SPE's) which the bank has control. Control is presumed to exist when the parent owns, directly or indirectly the ability to influence its financial and operating policies. Usually the bank owns in subsidiaries more than half of the voting power of the investee, taking into consideration future potential voting rights that can be exercised or converted now when evaluating if the bank has the ability to control the company.

C-2 Investments in associates

- Entities over which Bank exercises significant influence directly or indirectly without exercising control or joint control over that entity. Usually significant influence exists where the bank holds 20% to 50% of voting power in the investee. Purchase method is applied to account for acquisitions of investees by the bank. Acquisition cost is measured at fair value or equivalent assets to buy or issued equity instruments and/or liabilities charged to the bank and/or obligations the bank accepts on behalf of the acquired company, at the date of exchange.

  In addition to any costs directly supports the acquisition transaction, while net assets including contingent liabilities that can be determined at its fair value in at the acquisition date, regardless of any minority rights. The increase of acquisition cost above the fair value to the bank's share represents the goodwill, but if the acquisition cost declines below the fair value for the net assets concerned, therefore the difference of recorded directly in the income statement in other revenues (expenses) caption.

- Investments in associates measured at owners' equities method in the financial statements of the bank and dividends are recorded when approved, deducted from the fair value of the assets.

D- Segment reporting

A business segment is a group of assets and operations related to providing products or services subject to risks and returns that differ from those that are related to other business segments and geographical segment which provide products or services within the same economic environment subject to specific risks and benefits that differ from those geographical segments which operate in different economic environments.

E- Foreign currency translation

E-1 Functional Currency

The bank's financial statements are published in Egyptian pound which is the currency used in the bank's transactions and publishing.

E-2 Transactions and balances in foreign currencies

The bank maintains its accounting records in Egyptian pound. Transactions in foreign currencies are translated into Egyptian pound during the accounting period using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the end of each period at the exchange rates then prevailing. Foreign exchange gains and losses resulting from settlement of such transactions and valuation differences are recognized in the income statement under the following items:

- Net trading income of the assets / liabilities held for trading or net income of financial instruments classified at inception by fair value through profit and loss to assets / liabilities for trading.
- The other comprehensive income property rights for investments in equity instruments by fair value through comprehensive income
- Other operating revenues (expenses) for the remaining assets and liabilities.

Changes in the fair value of investments in debt instrument, which represent monetary financial instruments, denominated in foreign currencies and classified as available for sale assets are analyzed into differences resulting from changes in the amortized cost of the instrument, differences resulting from changes in the applicable exchange rates and differences resulting from changes in the fair value of the instrument.

Valuation differences relating to changes in the amortized cost are recognized in the income statement in the return on loans and similar income and differences in exchange rates are changed in other operating income (expenses), Other comprehensive income is recognized in equity as the remaining changes in fair value in the fair value reserve for investments. At fair value through other comprehensive income .

Valuation differences arising on the measurement of non-monetary items at fair value include gains and losses arising from changes in exchange rates used to translate those items and then recognition of the statement of income with total valuation differences arising from the measurement of equity instruments classified at fair value through profit or loss. while the recognition of the total resulting from the valuation differences measured at fair value of equity instruments through other comprehensive income in other comprehensive income items of property rights Ben d reserve the fair value of financial investments at fair value through other comprehensive income .

F- Financial assets

The Bank classify the financial assets between the following groups: financial assets are measured at amortized cost ,financial assets at fair value through other comprehensive income ,financial assets at fair value through profit and loss. The classification is based generally to the business model ,which is managed by financial assets and cash flows and contractual .

F-1 Financial assets at amortized cost:

The financial asset is held within the business model of financial assets held to collect contractual cash flows.

The objective of the business model is to retain financial assets to collect contractual cash flows represented by the principal of the investment amount and returns.

The sale is an exceptional incidental event in relation to the objective of this model and under the conditions of the Standard:

- A deterioration in the credit capacity of the issuer of the financial instrument.

- Less sales in terms of periodicity and value.
- Clear and certified documentation of the justification for each sale and its compliance with the requirements of the standard .

F-2 Financial assets at fair value through other comprehensive income:

The financial asset is held within the business model of financial assets held for collection of contractual cash flows and sales.

Both cash and contract collection and sale complement each other to achieve the objective of the model.

Sales are high in terms of cyclicality and value compared to the business model held to collect contractual cash flows.

F-3 Financial assets at fair value through profit and loss:

Retains the financial asset ,among other business models include trading, management of financial assets on the basis of fair value ,maximizing cash flows through the sale.

The objective of the business model is not to retain the financial asset to collect the contractual cash flows or retained by the collection of contractual cash flows and sale collection of contractual cash flows occurred sideways for the goal of the model.

The characteristics of the business model are as follows:

- Structuring a set of activities designed to extract specific outputs.
- It represents a complete framework for a specific activity (inputs - activities –output) .
- A single business model can include sub-business models.

G-Treasury bills through other comprehensive income

Treasury bills are recognized at the purchase price at nominal value and the discount for the issue that represents the unearned interest on these balances is shown on credit balances and other liabilities. Treasury bills are shown in the balance sheet excluding the outstanding balance of proceeds measured at amortized cost using the effective yield rate.

H-Loans and Advances

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than:

- Those that the bank intends to sell immediately or in the short term, which is classified as held for trading, or those that the bank upon initial recognition designates as at fair value through profit or loss.
- Those that the bank upon initial recognition designates as available for sale.
- Those for which the holder may not recover substantially all of its initial investment, for any reason other than credit deterioration.

I- Financial investments at amortized cost

Held to maturity financial investments are non-derivative financial assets which carry fixed or determinable payments, fixed maturity date and where the bank has the intention and the ability to hold to maturity.

J- Financial investments through other comprehensive income

Financial investments through other comprehensive income are non-derivatives financial assets that are intended to be held for unspecified period of time and may be sold to provide liquidity or due to changes in shares prices, foreign exchange currencies, or interest rate, and measured the listed with fair value, and due to Inactive market and low of share percent its measured with cost due to cannot be measured at fair value recognition with the subsequent changes in fair value through other comprehensive income.

K-Financial assets at fair value through profit or loss

This category consists of financial assets held for trading, these financial instruments are classified as held for trading if they are acquired or incurred principally for the purpose of selling in the short term or if it is part of financial instruments portfolio that are managed together and there is evidence resulted from recent actual transaction that profit can be recognized in the short term.

Derivatives are classified as held for trading unless it’s classified as hedging instruments.

Financial assets are classified up on recognition at fair value through profit or loss in the following circumstances:

- This decreases the discrepancy arising if the derivative in concern is recognized as held for trading while its underlying financial instrument is measured at amortized cost for loans and advances, due from banks and issued debt instruments.
- When managing some investments, like investments in equity instruments and measured at fair value according to the investment policy or risk management and conducting reports to the top management on that basis. These investments are then recognized at fair value through profit or loss.
- Financial instruments like debt instruments, including one or more embedded derivatives which materially affects the cash flow, these instruments are recognized at fair value through profit or loss.
- Profit and loss from change in fair value in financial derivatives managed in conjunction with assets/liabilities initially recognized at “fair value through profit and loss” booked in income statement under “net income from financial assets classified upon recognition at fair value through profit of loss”.

- Any financial derivative from the financial instruments measured at fair value through profit or loss is not reclassified during holding it or till validity, as well as any financial instrument are not reclassified transferred from the fair value through profit or loss portfolio if this instrument is designated upon recognition as a fair value instrument through profit or loss.

The following applies to financial assets:

- Purchases or sales of financial assets at fair value through profit and loss, held to maturity financial investments, and available for sale financial investments are recognized at the trade date which is the date the bank is committed to purchase or sell the financial asset.

- Financial assets that are not classified at fair value through profit and loss at initial recognition are recognized at fair value plus transaction cost, while the financial assets classified as at fair value through profit and loss are initially recognized at fair value only and the transaction cost is recognized in the income statement under "net trading income".

- Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or when the bank transfer all asset risks and rewards to another party, while a financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired.

- Available for sale financial investments and financial assets designated at fair value through profit and loss are subsequently measured at fair value, while loans and receivables and held to maturity investments are measured subsequently at amortized cost.

- Gains and losses arising from changes in fair value of financial assets designated at fair value through profit and loss are recorded in income statement during the period it occurred, while gains and losses arising from changes in fair value of available for sale financial investments are recognized in equity until the financial asset is derecognized, or impaired at this time, the cumulative gain or loss previously recognized in equity should be recognized in profit or loss.

- Interest income related to monetary assets classified as available for sale is recognized based on the amortized cost method in the income statement, Dividends related to available for sale equity instruments are recognized in the income statement when they are declared.

- The fair values of quoted investments in active markets are based on current bid prices, If there is no active market for a financial asset, the bank establishes fair value using valuation techniques, These include the use of recent arm's length transactions, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants, if the bank could not assess the value of the equity classified as available for sale, these instruments should be valued at cost after deduct any impairment expense.

- It is possible to include instruments issued by the same entity or with the same characteristics within more than one item according to the business model (models) applied by the bank.
- It is possible to perform reclassifications of debt instruments listed in the various items according to the bank's business model (models) provided that the reclassification process takes place in the fiscal year following the fiscal year during which the business model (models) was expedited, and the approval of the bank must be obtained. The Central Bank of Egypt in the cases of reclassification and the accounting effect thereof with the interim or annual financial statements submitted to the Central Bank of Egypt, explaining the reasons for the reclassifications and the amendments made to the business model (models) applied to the bank.
- In case that the equity instruments recognized within the financial assets at fair value through other comprehensive income are disposed of or their recognition is canceled, the balance of the change in fair values is not carried over to profits and losses, but rather they are directly transferred to retained earnings within equity.
- In case that debt instruments recognized in financial assets at fair value through other comprehensive income are disposed or derecognized, the cumulative balance of the change in fair value registered in the other comprehensive income is transferred to the statement of profit and loss.

L- Offsetting of financial instruments

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

Treasury bills, Repos and reverse Repos agreements are netted on the balance sheet and disclosed under treasury bills and other governmental securities.

M- 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 measured at fair value, Fair values are obtained from quoted market prices in active markets, or according to the recent market deals, or the revaluation techniques including discounted cash flow models and options pricing models, as appropriate, Derivatives are recognized as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

N- The recognition of the first day deferred profit and loss

For the instruments measured at fair value, the best indicator on the fair value of the instruments at the date of transaction is transaction price (fair value of the return delivered or received) unless the fair value for the instrument at the same date can be known referring to the transaction prices in the published markets or using the valuation models, When the bank enters transactions that some of them are due after long period of time, their fair values are assessed using valuation models their inputs may not always be published market prices or rates, the initial recognition of this financial instrument is made using the transaction price which represent the best indicator of the fair value despite that the value from the valuation model may be different, the different between the transaction price and the value resulted from the model known as " first day profit and loss" is not recognized immediately in the profits and losses and classified as other assets in case of loss or other liabilities in case of profit.
The timing of recognition of deferred profit and loss is determined separately for every case, and that's by amortizing it over the transaction period or until the fair value of the instrument can be determined using published market inputs, or at the transaction reconciliation and the instrument is valuated later by fair value, the future changes in fair value are recognized immediately in the income statement.

O- Interest income and expense

Interest income and expense of all interest or bearing financial instruments, except these classified at inception at fair value through profit and loss shall be recognized in the income statement under "interest income on loans and similar income" item or "interest expenses on deposits and similar charges" by using the effective interest rate method.
The effective interest rate method is a method of calculating the amortized cost of a financial asset or liability and of allocating the interest income or interest expense over the relevant period, The effective interest rate is the rate that discounts estimated future cash payments or receipts over the expected life of the financial instrument or, a shorter period when appropriate to reach the net carrying amount of the financial asset or liability, When calculating the effective interest rate, the bank estimates cash flows considering all contractual terms of the financial instrument (for example, accelerate - prepayment options) not to consider the future credit losses.
The method of calculation includes all fees paid or received by and between parties of the contract that are an integral part of the effective interest rate, transaction costs include 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 under revenues according to cash basis as per the following:

- When collected and after recovery of all past dues for retail loans, personal loans, small and medium business loans, mortgage loans for personal housing and small loans for businesses.
- For loans granted to corporate, interest income is recognized on cash basis after the bank collects 25 % of the scheduling installments and after the installments continued to be regular for at least one year,

If the client continued to be regular the return on the loan balance is classified as revenues (return on regular scheduling instrument balance) before margin return before scheduling that are not classified as revenues unless full payment of the loan balance in the financial position before scheduling.

P- Fees and commission income

Fees and commissions related to loan and advances are recognized as income when the service is rendered, Fees and commission income related to non-performing or impaired loans or debts are suspended and are carried off balance sheet and are recognized under income according to the cash basis when interest income is recognized in accordance with note (2 –H) above, Fees which represent part of the financial asset's effective rate are recognized as an adjustment to the effective interest rate, Recognition of revenue related to commitment fees is postponed due to a probability that this loan will be withdrawn, as commitment fees represent compensation for the continuing interferes to own the financial asset, subsequently it's recognized as adjustments to the effective interest rate of the loan, If the commitment period passed without issuing the loan, commitment fees is recognized as income at the end of the commitment period, Fees and commission related to instruments debts measured by fair value is recognized as income at initial recognition, Fees on the promotion of the syndicated loans shall be recognized within revenue when promotion process is completed and the bank does not retain an portion of the loan or if the bank retains a portion for itself earning the actual rate return which is available to other participants as well.

Fees and commissions arising from negotiation, or participating in negotiation to the favor of a third party as in share acquisition arrangements or purchase of securities or purchase or sale of businesses are recognized as income when the transaction is completed.

The administrative consultations fees and other services are normally recognized based on the distribution overtime relative to the service performance period. However, the financial planning management fees and conservation services fees, which are provided for long periods of time, are recognized over the period during which the service is performed.

Q- Dividend income

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

R- Purchase and resale agreements and sale and repurchase agreements

The financial instruments sold under repurchase agreements within the assets of the balances of treasury bills and other governmental notes in the balance sheet. Whereas, the liability (purchase and resale agreements) is deducted from the treasury bills and other governmental notes in the balance sheet. The difference between the sell price and repurchase price is recognized as a return over the period of the agreement by applying the effective interest rate method.

S- Impairment of financial assets

The bank reviews for all financial assets with the exception of financial assets that are measured at fair value through profit or loss to estimate the extent of the impairment value as described below.

Financial assets at the date of the financial statements are classified into three stages:

-**Stage 1 :** financial assets that did not witnessed a substantial increase in credit risk since the date of initial recognition, and credit loss is expected to have a 12 - month account.

- **Stage 2 :** Financial assets that have experienced a significant increase in credit risk since the initial recognition or date of recognition, and the expected credit loss is calculated over the life of the asset.

-**Stage 3 :** Financial assets that have suffered impairment and require the expected credit loss over the life of the asset based on the difference between the carrying amount of the instrument and the present value of expected future cash flows.

The measurement of credit losses and impairment losses in value relating to financial tools as follows:

- A low-risk financial instrument is classified at initial recognition in the first stage and credit risk is monitored on an ongoing basis by the Bank's credit risk department .
- If it is determined that there has been a significant increase in credit risk since the initial recognition ,the financial instrument is transferred to the second stage where it is not yet considered impaired at this stage.
- If there is any indication that the value of a financial instrument will be impaired, it will be transferred to the third stage.
- Financial assets created or acquired by the Bank are classified as having a higher credit risk rate than the Bank's low risk financial assets at the time of initial recognition of the second Stage ,and therefore the expected credit losses are measured based on the expected credit losses over the life of the asset.
- Substantial increase in the credit risk:
  The Bank considers that the financial instrument has seen a significant increase in credit risk when one or more of the following quantitative and qualitative criteria ,as well as factors relating to default are met.
- Quantitative standards:
  When the probability of failure during the remaining life of the instrument increases from the date of the financial position compared to the probability of failure during the remaining life expectancy at initial recognition in accordance with the risk structure acceptable to the bank.
- Qualitative standards:
  Bank retail loans and small and micro businesses
  If the borrower encounters one or more of the following:
  - The borrower has applied to convert the short-term to long-term repayments due to the negative effects of the borrower's cash flows .
  - Recurring previous arrears during the previous 12 months.
  - Negative future economic changes that affect the borrower' s future cash flows .

Institutional and Medium Enterprise Loans:

If the borrower is on the checklist and / or financial instrument and has experienced one or more of the following events:

- Significant increase in the rate of return on the financial asset as a result of increased credit risk.
- Significant negative changes in the activity and material or economic conditions in which the borrower operates.
- Request for scheduling due to difficulties the borrower faces.
- Significant negative changes in actual or expected operating results or cash flows.
- Future economic changes affecting the borrower's future cash flows.
- Early signs of cash flow / liquidity problems such as delays in service of creditors / commercial loans .
- The cancellation of a direct facility by the Bank due to the high credit risk of the borrower.

- Stop payment:

  The loans and facilities of institutions, medium, small and micro enterprises, and retail banking are included in the second stage if the non-payment period is more than (30) days at most and less than (90) days.

Progression between stages (1,2,3):

Progress between the second stage to the first stage:

The financial asset is not transferred from the second stage to the first stage until all the quantitative and qualitative elements of the first stage have been met and the arrears of the financial asset and the returns have been paid.

Progress from stage 3 to stage 2:

The financial asset is not transferred from the third stage to the second stage until all the following conditions are met:

- Completing all quantitative and qualitative elements of the second stage.
- Repayment of 25 % of the due balance of financial assets, including set aside / marginal returns .
- Regular repayment for at least 12 months.

T- Investment property

Investment property represents land and buildings owned by the bank and used to earn rental income or increase capital, Investment property doesn't include properties used by the bank during its normal course of operation or assets reverted to the bank in settlement of debts, the accounting policy for investment property is the same as for fixed assets.

U- Intangible assets

Computer Software

The expenses, related to development or maintenance of computer software, shall be recognized as expense in income statement, when incurred, the expenses connected directly with specific software and which are subject to the bank's control and expected to generate economic benefits exceeding their cost for a period more than one year, shall be recognized as an intangible asset, the direct expenses include staff cost of software development, in addition to an adequate share of related expenses.

The expenses which lead to increase or expansion of computer software beyond their original specifications are recognized as a development cost and shall be added to the original software cost.

The computer software cost recognized as an asset shall be amortized over the expected useful life which is not more than three years.

V- Fixed assets

The land and buildings are mainly represented in all head office, branches and offices. fixed assets shall be disclosed at historical cost net of accumulated depreciation and impairment losses, the historical cost includes the expenses directly attributable to acquisition of fixed asset items.

Subsequent expenditures shall be recognized within the book value of the outstanding asset or as an independent asset, as appropriate, when the generation of future economic benefits to the bank from the concerned asset and the reliable determination of its cost become possible. Any maintenance and fixing expenses, during the period in which they are incurred, shall be carried to other operating expenses.

Land shall not be subject to depreciation, while depreciation of other fixed assets shall be calculated using the straight-line method to spread the cost in a way that makes residual value be distributed over the useful life of the asset as follows:

	Depreciation rate
Buildings and Constructions	2%
Integrated Automated Systems	20%
Vehicles	20%
Tools and Equipment	20%
Furniture	10%
Intangible assets	33,33%

The branches preparation expenses are depreciated over 5 years or the rent period whichever is lower.

The residual value and useful life of the fixed assets shall be reviewed on each reporting date and shall be adjusted whenever required. Depreciated assets shall be reviewed for purposes of determining the extent of impairment when an event or a change in conditions suggesting that the book value may not be redeemable occurs. Consequently, the book value of the asset shall be reduced immediately to the asset's net realizable value in case of the increase of the book value over the net realizable value.

The recoverable amount is the higher of the asset’s fair value less costs to sell or value in use.

Gains and losses on disposals are determined by comparing proceeds with asset carrying amount, these gain and losses are included in other operating income (expenses) in the income statement.

W- Impairment of non-financial assets

Assets having no fixed useful life except for goodwill shall not be amortized, and their impairment shall be tested at least annually, The impairment of amortized assets is studied to determine if there are events or changes in the circumstances indicating that the book value may not be recoverable.

The impairment loss is recognized by the excess amount of book value over the realizable value, the recoverable value represents net realizable value of the asset or the usage amount whichever is higher, For the purpose of estimating the impairment, the asset is grouped with the smallest cash generating unit, At each balance sheet date, non-financial assets with impairment has to be reviewed to determine if there is impairment reversal made to the income statement.

X- Finance Leases

The accounting treatment for the finance lease is in accordance with law 95 of year 1995 regarding finance leases, if the contract entitles the lessee to purchase the asset at a specified date and amount, and the contract term is more than 75% of the asset’s expected useful life, then this lease is considered finance lease, Other than that the lease has to be considered operating lease.

X-1 Leasing

Finance lease contracts recognize rent as expense in the period it occurred, including maintenance cost related to the leased assets, if the bank decides to exercise the rights to purchase the leased assets, the related costs of this right will be capitalized over the fixed asset and depreciated over the assets' remaining expected useful life in accordance with similar assets.

Operating lease payments to the lesser less any discounts granted to lessee are recognized as expenses in the income statement using the straight line method over the contract term.

X-2 Leasing out

Lease assets are accounted for in the fixed assets caption in the balance sheet and are depreciated over the assets expected useful life using the same method applicable to similar assets.

Rent revenues are recognized based on the rate of return of the lease contract in addition to an amount similar to the depreciation cost for the period, the difference between the rent revenue recognized in the income statement and total trade receivables (lease) until the end of the lease contract which is used to perform clearance with the net book value for the leased assets, maintenance and insurance expenses are charged to the income statement when incurred to the extent not endured by the lessee.

When objective evidence is obtained that the bank will not be able to collect all capital leases due balances then these balances will be reduced to the estimated recoverable values.

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

Y- Cash and cash equivalents

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

The bank uses the indirect method in preparing the cash flows statement.

Z- 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 is required to settle an obligation is determined, taking into consideration the group of obligations as a whole, a provision is recognized even if the likelihood of an outflow with respect to any obligation in the group is minimal.

refund other provisions whose purpose is totally or partially negligible under the item other operating income (expenses).

AA- Employees' benefits

AA-1 Pension benefits obligations

The bank manages a retirement benefit plan based on a defined contribution plan, Represents commitments on the bank defined contribution plan, retirement regulations where the bank pays fixed contribution amount to a separate entity and there is no legal or imperative to pay further contribution, if the entity has not established sufficient assets to pay all the employees benefits related to their service whether in current or previous periods.

Regarding the defined contribution plans, the bank pays contributions according to the retirements insurance regulations in the public and private sectors on a contractual basis either mandatory or voluntary and the bank has no further obligations following the payment of contributions, these shall be contributions recognized within the employees' benefits expenses when maturing.

AA-2 End of service benefits obligation

The bank provides health care benefits to retirees after the end of service term, usually such benefits are given conditional on the employee remains in the service until retirement age, and completes a minimum period of service.

BB- Income tax

The income tax on the year's profit or loss includes both the current and deferred taxes, Income tax is recognized in the income statement except for income taxes related to shareholders' equity items that are recognized directly in the shareholder's equity in the balance sheet,

The income tax shall be recognized on the net taxable income, using the effective tax rate at the balance sheet date, in addition to prior year's tax adjustments.

Deferred tax arising from temporary differences resulting from between book value of assets and liabilities. Deferred tax assets and liabilities are measured at the tax rates expected to apply in the period which the liability is settled or asset is realized based on tax rates enacted or substantively enacted by the end of the reporting year. Calculated according to the accounting principles and its value according to tax principles.

Deferred tax assets are recognized whenever there is probability to make taxable income at the future can be offset by the deferred tax.

Deferred tax assets to be reduced by the portion which can't be utilized at upcoming years; and in case of increase the expected future benefits deferred tax assets should be increase again within the limit of reduced amount.

CC- Borrowings

Borrowings are initially recognized at the fair value, less cost of acquiring the loan.

After initial recognition, loans and borrowings are subsequently measured at amortized cost. The difference between proceeds and the amount to be paid over the borrowing period using effective interest rate shall be recognized in income statement.

DD- Capital

DD-1 Capital cost

Issuance cost that directly related to the issuance of new shares or the issuance of shares related to acquisition or share options is deducted from shareholders' equity net of tax proceeds.

DD-2 Dividends

Dividends are recognized as a deduction of shareholders' equity when declared by the General Assembly of shareholders, those dividends include employees' share in the profits and the Board of Directors' remuneration as prescribed by the articles of association and law.

EE- Fiduciary activities

The bank practice custody activities that result in ownerships or management of assets on behalf of individuals, trusts, and retirement benefit plans and other institutions. These assets and profits arising thereon are excluded from the bank's financial statements, as they are not assets or profits of the bank.

FF- Comparative figures

The comparative figures shall be reclassified, when necessary, to be in conformity with the changes to presentation used in the current period.

GG- Subsequent Events to the date of the financial statements

The subsequent events to the date of the financial statements are those that occur between the date of the financial statements and the date of approving the issue of the financial statements, whether those events are in the interest of the entity or not. Two types of events may be identified:

- Events provide additional evidence of cases that existed on the date of the financial statements and require an adjustment to those lists.
- Events that refer to cases that arose after the date of the financial statements and do not require an amendment to those lists and may require disclosure.

3- Financial risk management

The bank is exposed to various financial risks, Since the basis of financial activity is to accept risks; some risks or group of risks are analyzed, evaluated and managed all together, Therefore the bank aims to achieve an appropriate balance between the risk and return and to reduce the probable adverse effects on the bank's financial performance.

The most important types of risks are credit risk, market risk, liquidity risk and other operating risks, the market risk comprises foreign currency exchange rates, interest rate risk and other price risks.

The risk management policies have been placed to determine and analyze the risks and to set limits to the risk and monitor them through reliable methods and updated systems.

The bank regularly reviews the risk management policies and systems and amends them in order to reflect the changes in market, products and services and the best updated applications.

Those risks are managed by risk department in the light of policies approved by Board of Directors.

The risk department determines, evaluates and covers the financial risks, in coordination with the bank's various operating units, and the Board of Directors provides written policies for management of risks as a whole, in addition to written policies covering specific risk areas, like credit risk, foreign exchange rate risk, interest rate risk, and using the financial derivative and non-derivative instruments, Moreover, the credit risk department is responsible for periodical independent review of risk management and control environment.

A- Credit risk

The bank is exposed to the credit risk which is the risk resulting from failure of a counterparty to meet its contractual obligations towards the bank, credit risk is considered to be the most significant risks for the bank's operations, the bank's management carefully manages its exposure to credit risk, Credit risks is represented in the lending and investments activities that results in loans and advances granted, and possessing debt instruments among the bank's assets, The credit risk is also found in off balance sheet financial instruments, like loan commitment, The managing and monitoring process on credit risk is centralized at credit risk team management at credit risk department that prepare reports to Board of Directors and Head units on regular basis.

A-1 Credit risk measurement

Loans and advances to banks and customers

To measure the credit risk related to loans and facilities for banks and customers, the bank considers the following: -

- Probability of default for customers or others for settling their contractual obligations is based on the historical default rate for each homogeneous group which has similar credit characteristics (related to corporate on industrial basis and related to consumable loans on the product basis), This rate on corporate loans with credit rating is applicable from 1 - 7 and all consumable loans, Loans related to corporate loans with credit rating from 8 - 10, the present value for cash flows which are expected to be acquired from these loans is applied.
- The current position and probable future development are used to predict the exposure at default balance as the bank assumed that the total balance is exposed to default.
- Loss given default:
  Loss given default or severe loss represents the bank's expectations of the extent of the loss at reclaiming the debt, as the bank expects that the loss will be about 100% of the balance.
- The bank evaluates the probability of delay on customer level using internal policies to classify the credit rating for the different customers' categories, these policies are updated internally taking into consideration financial analysis and statistical analysis for each customer category in addition to the personal judgment of the credit officer to reach the appropriate credit rating, the customers of the bank were divided into four rating grades.
- The following table shows the rating classification which reflects the range of expected defaults or payment delays,

- by which the credit centers may transfer from one rating to another depending on the change in the expected degree of default, the customer's rating and the rating process are reviewed when necessary, the bank evaluates the rating process and their expectations regarding the customers' defaults.

Bank's internal rating grades

Rating description	**Rating**
Performing loans	1
Regular watching	2
Watch list	3
Non-performing loans	4

- **Debt instruments, treasury bills and other bills**

  The same methods used for credit customers are used for debt instruments and treasury bills.

  The bank uses external ratings such as Standard and Poor rating, or its equivalent for managing the credit risk and if these measurements weren't available, other methods like those applied on credit customers are used, Investments in securities and bills are considered a way of having better credit quality and an available source to face future finance requirements.

A-2 Limiting and preventing risks policies

The bank manages and controls credit concentrations at the borrowers' level, groups of borrowers' level, industries level and countries level,

The bank manages the credit risk it undertakes by placing limits on the amount of risk accepted in relation to a single borrower, or a group of borrowers, and to the geographical and industry segments, such risks are monitored on a regular basis and subject to an annual or more frequent review, when considered necessary, the credit limit is approved at loan grade / caption level by the board of directors when it exceeds a certain limit.

Credit limit is classified for every borrower including banks by subsidiary limits including values on and off the financial position and the daily risk limit of trading items as forward foreign exchange contracts, actual values are compared to daily limits, managing the risk of exposure to credit risk is made using the periodical analysis of the existing or potential borrower's ability to face their liabilities and amending the borrowing limit when considered necessary.

The following are other controls used by the bank to limit the credit risk: -

Collaterals: -

The bank uses different methods to limit its credit risk, one of these methods is accepting collaterals against loans and advances granted by the bank, the bank formulated specific rules and guidelines for the types of collaterals that can be accepted, the major types of collateral against loans and advances are:

- Real estate.
- Business assets, such as machines and goods.
- Financial instruments, such as debt and equity instruments.

The bank is keen to obtain the appropriate guarantees against corporate entities of long term finance and corporate loans, while individual credit facilities are generally unsecured.

In addition, in order to minimize the credit loss that the bank may incur to minimum, the bank seeks additional collaterals from all counterparties when impairment indicators are noticed for loans or advances.

The bank determines the type of collaterals held as securities for financial assets with an exception to loans and advances classified according to the nature of the instrument, generally, debt securities and treasury bills are unsecured, except for asset-backed securities and similar instruments are secured by a financial instrument portfolio.

A-3 Impairment and provisioning policies

The internal rating systems described in note (A/1) focus more on credit-quality at the inception of lending and investment activities, Otherwise, impairment provisions recognized at the balance sheet date for financial reporting purposes are losses that have been incurred and based on objective evidence of impairment as will be mentioned below, Due to the different methodologies applied, despite different methods are applied there was no material impact for potential credit loss in the financial statement by the amount of loss estimated using expected loss model used as at 31 December 2024 for the purpose of compliance to the rules of the CBE in note (A/4).

The impairment loss provision appeared in the balance sheet at the end of the period is derived from the four internal rating grades, However, the majority of the impairment provision comes from the last two ratings, in-balance sheet items relating to loans and advances and the related impairment loss provision for each rating.

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

- Payment delinquency of debtor or loan beneficiary.
- Breach of loan agreement such as a default in payment.
- Possibility of bankruptcy or entering liquidation procedures or financial restructures of granted credit.
- Deterioration of the borrower's competitive position.
- Due to economical or legal reasons, the bank agrees to grant the borrower additional benefits that would not normally be granted in normal circumstances.
- The impairment of the value of collateral.
- Deterioration of customer credit status.

The bank policies require the review of all financial assets that exceed defined relative importance at least annually or more when necessary, the impairment loss is determined on individual basis by assessing the realized loss at the reporting date on each individual case & to be applied individually to all account that have

Relative importance, Valuation usually includes the outstanding collateral, the related enforcements on these collaterals and the expected collections from those accounts.

Impairment loss provision is formed based on group of similar assets using the historical experience available, personal judgment and statistical methods,

A-4 General module to measure banking general risk

In addition to the four categories of credit rating indicated in note (A/1) the management makes more detailed groups in accordance with the Central Bank of Egypt (CBE) requirements.

Assets exposed to credit risk in these categories are classified according to detailed conditions and terms depending on information related to the customer, it's activities, financial position and payment performance.

The bank calculates the provisions required for impairment of assets exposed to credit risk, including commitments relating to credit on the basis of rates determined by CBE, In the case, the provision required for impairment losses as per CBE regulations exceeds the provision required for financial statements preparation purposes according to the Egyptian Accounting Standards, this increase shall be debited from the retained earnings to and credited to the "general banking risk reserve" under the equity caption, This reserve is regularly adjusted with this increase and decrease, to equal the amount of increase and decrease in the two provisions, This reserve is not distributable.

The rating categories based on internal evaluation techniques and their comparative figures used by the Central Bank of Egypt and the required provisions percentage for impairment of the assets exposed to credit risk are as follows:-

CBE classification	Description	Required provision percentage	Internal classification	Description
1	Low risk	Zero	1	Performing debts
2	Average risk	1	1	Performing debts
3	Satisfactory risk	1	1	Performing debts
4	Reasonable risk	2	1	Performing debts
5	Acceptable risk	2	1	Performing debts
6	Marginal acceptable risk	3	2	Regular follow up
7	Watch list	5	3	Special follow up
8	Sub standard	20	4	Non performing debts
9	Doubtful	50	4	Non performing debts
10	Bad debt	100	4	Non performing debts

A-5 Maximum limits for credit risk before collaterals

Balance sheet items exposed to credit risks

In Egyptian pound	31 December 2024	31 December 2023
Treasury bills and other governmental securities through OCI	29 992 892 532	28 914 626 131
Customers loans and advances		
Banks Loans	1 067 614 800	–
Retail loans:		
Overdraft Accounts	17 371 760	36 071 513
Personal loans	10 397 760 880	7 794 558 402
Real Estate Finance loans	222 229 382	171 809 192
Credit cards	550 047 059	278 027 181
Corporate loans:		
Overdraft Accounts	8 815 810 514	7 648 044 372
Syndicated loans	6 401 631 486	1 883 195 181
Direct loans	28 544 780 206	19 792 578 421
Discounted commercial bills	9 000 000	186 568 312
Financial investments:		
Debt instruments at amortized cost	–	78 570 493
Debt instruments at fair value through other comprehensive income	9 766 532 822	5 754 642 995
Total	**95 785 671 443**	**72 538 692 193**
Credit risk exposures of off balance sheet items		
Credit commitments (Irrevocable)	1 909 892 505	143 261 832
Letters of guarantees	17 094 004 448	11 406 814 307
Letters of guarantees based on other banks requests	12 731 620 944	12 705 757 330
Letters of credit	3 088 944 444	1 110 950 653
Other financial liabilities	654 651 955	556 394 000
Total	**35 479 114 296**	**25 923 178 122**

The above table represents the maximum limit for credit risk as of 31 December 2024 without taking into considerations any collateral for balance-sheet items.

As shown in the preceding table, 58 % of the total maximum limit exposed to credit risk resulted from loans and advances to customers and banks, while 39 % represents investments in debt instruments.

A-5-1 Items at credit risk in accordance with the requirements of IFRS9

According to the instructions of the Central Bank of Egypt to prepare financial statements for banks in accordance with the requirements of the International Standard for Financial Reports (9) "Financial Instruments" issued by the Central Bank of Egypt on February 26, 2019, Financial assets are classified at the date of the financial statements into three stages to measure the expected credit losses from those financial assets, based on the change in credit quality since their first recognition within three stages. We review the following financial assets distributed including accrued revenues according to the evaluation stages:

31 December 2024

In Egyptian pound	The first stage	The second stage	The third stage	Total
Due from banks	7 758 681 778	-	-	7 758 681 778
Financial investments	7 940 942 170	-	-	7 940 942 170
Loans and facilities - Banks	1 074 228 441	-	-	1 074 228 441
Loans and facilities - corporate	36 337 825 165	5 468 779 204	2 111 750 931	43 918 355 300
Loans and facilities - Retail	10 587 823 679	536 621 073	235 694 777	11 360 139 529
Contingent liabilities	25 278 309 967	3 814 230 780	103 635 390	29 196 176 137
Loan commitments and facilities	26 434 544 680	4 931 616	6 658 480	26 446 134 776
Total	**115 412 355 880**	**9 824 562 672**	**2 457 739 578**	**127 694 658 131**

31 December 2023

In Egyptian pound	The first stage	The second stage	The third stage	Total
Due from banks	2 089 242 505	-	-	2 089 242 505
Financial investments	7 264 883 383	-	-	7 264 883 383
Loans and facilities - Banks	-	-	-	-
Loans and facilities - corporate	23 521 260 662	4 096 349 843	1 889 768 073	29 507 378 578
Loans and facilities - Retail	7 400 419 381	659 281 527	356 640 492	8 416 341 400
Contingent liabilities	22 341 558 987	1 440 410 515	19 239 288	23 801 208 790
Loan commitments and facilities	12 130 632 848	3 407 635	5 323 959	12 139 364 442
Total	**74 747 997 767**	**6 199 449 520**	**2 270 971 812**	**83 218 419 098**

A-5-2 Expected credit losses in accordance with the requirements of IFRS9

According to the instructions of the Central Bank of Egypt to prepare financial statements for banks in accordance with the requirements of the International Standard for Financial .Reports (9) "Financial Instruments" issued by the Central Bank of Egypt on February 26, 2019

31 December 2024

In Egyptian pound	The first stage	The second stage	The third stage	Total
Due from banks	40 151 180	-	-	40 151 180
Financial investments	41 094 376	-	-	41 094 376
Loans and advances - Banks	5 559 132	-	-	5 559 132
Loans and advances - corporate	144 748 643	644 154 142	1 553 184 775	2 342 087 560
Loans and advances - Retail	20 471 044	43 152 279	147 122 943	210 746 266
Contingent liabilities	39 955 863	20 653 048	28 521 707	89 130 618
Loan commitments and facilities *	33 312 293	555 445	3 761 796	37 629 534
Total	**325 292 531**	**708 514 914**	**1 732 591 222**	**2 766 398 666**

Impairment provision of loans and contingent liabilities without the unused portion of the facility limits	The provision for impairment is in accordance with the requirements of IFRS9	Provision for impairment in accordance with the basis of creditworthiness	The difference between risk rating and IFRS 9
In Egyptian pound	**31 December 2024**	**31 December 2024**	
Loans and advances Provision - Customer	2 552 833 826	2 296 412 439	256 421 387
Contingent liabilities Provision - Customer	72 708 431	367 111 419	(294 402 988)
	2 625 542 257	**2 663 523 858**	**(37 981 601)**

31 December 2023

In Egyptian pound	The first stage	The second stage	The third stage	Total
Due from banks	4 492 196	-	-	4 492 196
Financial investments	37 595 771	-	-	37 595 771
Loans and advances - corporate	99 184 365	105 805 203	1 283 083 877	1 488 073 445
Loans and advances - Retail	13 766 051	41 060 280	217 112 934	271 939 265
Contingent liabilities	32 756 431	8 900 758	8 685 652	50 342 841
Loan commitments and facilities	16 833 854	87 141	2 198 687	19 119 682
Total	**204 628 668**	**155 853 382**	**1 511 081 150**	**1 871 563 200**

Impairment provision of loans and contingent liabilities without the unused portion of the facility limits	The provision for impairment is in accordance with the requirements of IFRS9	Provision for impairment in accordance with the basis of creditworthiness	The difference between risk rating and IFRS 9
In Egyptian pound	**31 December 2023**	**31 December 2023**	
Loans and advances Provision - Customer	1 760 012 710	1 940 669 740	(180 657 030)
Contingent liabilities Provision - Customer	33 455 823	236 753 066	(203 297 243)
	1 793 468 533	**2 177 422 806**	**(383 954 273)**

A-5-3 **Movement of expected credit losses in accordance with the requirements of IFRS9**

According to the instructions of the Central Bank of Egypt to prepare financial statements for banks in accordance with the requirements of the International Standard for Financial Reports (9) "Financial Instruments" issued by the Central Bank of Egypt on February 26, 2019.

31 December 2024

	Note	Balance at the beginning of the Year	Provision for impairment losses	refund of loans previously written off	Amounts written off during the Year	Foreign currencies revaluation differences	Provisions no longer required	Balance at the end of the Year
Due from banks	(7)	4 492 196	35 325 765	-	-	333 219	-	40 151 180
Loans and advances - Banks	(9)	-	5 289 889	-	-	269 243	-	5 559 132
Loans and advances - corporate	(10)	1 488 073 445	1 142 982 862	25 595 982	(522 904 949)	208 340 220	-	2 342 087 560
Loans and advances - Retail	(10)	271 939 265	178 258 992	39 032 739	(278 484 730)	-	-	210 746 266
Total provision for expected credit losses (1)		**1 764 504 906**	**1 361 857 508**	**64 628 721**	**(801 389 679)**	**208 942 682**	-	**2 598 544 138**

	Note	Balance at the beginning of the Year	Provision for impairment losses	refund of loans previously written off	Amounts written off during the Year	Foreign currencies revaluation differences	Provisions no longer required	Balance at the end of the Year
Financial investments at fair value through other comprehensive income statement		37 595 771	-	-	-	18 714 925	(15 216 320)	41 094 376
Total provision for expected credit losses (2)		**37 595 771**	-	-	-	**18 714 925**	**(15 216 320)**	**41 094 376**

	Note	Balance at the beginning of the Year	Provision for impairment losses	refund of loans previously written off	Amounts written off during the Year	Foreign currencies revaluation differences	Provisions no longer required	Balance at the end of the Year
Contingent liabilities	(22)	50 342 841	31 641 960	-	(233 750)	7 379 567	-	89 130 618
Loans and advances commitments	(22)	19 119 682	18 509 852	-	-	-	-	37 629 534
Total provision for expected credit losses (3)		**69 462 523**	**50 151 812**	-	**(233 750)**	**7 379 567**	-	**126 760 152**
Total expected credit losses (1 + 2 + 3)		**1 871 563 200**	**1 412 009 320**	**64 628 721**	**(801 623 429)**	**235 037 174**	**(15 216 320)**	**2 766 398 666**

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

- 26 % of the loans and advances portfolio is classified at the highest two ratings in the internal rating.
- 81.2% of the loans and advances portfolio having no past due or impairment indicators.
- Loans and advances that have been evaluated on an individual basis of total amount EGP 2.1 Bn which represent 3.9 % and the provision formed and interest in suspense amount EGP 1.6 Bn represent 74 % of it.
- The bank applies a more conservative way in granting loans and advances to customers during the year.

A-6 Loans and advances

Loans and advances are summarized according to their credit rating as follows: -

Loans and advances to customers

In Egyptian Pound	**31/12/2024**	**31/12/2023**
Neither past dues nor impaired	**44 652 879 983**	**32 858 759 396**
Past dues but not impaired	**7 747 227 314**	**2 392 664 596**
Past dues are subjected to impairment	**2 558 523 990**	**2 539 428 582**
Total	**54 958 631 287**	**37 790 852 574**
(Less):		
Unearned revenue and discount	**(6 478 175)**	**(9 433 424)**
Impairment loss provision	**(2 552 833 827)**	**(1 760 012 710)**
Interest in suspense	**(53 748 360)**	**(78 287 433)**
Net	**52 345 570 925**	**35 943 119 007**

Note (10) include additional information regarding impairment loss provision on loans and advances to customers and banks.

The credit quality of the loans and advances portfolio that are neither having past due nor subject to impairment are evaluated by the internal rating of the bank.

A-6 Loans and advances neither having past due nor subject to impairment

31 December 2024

Valuation In Egyptian Pound	Retail Overdraft Accounts	Credit cards	Personal loans	Real Estate Finance	Total Retail	Corporate Discounted Commercial Papers	Overdraft Accounts	Syndicated loans	Direct loan	Total Corporate	Total
1-Performing loans	17 371 760	487 495 130	10 015 933 271	204 540 142	10 725 340 303	9 000 000	8 815 810 514	6 093 181 552	16 400 578 801	**31 318 570 867**	**42 043 911 169**
2-Regular follow up	–	–	–	–	–	–	–	70 930 806	1 610 736 261	**1 681 667 067**	**1 681 667 067**
3-Watch list	–	–	–	–	–	–	–	237 519 128	689 782 618	**927 301 746**	**927 301 746**
Total	**17 371 760**	**487 495 130**	**10 015 933 271**	**204 540 142**	**10 725 340 303**	**9 000 000**	**8 815 810 514**	**6 401 631 486**	**18 701 097 681**	**33 927 539 680**	**44 652 879 983**

31 December 2023

Valuation In Egyptian Pound	Retail Overdraft Accounts	Credit cards	Personal loans	Real Estate Finance	Total Retail	Corporate Discounted Commercial Papers	Overdraft Accounts	Syndicated loans	Direct loan	Total Corporate	Total
1-Performing loans	36 071 513	230 739 546	7 203 470 190	160 657 564	**7 630 938 813**	186 568 312	7 648 044 372	1 452 679 960	14 358 509 021	**23 645 801 665**	**31 276 740 478**
2-Regular follow up	–	–	–	–	–	–	–	189 588 111	1 117 917 936	**1 307 506 047**	**1 307 506 047**
3-Watch list	–	–	–	–	–	–	–	–	274 512 871	**274 512 871**	**274 512 871**
Total	**36 071 513**	**230 739 546**	**7 203 470 190**	**160 657 564**	**7 630 938 813**	**186 568 312**	**7 648 044 372**	**1 642 268 071**	**15 750 939 828**	**25 227 820 583**	**32 858 759 396**

The non performing segments of secured loans are not subject to impairment after considering the collectability of the guarantees.

Loans and advances having past due and not subject to impairment

Loans and advances having past due up till 30 days and are not subject to impairment, unless there is information to the contrary. Loans and advances having past due and not subject to impairment are as follows:

31 December 2024

Valuation	Retail					Corporate				
In Egyptian Pound	Overdraft Accounts	Credit cards	Personal loans	Real Estate Finance	Total Retail	Overdraft Accounts	Syndicated loans	Direct loan	Total Corporate	Total
Past due from 1 day to 30 days	-	28 225 839	31 761 957	8 637 032	**68 624 828**	-	-	7 678 602 486	**7 678 602 486**	**7 747 227 314**
Total	-	**28 225 840**	**31 761 957**	**8 637 032**	**68 624 828**	-	-	**7 678 602 486**	**7 678 602 486**	**7 747 227 314**

31 December 2023

Valuation	Retail					Corporate				
In Egyptian Pound	Overdraft Accounts	Credit cards	Personal loans	Real Estate Finance	Total Retail	Overdraft Accounts	Syndicated loans	Direct loan	Total Corporate	Total
Past due from 1 day to 30 days	-	19 096 795	51 897 809	7 155 506	**78 150 110**	-	-	2 314 514 486	**2 314 514 486**	**2 392 664 596**
Total	-	**19 096 795**	**51 897 809**	**7 155 506**	**78 150 110**	-	-	**2 314 514 486**	**2 314 514 486**	**2 392 664 596**

Loans and advances subject to individual impairment

Loans and advances subject to individual impairment regardless any cash flows from collaterals amounted to EGP 2 432 091 326

The breakdown of the total loans and advances subject to individual impairment including fair value of collaterals obtained by the bank in respect of loans granted are as follows:

31 December 2024

Valuation	Retail					Corporate					
In Egyptian Pound	Overdraft Accounts	Credit cards	Personal loans	Real Estate Finance	Total Retail	Overdraft Accounts	Syndicated loans	Direct loan	Net loans and advances	Total Corporate	Total
Balance	–	34 326 090	350 065 653	9 052 208	**393 443 950**	–	–	2 165 080 040	–	**2 165 080 040**	**2 558 523 990**
Fair value of collaterals	–	–	–	–	–	–		**126 432 664**	–	**126 432 664**	**126 432 664**

31 December 2023

Valuation	Retail					Corporate					
In Egyptian Pound	Overdraft Accounts	Credit cards	Personal loans	Real Estate Finance	Total Retail	Overdraft Accounts	Syndicated loans	Direct loan	Net loans and advances	Total Corporate	Total
Balance	–	28 190 839	539 190 404	3 996 122	**571 377 365**	–	240 927 110	1 727 124 107	–	**1 968 051 217**	**2 539 428 582**
Fair value of collaterals	–	–	–	–	–	–	**69 783 001**	**117 377 789**	–	**187 160 790**	**187 160 790**

A -7 Debt instruments, treasury bills and other governmental notes , Based on credit rating

In Egyptian Pound	Treasury bills and other governmental notes	Financial assets held for trading	Other Financial Investments At fair value through other comprehensive income	Total
Classification of CAA1	29 992 892 532	–	6 814 060 931	**36 806 953 463**
Total	**29 992 892 532**	–	**6 814 060 931**	**36 806 953 463**

A-8 Concentration of risks of financial assets exposed to credit risk

The following table provides a breakdown of the bank's significant credit risk concentration at their carrying amounts, distributed by geographical sector as at the end of the Year:

In Egyptian Pound	Cairo	Alexandria, Delta and Canal	Upper Egypt & Red Sea	Total
Treasury bills and other governmental notes	29 992 892 532	–	–	29 992 892 532
Loans and advances to customers:				
Banks Loans	1 067 614 800	–	–	1 067 614 800
Retail:				
Overdraft Accounts	6 158 840	10 194 704	1 018 216	17 371 760
Personal loans	6 473 226 426	2 623 081 393	1 301 453 061	10 397 760 880
Real Estate Finance loans	196 840 453	25 388 929	–	222 229 382
Credit cards	427 338 036	68 353 662	54 355 361	550 047 059
Corporate:				
Overdraft Accounts				
Syndicated loans	7 234 122 141	1 501 534 823	80 153 550	8 815 810 514
Direct loans	5 721 085 372	680 546 114	–	6 401 631 486
Discounted commercial bills	21 906 611 112	5 703 375 031	934 794 063	28 544 780 206
Other Financial investments				
Debt instruments at amortized cost	–	9 000 000	–	9 000 000
Debt instruments at fair value through other comprehensive income	9 766 532 822	–	–	9 766 532 822
Total at the end of the Year	**82 792 422 534**	**10 621 474 656**	**2 371 774 251**	**95 785 671 441**

A-9 Concentration of risks of financial assets exposed to credit risk

The following table provides a breakdown of the most significant credit risk limits at their carrying amounts categorized according to the customer's line of business:

In thousand Egyptian pound	Agriculture activity	Manufacturing institutions	Trading activity	Services	Governmental sector/General	Others	Retail	Total
Treasury bills and other governmental notes	–	–	–	–	29 992 893	–	–	29 992 893
Loans and advances to Banks	–	–	–	–	1 067 615	–	–	1 067 615
Loans and advances to customers	400 216	12 394 969	6 728 189	17 953 223	6 245 955	48 670	11 187 409	54 958 631
Financial derivatives	–	–	–	–	–	2 380	–	2 380
Financial investments								
Debt instruments at fair value through other comprehensive income	–	–	–	–	6 814 061	2 952 472	–	9 766 533
Total at the end of the Year	**400 216**	**12 394 969**	**6 728 189**	**17 953 223**	**44 120 524**	**3 003 522**	**11 187 409**	**95 788 052**

B- Market risk

The bank is exposed to market risks that the fair value or future cash flows of the financial instruments will fluctuate due to changes in market prices, Market risks emerges from open markets unsealed to interest rate, currency, and equity instruments; each is exposed to general and specific market movements and changes in sensitivity levels of market rates or prices such as interest rates, foreign exchange rates and equity instrument prices. The bank classifies its exposure to market risk into trading and non-trading portfolios.

The bank market risk department is responsible for managing the market risks arising from trading and non-trading activities.

Trading portfolios include transactions where the bank directly deals with clients or with the market; while non-trading portfolios primarily arise from managing assets and liabilities interest rate related to retail transactions. Non-trading portfolios also includes foreign currency exchange risk and equity instruments risks arising from the available-for-sale investments.

B-1 Market risk measurement techniques

As part of market risk management, the bank undertakes various hedging strategies as well as entering into fixed interest rate swap agreements. The significant measurement techniques used to control market risk are outlined below.

- **Value at Risk**

The bank applies a ‘value at risk’ methodology (VAR) for trading and non-trading portfolios to estimate the market risk of outstanding positions and the maximum expected losses based on a number of scenarios for various changes in market conditions. The board of director sets limits for the value at risk that may be classified separately by the bank as for trading and non-trading portfolios and the process is daily monitored by the risk management department.

Value at risk is a statistical expectation of the expected losses on the current portfolio resulting from adverse market movements. It represents the ‘maximum’ loss the bank is expected to incur. When using a specified confidence level, there is statistical probability that the actual losses exceed the estimated VAR. The VAR module assumes that there is a specified holding period (1 day) before closing the opened position. It also assumes that market movements during the holding period will be consistent with the previous day pattern The bank assesses the past movement based on data from previous periods, and applies these historical changes in rates, prices and indicators directly to its current positions this approach is known as historical simulation. Actual outcomes are monitored regularly to test the validity of the assumptions and factors used in the VAR calculation.

The quality of the value at risk model is continuously monitored through assurance tests to the VAR results for trading portfolio and results are reported to the top management and board of directors,

- **Stress Testing**

  Stress testing provides an indication of the expected losses that may arise from sharp adverse circumstances. Stress testing is designed to match business using standard analysis for specific scenarios. The stress testing carried out by the bank market risk department includes: risk factor stress testing where sharp movements are applied to each risk category, emerging market stress test where emerging market are subject to sharp movements, and special stress test including possible material stress events affecting specific locations or regions, for example the stress outcome to a region applying a free currency rate.

  The results of the stress testing are reviewed by top management and board of directors.

B-2 VAR summary

The total value at risk for trading in addition to the active and listed shares for non-trading according to the type of risk as at:

In Egyptian Pounds

31 December 2024

	Average	Maximum	Minimum
Foreign exchange risk	486 645	1 079 651	128 586
Interest rate risk	103 185 632	108 992 375	97 308 224
Equity instruments risk	-	-	-

31 December 2023

	Average	Maximum	Minimum
Foreign exchange risk	1 538 284	1 661 421	1 394 354
Interest rate risk	38 163 874	52 265 069	30 581 574
Equity instruments risk	-	-	-

The increase in VAR especially the interest rate risk is directly proportional to the increase in market interest rates volatility in the global financial markets.

The above three VAR results are calculated independently from the underlying positions and historical market movements with a simple way without using complex quantitative techniques. The aggregate of the trading and non-trading VAR results does not represent the bank’s value at risk due to correlations between risk types and portfolio types and their various resulted effects.

B-3 The risk of fluctuation in foreign exchange rates

The bank is exposed to the risk of fluctuations in foreign exchange rates on the financial position and cash flows, and the Board of Directors has set limits for foreign currencies by the total value of each of the centers at the end of the day as well as during the day that is monitored at the moment. The following table summarizes the extent of the bank's exposure to the risk of fluctuations in the foreign exchange rate At the end of the financial position, the following table includes the book value of the financial instruments distributed in the currencies that make up them:

In thousand Egyptian pound	EGP	USD	Euro	GBP	Other currencies	Total
Financial assets						
Cash and due from central banks	15 207 377	369 645	39 416	9 719	9 856	15 636 013
Due from banks	9 787 736	13 574 399	719 951	48 266	17 537	24 147 889
Treasury bills and other governmental notes	22 755 610	4 482 771	105 903	–	–	27 344 284
Loans and advances to Banks	–	1 062 056	–	–	–	1 062 056
Loans and advances to customers	46 033 869	6 129 666	181 447	344	245	52 345 571
Financial derivatives	2 380	–	–	–	–	2 380
Financial investments						
- At fair value through other comprehensive income	9 228 673	589 879	–	–	–	9 818 552
Intangible assets	120 561	–	–	–	–	120 561
Other assets	1 900 462	87 344	494	–	–	1 988 300
Deferred Tax Assets	129 822	–	–	–	–	129 822
Property, Plant, and Equipment	1 561 483	–	–			1 561 483
Total financial assets	**106 727 973**	**26 295 760**	**1 047 211**	**58 329**	**27 638**	**134 156 911**
Financial liabilities						
Due to banks	104 016	563 057		–	827	667 900
Customer's deposits	91 454 360	23 962 737	1 017 322	55 889	14 160	116 504 468
Financial derivatives	1 563	–	–	–	–	1 563
Other liabilities	2 852 508	395 090	8 703	–	–	3 256 301
Other provisions	298 161	–	–	–	–	298 161
Total share holder's equity	13 428 518	–	–	–	–	13 428 518
Total financial liabilities	**108 139 126**	**24 920 884**	**1 026 025**	**55 889**	**14 987**	**134 156 911**
Net financial position	**(1 411 153)**	**1 374 876**	**21 186**	**2 440**	**12 651**	–
Purchasing	–	–	–	–	–	–
Selling	–	–	–	–	–	–
Net financial position	**(1 411 153)**	**1 374 876**	**21 186**	**2 440**	**12 651**	–
Loan Commitments – Irrevocable	1 909 893	–	–	–	–	1 909 893
Letters of credit	5 298	537 618	290 397	–	27 838	861 152
Letters of guarantees	13 699 241	687 933	174 972	–	1 041 258	15 603 404
Letters of guarantees based on other banks requests	811 305	2 094 257	9 811 767	763	13 528	12 731 621
Other financial liabilities	654 652	–	–	–	–	654 652
Total	**17 080 388**	**3 319 809**	**10 277 136**	**763**	**1 082 624**	**31 760 722**

B-4 Interest rate risk

The bank is exposed to the impact of the fluctuation in interest rate prevailing in the market; this risk is defined as "cash flows interest rate risk" which is the risk of fluctuation in the future cash flows of a financial instrument due to changes in interest rates of the instrument. Fair value interest rate risk is the risk of fluctuation in the fair market value of a financial instrument due to changes in market interest rates. Yield margins may increase as a result of such changes but it may cause profits to decrease when unexpected movements occur.

The table below summarizes the bank's exposure to interest rate risks including the financial instruments at carrying amounts classified according to its maturities

In thousand Egyptian pound	Up to one month	More than one month till three months	More than three month till one Year	More than one Year till five Years	Financial Assets and Liabilities non interest bearing	Total
Financial assets						
Cash and due from central banks	–	–	–	–	15 636 013	15 636 013
Due from banks	1 675 675	7 718 804	–	–	14 753 410	24 147 889
Treasury bills and other governmental notes	–	7 645 920	19 698 364	–	–	27 344 284
Loans and advances to Banks	–		1 062 056	–	–	1 062 056
Loans and advances to customers	9 815 389	4 834 316	13 454 729	16 286 142	7 954 995	52 345 571
Financial derivatives	2 380	–	–	–	–	2 380
Financial investments						
– At fair value through profit and loss	11 974	19 430	1 265 651	8 469 478	52 019	9 818 552
Intangible assets	–	–	–	–	120 561	120 561
Other assets	–	–	–	–	1 988 300	1 988 300
Deferred Tax Assets	–	–	–	–	129 822	129 822
Property, Plant, and Equipment	–	–	–	–	1 561 483	1 561 483
Total financial assets	**11 505 418**	**20 218 470**	**35 480 800**	**24 755 620**	**42 196 603**	**134 156 911**
Financial liabilities						
Due to banks	–	–	–	–	667 900	667 900
Customer's deposits	20 537 484	10 631 178	60 909 327	18 169 356	6 257 123	116 504 468
Financial derivatives	1 563	–	–	–	–	1 563
Share holder's equity	–	–	–	–	13 428 518	13 428 518
Other financial liabilities	–	–	–	–	3 554 462	3 554 462
Total financial liabilities	**20 539 047**	**10 631 178**	**60 909 327**	**18 169 356**	**23 908 003**	**134 156 911**
Interest re-pricing gap	**(9 033 629)**	**9 587 292**	**(25 428 527)**	**6 586 264**	**18 288 600**	**–**

C- Liquidity risk

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

- **Liquidity risk management process**

  The bank`s liquidity risk monitoring process carried out by the bank's assets and liabilities management includes:
  - Daily funding are managed by monitoring future cash expenditure to ensure that all requirements can be met when due. This includes availability of liquidity as they become due or to be lent to customers. The bank maintains an active presence in global money markets to ensure achievement of such objective.
  - The bank maintains a portfolio of highly marketable securities that are assumed to be easily liquidated in the event of an unforeseen interruption of cash flows.
  - Monitoring liquidity ratios in relation with internal requirements and Central Bank of Egypt requirements.
  - Managing loans concentration and maturities.

    For monitoring and reporting purposes, the bank calculates the expected cash flows for the next day, week and month which are the primary periods for liquidity management, the starting point to calculate these projections is analyzing the financial liabilities maturities and expected financial assets collections.

    Assets and liabilities management monitors the mismatch between medium term assets, the value and nature of the unutilized portion of loans commitments, overdraft utilizations, and the impact of contingent liabilities such as letters of guarantees and letters of credit.

- **Funding approach**

  Liquidity Sources are regularly reviewed by independent team in the bank Assets and liabilities management for the purpose of maintaining a wide diversification by currency geography source of products and maturities.

D- Fair value of financial assets and liabilities

D-1 Financial instruments not measured at fair value

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

In thousand Egyptian pound

	31/12/2024		31/12/2023	
Financial assets	**Book value**	**Fair value**	**Book value**	**Fair value**
Loans and advances to Banks	1 067 615	1 067 615	-	-
Loans and advances to customers				
-Retail	11 187 409	11 187 409	8 280 466	8 280 466
-Corporate	43 771 222	43 771 222	29 510 386	29 510 386
Financial Statement at amortized cost	-	-	78 570	78 570
Financial liabilities				
Due to banks	667 899	667 899	90 889	90 889
Customer's deposits				
-Retail	23 036 051	23 036 051	14 312 355	14 312 355
-Corporate	93 468 417	93 468 417	72 322 679	72 322 679

E- Capital management

The bank's objectives behind capital management which include items in addition to equity section reported in the balance sheet are represented in the following:

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

Capital adequacy and uses are reviewed daily in accordance with the regulatory authority's requirements (Central Bank of Egypt) by the bank's management through models based on Basel Committee on Banking Supervision; these data are submitted to the Central Bank of Egypt on quarterly basis.

CBE requires the following from the bank:

- Maintaining LE 5 billion as a minimum requirement for the issued and paid up capital.
- Maintaining a percentage of 12.50 % or more between capital elements and risk-weighted asset and contingent liability elements.

The Bank is recognized as a single group that includes the Bank in all its branches at home and abroad and all other financial companies in which owned its or related parties hold more than 50% of the shareholders' equity or any percentage that enables it to control.

F- Capital management (continue)

The numerator of the capital adequacy comprises the following 2 tiers:

Tier 1:

Core capital: it is the basic capital which comprises paid up capital (after deducting the carrying amount of the treasury stocks) and retained earnings and reserves resulting from dividends except the general banking risks reserve any previously recognized goodwill and any accumulated deficit are to be deducted.

Additional capital: it is carried forward profit & loss and minority rights and difference between nominal value and fair value for subordinated loan.

Tier 2:

It includes 45% of each of (foreign exchange reserve value reserve for financial investments in Associates companies) subordinated loan and impairment provisions against debt instruments facilities and contingent obligations for the first stage with no more than 1.25% of the trade credit of the contingent assets and liabilities weighted by risk. When applying the standard method.

When calculating the total numerator of capital adequacy continued, capital after deductions should not be less than 4.5 % from total credit risk operating risk and market risk. And tier I capital should not be less than 8.50 % from total credit risk operating risk and market risk; and subordinated loan should not exceed 50% of tier 1.

The bank has complied with all local capital requirements during the last two years. The following schedule summarizes the components of Tier I capital Tier II capital and capital adequacy ratio as of 31 December 2024.

Capital adequacy ratio as per Basel II requirements

In thousand Egyptian pound	31 December 2024	31 December 2023
Capital		
Tier I Capital		
Core capital after deductions		
Capital (Includes amounts under capital increase) *	5 512 500	5 512 500
Reserves *	1 035 010	1 035 011
Retained earnings *	2 383 975	2 016 672
Total cumulative other comprehensive income after control adjustments	182 129	(5 193)
Additional Going Concern		
Quarterly interim profit / (losses)	4 271 612	-
Deduct from Common Equity		
(-) Deduct 100% from net of Intangible assets(Other than goodwill)	(120 561)	(61 088)
Deferred tax Assets	(161 899)	(117 165)
Total Tier I	**13 102 766**	**8 380 737**
Tier 2 Capital (subordinated capital)		
Provision for performing loans, facilities & Off BS within 1.25% of total credit risk for assets and weighted average potential liabilities when applying standardize approach amount for financial investments (FVOCI, Amortized cost and in subsidiaries and associates)	325 293	204 629
Total Tier 2 capital	**325 293**	**204 629**
Total capital based after deductions	**13 428 059**	**8 585 366**
Total credit risk	68 543 520	47 752 282
Capital requirements for operating risk	3 455 063	2 342 072
Total Assets and potential liabilities weighted by credit, market and operating risk	**71 998 583**	**50 094 354**
Capital adequacy ratio (%)	**18.65%**	**17.14%**

* Some comparative figures have been restated after taking into considration the Profits appropriation schedule for the fiscal year ending December 31, 2023 , which was approved by the Ordinary General Assembly held on March 5, 2024

Leverage Ratio

	In Thousand Egyptian Pounds	31 December 2024	31 December 2023
First	**Tier 1 capital after Exclusions**	**13 102 766**	**8 380 737**
Second	**On-Off balance sheet exposures items**		
1	**Exposures on-balance sheet and financial derivatives and securities finance**		
	Cash and due from Central Bank of Egypt (CBE)	28 073 020	20 721 502
	Due from Banks	12 818 649	7 256 849
	Treasury bills and other Government securities	27 378 955	25 927 717
	REPO	(34 672)	(37 192)
	Financial investments Fair Value through OCI	9 818 551	5 859 957
	Financial investments Amortized Cost	-	78 570
	Loans and credit facilities to customers	54 958 632	37 790 852
	Fixed Assets (after deducting depreciation and impairment losses)	1 561 483	523 901
	Other assets	2 270 761	1 326 612
	Deducted amounts from exposures (after deducting Tier I Exclusions for capital base)	(2 723 566)	(1 825 315)
	Total on-balance sheet exposures items after deducting after Tier I Exclusions for capital base.	**134 121 813**	**97 623 453**
2	**Exposures off-balance sheet**		
	Contingent liabilities (1)		
	Letters of Credit - Import	79 002	37 647
	Letters of Credit - Export	12 776	67 965
	Letters of Guarantees	7 801 702	5 179 999
	Letters of Guarantees according to foreign banks	6 365 810	6 352 879
	Accepted papers	206 524	37 065
	Re-discounted Commercial paper	195 733	170 332
	Commitments (2)		
	Operating lease commitments	654 652	556 394
	Loan commitments to clients/banks (unutilized part) within original maturity	2 541 701	671 845
	Total Exposures off-balance sheet	**17 857 901**	**13 074 125**
	Total On-Off balance sheet exposures items (1) + (2)	**151 979 714**	**110 697 578**
	Leverage financial ratio	**8.62%**	**7.57%**

4- Significant accounting estimates and assumptions

The bank applies estimates and assumptions that affect the amounts of assets and liabilities disclosed in the next financial period. Estimates and assumptions are continuously assessed based on past experience and other factors including the expectations of future events that are believed to be reasonable in light of the available circumstances and information.

A - Impairment losses for loans and advances (expected credit losses)

The Bank reviews its loan portfolios to assess impairment on quarterly basis at least In determining whether impairment loss should be recorded in the income statement The bank has to identify if there is objective evidence indicating a decline in the expected future cash flows from loan portfolio before identifying any decline on individual basis This evidence include data indicating negative changes in a borrower's portfolio ability to repay to the bank or local or economic circumstances related to default of bank assets Upon scheduling future cash flows the management use estimates based on prior loss experience to determine the credit impairment loss for assets when there is objective evidence of impairment similar to that of the portfolio. The methods and assumptions used in estimating both the amount and timing of the future cash flows are reviewed on a regular basis to minimize any differences between the estimated loss and actual loss based on experience.

B - Impairment of investments in equity instruments at fair value through other comprehensive income

The bank determine the impairment loss relating to available for sale equity investments when there is a significant or prolonged decline in the fair value below its cost A judgment is required to determine that the decline is significant or prolonged In making this judgment the bank evaluates among other factors the usual volatility of the share price In addition impairment loss may be recognized when there is evidence of deterioration in the investee financial condition or operating/finance cash flow industry or sector performance or in changes in technology.

C - Impairment of Financial investment at amortized cost

The non-derivative financial assets with fixed or determinable payments and fixed maturity dates are classified as held to maturity This classification requires high degree of judgment; in return the bank assesses the intention and ability to hold such investments to maturity If the bank fails to hold such investments till maturity except for certain circumstances (selling an insignificant amount of held-to-maturity investments near to maturity date) then all held to maturity investment portfolio should be reclassified as available for sale which will be measured at fair value instead of amortized cost In addition the bank should cease classifying investments as held to maturity caption.

5- A-Segment analysis

In Egyptian Pound

	Corporate & Financial Institutions	Retail	Treasury & Others	Total
Revenues and expenses according to business segment				
Segment revenues	19 160 728 456	8 194 212 331	13 878 292 765	41 233 233 552
Segment expenses	(17 087 978 433)	(7 474 240 046)	(10 419 509 239)	(34 981 727 718)
Profit for the Year before taxes	**2 072 750 023**	**719 972 285**	**3 458 783 526**	**6 251 505 834**
Taxes	(520 111 151)	(170 015 419)	(1289 767 699)	(1979 894 269)
Profit for the Year	**1 552 638 872**	**549 956 866**	**2 169 015 827**	**4 271 611 565**
Assets and Liabilities according to business segment				
Total assets	37 505 932 652	11 956 541 864	84 694 436 432	134 156 910 948
Total liabilities	61 855 387 668	50 071 771 472	22 229 751 808	134 156 910 948
Other business segment items				
Depreciations	(35 866 345)	(82 565 878)	(5 803 835)	(124 236 058)
Expedcted Credit Loss	(1148 272 751)	(178 258 992)	(70 261 257)	(1396 793 000)

B-Geographic analysis

In Egyptian Pound

	Greater Cairo	Alex and Delta and Canal	Upper Egypt & Red Sea	Total
Geographical analysis of revenues and expenses				
Geographical sector revenues	22 053 897 246	5 341 022 005	468 930 980	27 863 850 231
Geographical sector expenses	(16 306 098 040)	(4 872 618 367)	(433 627 991)	(21 612 344 397)
Profit for the Year before taxes	**5 747 799 206**	**468 403 639**	**35 302 989**	**6 251 505 834**
Taxes	(1861 107 346)	(110 516 224)	(8 270 699)	(1979 894 269)
Profit for the Year before taxes	**3 886 691 860**	**357 887 415**	**27 032 290**	**4 271 611 565**
Assets and Liabilities				
Total assets	121 191 826 521	12 186 346 434	778 737 994	134 156 910 949
Total liabilities	102 172 769 842	29 719 630 586	2 264 510 521	134 156 910 949
Other Geographical sector items				
Depreciations	(113 196 956)	(8 953 390)	(2 085 711)	(124 236 058)
Expedcted Credit Loss	(1072 569 875)	(265 039 771)	(59 183 354)	(1396 793 000)

6- **Cash and due from Central Bank of Egypt**

In Egyptian Pound	31 December 2024	31 December 2023
Cash on hand	882 603 924	490 886 693
Due from Central Bank of Egypt within reserve ratio	14 753 409 990	10 985 647 374
	15 636 013 914	**11 476 534 067**

7- **Due from banks**

In Egyptian Pound	31 December 2024	31 December 2023
The Central Bank of Egypt		
Current accounts	102 082 276	66 845 357
Time Deposits	12 334 924 165	9 178 122 241
	12 437 006 441	**9 244 967 598**
Local Banks		
Current accounts	127 887 438	90 686 731
Time Deposits	1 372 647 600	800 000 000
	1 500 535 038	**890 686 731**
Foreign Banks		
Current accounts	219 977 928	265 804 978
Time Deposits	10 030 520 720	6 100 356 900
	10 250 498 648	**6 366 161 878**
Total due from banks	**24 188 040 127**	**16 501 816 207**
Expect crdit loss provision	(40 151 180)	(4 492 196)
Net due from banks	**24 147 888 947**	**16 497 324 011**
Non–interest bearing balances	449 947 642	423 337 066
Interest bearing balances	23 738 092 485	16 078 479 141
Expect credit loss provision	(40 151 180)	(4 492 196)
	24 147 888 947	**16 497 324 011**

8- **Treasury bills at fair value through other comprehensive income**

In Egyptian Pound	31 December 2024	31 December 2023
Treasury bills		
Treasury bills maturing to 91 days	–	3 734 025 000
Treasury bills maturing from 92 to 182 days	4 857 675 000	6 566 625 000
Treasury bills maturing grater than 182 to 364 days	25 169 889 200	18 651 168 050
	30 027 564 200	**28 951 818 050**
(Less):		
Unearned interest	(2 621 589 038)	(2 966 355 933)
Sales of treasury bills with repurchase obligation (REPO): *	(34 671 668)	(37 191 919)
	27 371 303 494	**25 948 270 198**
Net change in fair value	**(27 019 480)**	**(57 745 054)**
Net of Treasury bills after change in fair value	**27 344 284 014**	**25 890 525 144**

* **Sales of treasury bills with repurchase obligation (REPO): ***

In Egyptian Pound	31 December 2024	31 December 2023
Against the the amount granted by the Central Bank of Egypt within the mortgage finance initiative for low-income people	34 671 668	37 191 919
	34 671 668	**37 191 919**

9- Loans and advances to Banks

In Egyptian Pound	31 December 2024	31 December 2023
Banks Loans	1 067 614 800	-
	1 067 614 800	–
Expect credit loss provision	**(5 559 132)**	–
	1 062 055 668	–

10- Loans and advances to Customers

In Egyptian Pound	31 December 2024	31 December 2023
Discounted commercial bills	9 000 000	186 568 312
Customers loans	54 949 631 287	37 604 284 262
	54 958 631 287	**37 790 852 574**
(Less):		
Prepaid Revenue	(6 478 175)	(9 433 424)
Expect credit loss provision	(2 552 833 826)	(1 760 012 710)
Interest in suspense	(53 748 360)	(78 287 433)
	(2 613 060 362)	**(1 847 733 567)**
	52 345 570 926	**35 943 119 007**

10-1 Loans and Advances to customers

In Egyptian Pound	31 December 2024	31 December 2023
Retail		
Overdraft Accounts	17 371 760	36 071 513
Personal loans	10 397 760 880	7 794 558 402
Real Estate Finance loans	222 229 382	171 809 192
Credit cards	550 047 059	278 027 181
Total (2)	**11 187 409 081**	**8 280 466 288**
Corporate & SME's		
Overdraft Accounts	8 815 810 514	7 648 044 372
Syndicated loans	6 401 631 486	1 883 195 181
Direct loans	28 544 780 206	19 792 578 421
Discounted commercial bills	9 000 000	186 568 312
Total (3)	**43 771 222 206**	**29 510 386 286**
Total loans and Advances to customers (1+2+3)	**54 958 631 287**	**37 790 852 574**
(Deduct):		
Prepaid Revenue	(6 478 175)	(9 433 424)
Expect credit loss provision	(2 552 833 826)	(1 760 012 710)
Interest in suspense	(53 748 360)	(78 287 433)
Net	**52 345 570 926**	**35 943 119 007**

10-2 **Expect credit loss provision**

In Egyptian Pound	31 December 2024	31 December 2023
Provision balance at the beginning of the Year	**1 760 012 710**	**1 536 170 497**
Expect credit loss	1 321 241 854	694 433 683
Proceeds from loans previously written off	64 628 721	43 990 755
Foreign currencies revaluation differences	208 340 220	68 794 726
	3 354 223 505	**2 343 389 661**
Amounts written off during the Year	(801 389 679)	(583 376 951)
ECL provisions at the end of the Year	**2 552 833 826**	**1 760 012 710**

Classification of Expect credit loss provision of loans and facilities to

31 December 2024

Retail

In Egyptian Pound	Credit cards	Personal loans	Real Estate Finance loans	Total
Balance at the beginning of the Year	**12 163 573**	**257 790 066**	**1 985 626**	**271 939 265**
Expect credit loss	30 571 531	145 236 501	2 450 960	178 258 992
Proceeds from loans previously written off	2 859 125	36 001 611	172 003	39 032 739
Provisions used	(23 590 507)	(253 382 490)	(1 511 733)	(278 484 730)
Balance at the end of the Year	**22 003 722**	**185 645 688**	**3 096 856**	**210 746 266**

Corporate

In Egyptian Pound	Overdraft Accounts	Direct loans	Syndicated loans	Total
Balance at the beginning of the Year	**1 181 696 565**	**132 615 036**	**173 761 844**	**1 488 073 445**
Expect credit loss	439 669 194	327 688 488	375 625 180	1 142 982 862
Proceeds from loans previously written off	25 595 982	–	–	25 595 982
Foreign currencies revaluation differences	165 445 410	18 566 991	24 327 819	208 340 220
Provisions used	(206 900 750)	–	(316 004 199)	(522 904 949)
Balance at the end of the Year	**1 605 506 401**	**478 870 515**	**257 710 644**	**2 342 087 560**

31 December 2023

Retail

In Egyptian Pound	Credit cards	Personal loans	Real Estate Finance loans	Total
Balance at the beginning of the Year	**5 430 396**	**99 445 773**	**12 661 860**	**117 538 029**
Expect credit loss	10 873 059	441 901 430	(10 388 216)	442 386 273
Proceeds from loans previously written off	2 153 038	35 218 130	35 286	37 406 454
Provisions used	(6 292 920)	(318 775 267)	(323 304)	(325 391 491)
Balance at the end of the Year	**12 163 573**	**257 790 066**	**1 985 626**	**271 939 265**

Corporate

In Egyptian Pound	Overdraft Accounts	Direct loans	Syndicated loans	Total
Balance at the beginning of the Year	**1 141 429 856**	**107 875 011**	**169 327 601**	**1 418 632 468**
Expect credit loss	236 315 722	19 508 766	(3 777 078)	252 047 410
Proceeds from loans previously written off	6 584 301	–	–	6 584 301
Foreign currencies revaluation differences	55 352 147	5 231 258	8 211 321	68 794 726
Provisions used	(257 985 460)	–	–	(257 985 460)
Balance at the end of the Year	**1 181 696 565**	**132 615 036**	**173 761 844**	**1 488 073 445**

11- Financial derivatives:

31 December 2024

Derivatives by fair value through profit and loss	Contractual amount	Assets	Liabilities
Currencies derivatives			
Currency Forward contracts	156 456 200	2 379 916	–
Currency Forward contracts	155 639 300	–	1 563 016
	–	**2 379 916**	**1 563 016**

31 December 2023

Derivatives by fair value through profit and loss	Contractual amount	Assets	Liabilities
Currencies derivatives			
Currency Forward contracts	–	–	–
Currency Forward contracts	–	–	–
	–	–	–

Financial investments

12- Financial assets at amortized cost

Governmental debt instruments

In Egyptian Pound	31 December 2024	31 December 2023
Governmental debt instruments	–	78 570 493
Total governmental debt instruments	–	**78 570 493**

Movement of treasury bonds at amortized cost

In Egyptian Pound	31 December 2024	31 December 2023
Balance at the beginning of the year	**78 570 493**	**96 210 105**
Net amortization(issuing discount & issuing premium)	5 507	53 987
Retrieval – Treasury Bonds & Financial Investments	(78 576 000)	(17 905 000)
Net change in fair value	–	211 401
Balance at the end of the Year	–	**78 570 493**

13- Financial investments at fair value through other comprehensive income

In Egyptian Pound	31 December 2024	31 December 2023
Governmental debt instruments	6 814 060 931	2 156 057 554
Non governmental debt instruments	2 952 471 891	3 598 585 441
	9 766 532 822	**5 754 642 995**
Unquoted equity instruments	52 018 837	105 313 799
Financial investments at fair value through other comprehensive income	**9 818 551 659**	**5 859 956 794**
Current balances	9 766 532 822	5 754 642 995
Non-current balances	52 018 837	105 313 799
	9 818 551 659	**5 859 956 794**

Financial investments at fair value through other comprehensive income

In Egyptian Pound	31 December 2024	31 December 2023
Balance at the beginning of the Year	**5 859 956 794**	**7 206 940 908**
Net amortization(issuing discount & issuing premium)	50 166 235	60 718 724
Additions – Treasury Bonds & Financial Investments	5 707 879 146	1 710 700 083
Retrieval – Treasury Bonds & Financial Investments	(2 178 813 384)	(3 344 879 434)
Net change in fair value	153 098 346	159 404 971
Foreign currencies revaluation differences	226 264 522	67 071 542
Balance at the end of the Year	**9 818 551 659**	**5 859 956 794**

14- Investments in associates

EGP	31 December 2024	31 December 2023
Unquoted equity instrument *	100	100
Total Investments in associates	**100**	**100**

* **Associates**

	31 December 2024	31 December 2023
EL Fouadeya Development Company	100	100
	100	**100**

*

Company Name	Contribution Percentage	Assets	Liabilities	Paid in Capital	Income	Net profit /(loss)	Last financial statement date	Headquarter country
EL Fouadeya Development Company	25%	12 289 826	16 223 730	3 668 000	-	(132 478)	31/12/2023	Egypt

15- Intangible assets

In Egyptian Pound	31 December 2024	31 December 2023
Computer program		
Net balance at beginning of the Year	**61 088 294**	**35 077 156**
Additions	**97 071 055**	**63 299 386**
Total	**158 159 349**	**98 376 542**
Amortization during the Year	**(37 598 696)**	**(37 288 248)**
Net	**120 560 653**	**61 088 294**

16- Other assets

In Egyptian Pound	31 December 2024	31 December 2023
Accrued revenue	1 053 117 658	484 260 701
Prepaid expenses	137 320 865	114 128 495
Down payments to purchase of fixed assets	480 961 715	895 526 503
Assets reverted to the bank in settlement of debts *	9 180 197	49 362 586
Deposits held with others and custody	9 750 744	8 560 371
Other debit balances **	297 969 110	80 780 750
	1 988 300 289	**1 632 619 406**

* ***The nature and analysis of the assets reverted to the bank is as follows:**

In Egyptian Pound	31 December 2024	31 December 2023
Buildings and flat units reverted to bank in settlement of debt of customers	9 180 197	49 362 586
	9 180 197	**49 362 586**

** ****The other debit balances include the following:**

In Egyptian Pound	31 December 2024	31 December 2023
Other Debit Balances Under Settlements – ATM,Digital wallet & IPN	255 919 011	54 680 415
Other Debits amounts	42 050 099	26 100 335
	297 969 110	**80 780 750**

17-A Deferred Tax

31 December 2024

In Egyptian Pound	Assets	Liabilities	Total
Deferred Tax Assets (Provisions)	161 899 301	-	161 899 301
Deferred Tax liabilities (Property, Plant, and Equipment)	-	(32 077 398)	(32 077 398)
Total Deferred Tax Assets (Liabilities)	**161 899 301**	**(32 077 398)**	**129 821 903**

31 December 2023

In Egyptian Pound	Assets	Liabilities	Total
Deferred Tax Assets (Provisions)	117 165 261	-	117 165 261
Deferred Tax liabilities (Property, Plant, and Equipment)	-	(16 707 933)	(16 707 933)
Total Deferred Tax Assets (Liabilities)	**117 165 261**	**(16 707 933)**	**100 457 328**

17-B Income tax expenses

In Egyptian Pound	31 December 2024	31 December 2023
Corporate Tax Expenses	706 444 806	307 444 250
Treasury bills and bonds revenues taxes	1 302 571 060	763 787 170
Dividend tax	242 978	215 841
Deferred tax - Liabilities	15 369 465	1 500 000
Deferred tax - Asset	(44 734 040)	(18 209 511)
	1 979 894 269	**1 054 737 750**

18- Property, Plant, and Equipment (after deduct the accumulated depreciation)

31 December 2024

In Egyptian Pound	Land	Buildings and constructions	Integrated automated systems	Vehicles	Tools and equipment	Leasehold fixtures	Furniture	Other fixtures	Total
Cost at the beginning of the Year	316 146 523	35 170 303	276 241 538	4 300 800	79 317 803	263 892 277	27 057 524	9 987 731	1 012 114 499
Additions during the Year	-	831 911 540	114 827 352	10 590 000	60 379 593	63 651 965	43 582 326	-	1 124 942 776
Disposals	-	-	-	(2 021 800)	(1 664 768)	-	(385 266)	-	(4 071 834)
Cost as at 31 December 2024	316 146 523	867 081 843	391 068 890	12 869 000	138 032 628	327 544 242	70 254 584	9 987 731	2 132 985 441
Accumulated depreciation at the beginning of the Year	-	13 025 768	182 214 259	2 179 313	74 359 342	187 646 259	18 800 482	9 987 731	488 213 154
Depreciation for the Year	-	4 862 964	43 389 990	926 897	5 198 936	29 979 401	2 279 174	-	86 637 362
Disposals accumulated depreciation	-	-	-	(1 298 000)	(1 664 768)	-	(385 266)	-	(3 348 034)
Accumulated depreciation as at 31 December 2024	-	17 888 732	225 604 249	1 808 210	77 893 510	217 625 660	20 694 390	9 987 731	571 502 482
Net book value as at 31 December 2024	316 146 523	849 193 111	165 464 641	11 060 790	60 139 118	109 918 582	49 560 194	-	1 561 482 959

18- Property, Plant, and Equipment (after deduct the accumulated depreciation)

31 December 2023

In Egyptian Pound	Land	Buildings and constructions	Integrated automated systems	Vehicles	Tools and equipment	Leasehold fixtures	Furniture	Other fixtures	Total
Cost at the beginning of the Year	316 146 523	43 915 303	232 732 564	3 577 001	75 660 963	212 762 316	24 096 978	9 987 731	918 879 379
Additions during the Year	-	-	43 508 974	723 799	3 656 840	53 569 936	2 960 546	-	104 420 095
Disposals	-	(8 745 000)	-	-	-	(2 439 975)	-	-	(11 184 975)
Cost as at 31 December 2023	316 146 523	35 170 303	276 241 538	4 300 800	79 317 803	263 892 277	27 057 524	9 987 731	1 012 114 499
Accumulated depreciation at the beginning of the Year	-	14 524 147	143 075 417	1 508 313	69 804 264	166 025 339	17 506 929	9 987 731	422 432 140
Depreciation for the year	-	804 472	39 138 842	671 000	4 555 078	24 003 775	1 293 553	-	70 466 720
Disposals accumulated depreciation	-	(2 302 851)	-	-	-	(2 382 855)	-	-	(4 685 706)
Accumulated depreciation as at 31 December 2023	-	13 025 768	182 214 259	2 179 313	74 359 342	187 646 259	18 800 482	9 987 731	488 213 154
Net book value as at 31 December 2023	316 146 523	22 144 535	94 027 279	2 121 487	4 958 461	76 246 018	8 257 042	-	523 901 345

19- Due to banks

In Egyptian Pound	31 December 2024	31 December 2023
Local banks		
Current accounts	39 152 517	17 087 280
	39 152 517	**17 087 280**
Foreign banks		
Current accounts	628 746 900	73 801 340
	628 746 900	**73 801 340**
	667 899 417	**90 888 620**
Non-interest bearing balances	667 899 417	90 888 620
	667 899 417	**90 888 620**

20- Customers' deposits

In Egyptian Pound	31 December 2024	31 December 2023
Demand deposits	23 994 616 681	19 644 008 261
Time and callable deposits	75 691 959 141	55 518 442 015
Saving and deposit certificates	12 904 152 394	9 442 201 518
Saving deposits	2 930 627 648	1 105 734 387
Other deposits	983 112 376	924 647 416
Total Customers' deposits	**116 504 468 240**	**86 635 033 597**
Corporate & SMEs deposits	93 468 417 373	72 322 678 710
Retail deposits	23 036 050 867	14 312 354 887
	116 504 468 240	**86 635 033 597**
Non-interest bearing balances	6 449 111 086	5 050 253 900
Interest bearing balances	110 055 357 154	81 584 779 697
	116 504 468 240	**86 635 033 597**

21- Other liabilities

In Egyptian Pound	31 December 2024	31 December 2023
Accrued interest	1 133 375 614	637 458 485
Accrued expenses	208 974 540	147 765 994
Creditors	151 582 025	39 750 524
Other credit balances *	1 762 368 438	1 123 715 799
	3 256 300 617	**1 948 690 802**

***The other credit balances includes the following:**

in Egyptian pounds	31 December 2024	31 December 2023
Stamp duty	36 513 299	19 044 829
Treasury bills and Treasury Bonds taxes under settlement	535 560 597	255 692 719
Income Corporate Tax	715 803 727	316 146 448
Taxes under settlement	5 014 080	8 640 555
Staff Taxes and Insurance	8 222 812	15 576 373
Clearance cheques	329 726 270	439 919 630
Credit Balances Trade Finance Services	3 233 925	448 915
ATM , Cards and POS suspense amounts	24 244 245	382 599
Banking Support and Development Fund	38 050 330	15 305 596
Amount of contractors Insurance being held until paid Social Insurance	4 730 017	7 917 445
Amounts collected from insurance companies under settlement	30 598 457	24 905 725
Payments under sold assets revert to the bank	14 650 000	-
Other Amounts	16 020 678	19 734 965
	1 762 368 438	**1 123 715 799**

22– Other provisions

31 December 2024

In Egyptian Pound	Balance at the beginning of the Year	Charged during the Year	Foreign currencies revaluation differences	Utilized during the Year	Balance at Year ended
Provision for potential claims **	**81 255 923**	85 892 633	–	(1 496 560)	**165 651 996**
Contingent liabilities provision	**50 342 841**	31 641 960	7 379 567	(233 750)	**89 130 618**
Other provisions *	**5 799 266**	–	–	(50 098)	**5 749 168**
Loans commitment provisions	**19 119 682**	18 509 852	–	–	**37 629 534**
Total Provisions	**156 517 712**	**136 044 445**	**7 379 567**	**(1 780 408)**	**298 161 316**

31 December 2023

In Egyptian Pound	Balance at the beginning of the Year	Charged during the Year	Foreign currencies revaluation differences	Utilized during the Year	Balance at Year ended
Provision for potential claims	**64 564 418**	55 000 000	–	(38 308 495)	**81 255 923**
Contingent liabilities provision	**31 990 618**	15 878 697	2 591 512	(117 986)	**50 342 841**
Other provisions	**5 842 266**	–	–	(43 000)	**5 799 266**
Loans commitment provisions	**768 651**	18 351 031	–	–	**19 119 682**
Total Provisions	**103 165 953**	**89 229 728**	**2 591 512**	**(38 469 481)**	**156 517 712**

*** The other provisions balance as at 31 December 2024 is as follows :–**

Banking risk provision	1 394 000
Operational risk provision	485 417
Assets revert to the bank provision	3 869 751
	5 749 168

**** The provision for potential claims balance as at 31 December 2024 is as follows**

Tax provision	153 336 776
Legal claims provision	12 315 220
Provisions for leave balances	–
	165 651 996

23- Shareholders' equity

A- Authorized capital

The authorized capital amounted to EGP Ten billion the extra ordinary general assembly dated 14 March 2021 approved the increase in the authorized capital from EGP Five billion to EGP Ten billion and the acceptance from the head of the Financial Regulatory Authority was dated 9 January 2022 the annotation in the commercial register on 12 January 2022 and published in the investment gazette dated 30 January 2022 the annotation in the banks register on 3 March 2022.

B- Issued and paid-up capital

The issued and paid-up capital amounted to EGP Five Billion Five Hundred and Twelve Million Five Hundred Thousand Egyption Pounds as at 31 December 2024 distributed among 984,375,000 shares with par value of LE 5.60.

The extra ordinary general assembly dated 5 March 2024 approved the increase in the Issued and paid-up capital from EGP 5.250 billion to EGP 5.512 billion that by distributing one bonus shares for every 20 original shares owned by shareholder from net profit of Year ended 31-12-2023.
And the Financial Regulatory Authority approval issued at 6 August 2024 and the annotation in the commercial register on 21 August 2024 and published in the investment gazette dated 18 August 2024 and the annotation in the banks register at CBE (at the same nominal value of the share 5.60 Egyptian pounds)

31 December 2024

In Egyptian pound	Number of shares	Ordinary shares value	Total
Balance at the beginning of the Year	937 500 000	5 250 000 000	5 250 000 000
Changes during the Year	46 875 000	262 500 000	262 500 000
Balance at the end of the Year	984 375 000	5 512 500 000	5 512 500 000

31 December 2023

In Egyptian pound	Number of shares	Ordinary shares value	Total
Balance at the beginning of the Year	892 857 143	5 000 000 001	5 000 000 001
Changes during the Year	44 642 857	249 999 999	249 999 999
Balance at the end of the Year	937 500 000	5 250 000 000	5 250 000 000

C- Reserves

According to the bank's article of association 10% of the annual net profit is retained to form the legal reserve which ceases when the reserve balance reaches 50% of the issued capital, Pursuant to the Central Bank of Egypt instructions the balance of the special reserve cannot be utilized without recourse to the Central Bank of Egypt

The reserves balance comprises of the following as at 31 December 2024 :-

In Egyptian pound	31 December 2024	31 December 2023
Legal reserve formed in accordance with the bank's article of association	614 020 695	412 135 842
General reserve to be used whenever in favor of the bank and the shareholders in accordance with the General Assembly approval	11 504 993	11 504 993
Capital reserve	409 484 705	381 196 639
General banking risk reserve	43 292 047	405 784 076
Fair value reserve – Investment through OCI	182 129 371	(5 193 154)
Balance at the end of the Year	**1 260 431 811**	**1 205 428 396**

The changes in the reserves are represented in the following:

A– **Legal Reserve**

In Egyptian pound	31 December 2024	31 December 2023
Balance at the beginning of the Year	**412 135 842**	**311 089 891**
Changes during the Year	201 884 853	101 045 951
Balance at the end of the Year	**614 020 695**	**412 135 842**

B– **Capital Reserve**

In Egyptian pound	31 December 2024	31 December 2023
Balance at the beginning of the Year	**381 196 639**	**326 442 419**
Changes during the Year	28 288 066	54 754 220
Balance at the end of the Year	**409 484 705**	**381 196 639**

C– **General banking risk reserve**

In Egyptian pound	31 December 2024	31 December 2023
Balance at the beginning of the Year	**405 784 076**	**661 408 983**
Transferred from (to) Retained earnings	(362 492 029)	(255 624 907)
Balance at the end of the Year	**43 292 047**	**405 784 076**

D– **Fair value reserve – Investment through OCI**

In Egyptian pound	31 December 2024	31 December 2023
Balance at the beginning of the Year	**(5 193 154)**	**(262 250 024)**
Net change in the fair value	183 823 920	254 575 798
Expected Credit loss imapct	(15 216 320)	(3 391 892)
Expected Credit loss imapct Foreign currencies revaluation differences	18 714 925	5 872 964
Balance at the end of the Year	**182 129 371**	**(5 193 154)**

F– **Retained earnings**

In Egyptian pound	31 December 2024	31 December 2023
Movement on retained earnings		
Balance at the beginning of the Year	**2 777 536 862**	**1 005 669 351**
– Transferred to legal reserve	(201 884 853)	(101 045 951)
– Employees share in the profit	(227 447 343)	(106 521 373)
– Board of directors remuneration	(18 000 000)	(12 000 000)
– Transferred to Capital reserve	(28 288 066)	(54 754 220)
– Transferred to capital increase	(262 500 000)	(249 999 999)
– Transferred to the Banking Support and Development Fund	(22 744 734)	(6 570 954)
Retained earnings	**2 016 671 866**	**474 776 854**
Net profit for the Year	4 271 611 565	2 047 136 592
–Transferred From General Banking Risk reserve	345 972 672	256 976 464
–Transferred To General Banking Risk reserve (Assets revert to the bank)	16 519 357	(1 351 557)
– Disposal Gain (Loss) financial Assets Fair value through OCI – Equity	4 811 071	(1 491)
Balance at the end of the Year	**6 655 586 531**	**2 777 536 862**

24- Cash and cash equivalents

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.

In Egyptian Pound	31 December 2024	31 December 2023
Cash and due from Central Bank of Egypt (Note no 6)	882 603 924	490 886 693
Due from banks	17 231 817 962	15 262 693 966
Treasury bills and the governmental notes (Note no 8)	-	3 734 025 000
	18 114 421 886	**19 487 605 659**

25- Contingent liabilities and commitments

In Egyptian Pound	31 December 2024	31 December 2023
Loan Commitments – Irrevocable	1 909 892 505	143 261 832
Letter of guarantee	15 603 404 001	10 359 997 649
Letters of guarantees based on other banks requests	12 731 620 943	12 705 757 330
Letter of credit	861 152 189	188 233 082
Other contingent liabilities	654 651 955	556 393 777
	31 760 721 593	**23 953 643 670**

26- Net interest income

In Egyptian Pound	31 December 2024	31 December 2023
Loans interest and similar revenues		
Deposits at banks	3 548 324 861	2 063 800 353
Loans and facilities to clients	10 387 794 902	5 765 518 127
Total loans & banks	**13 936 119 763**	**7 829 318 480**
Treasury bills	6 116 075 459	3 547 818 301
Investment measured at fair value through OCI debt instruments	1 487 867 816	999 529 249
Total Debt instruments	**7 603 943 275**	**4 547 347 550**
Total Loans interest and similar revenues	**21 540 063 038**	**12 376 666 030**
Interest expense and similar charges		
Deposits and current accounts:		
To banks	-	(11 385 516)
To clients	(12 894 123 746)	(7 788 383 369)
Other Loans & REPO	(808 422)	(878 203)
Total Interest expense and similar charges	**(12 894 932 168)**	**(7 800 647 088)**
Net interest income	**8 645 130 870**	**4 576 018 942**

27- Net fees and commissions income

In Egyptian Pound	31 December 2024	31 December 2023
Fees and Commissions income		
Fees and Commissions related to facilities	653 693 258	386 550 785
Custody and Keeping Commissions	13 393 909	4 306 531
Other Commissions	464 998 351	307 718 916
Total Fees and Commissions income	**1 132 085 518**	**698 576 233**
Fees and Commissions expenses		
Other Commissions	(112 426 900)	(54 517 791)
Total Fees and Commissions expenses	**(112 426 900)**	**(54 517 791)**
Net fees and commissions income	**1 019 658 618**	**644 058 442**

• Some items were reclassified as deducted from the fee and commission income item. The correct classification is to include them within the fee and commission expenses

28- Dividends income

In Egyptian Pound	31 December 2024	31 December 2023
Financial securities through OCI	2 934 911	2 531 111
	2 934 911	**2 531 111**

29- Net trading income

In Egyptian Pound	31 December 2024	31 December 2023
Gains from debt and equity instruments At fair value through profit and loss	-	1 043 318
Revaluation of financial derivatives assets and liabilities in foreign currencies	869 525	-
	869 525	**1 043 318**

30- Gains from financial investments

In Egyptian Pound	31 December 2024	31 December 2023
Gains on sale of treasury bills	12 615 909	7 529 241
Gain on Sale of debt instruments through OCI	1 191 405	8 697 750
	13 807 314	**16 226 991**

31- Expected credit losses charges

In Egyptian Pound	31 December 2024	31 December 2023
Loans and advances Banks ECL charge	5 289 889	-
Loans and advances Customers ECL charge	1 321 241 854	694 433 683
Due From Banks ECL - Charge (reverse)	35 325 765	(271 519)
Financial investments at fair value through OCI - ECL (reverse)	(15 216 320)	(3 391 892)
	1 346 641 188	**690 770 272**

32- Administrative expenses

In Egyptian Pound	31 December 2024	31 December 2023
Labor cost		
Wages and salaries	813 626 618	516 799 052
Social insurance	35 656 716	28 142 374
Total Labor cost	**849 283 334**	**544 941 426**
Other administrative expenses	1 105 638 565	722 880 007
	1 954 921 899	**1 267 821 433**

* Other administrative expenses

In Egyptian Pound	31 December 2024	31 December 2023
Depreciation and amortization	124 236 059	107 754 965
Subscriptions	119 817 092	72 192 646
Taxes and fees	196 183 144	138 689 499
Repair and maintenance	368 906 462	217 046 318
Insurance	16 032 910	13 823 095
Advertising	36 628 644	13 095 627
Security and cleaning	32 062 401	33 173 408
Electricity water mail swifts & Gas	30 642 851	22 006 833
Hospitality	9 471 672	6 905 139
Stationary & Prints	8 529 177	6 359 438
Expenses and commissions for sales and customer service representatives	88 676 321	48 373 548
Community Contribution and Donations	20 744 164	8 959 724
Others	53 707 669	34 499 767
	1 105 638 565	**722 880 007**

33- Other operating revenues (expenses)

In Egyptian Pound	31 December 2024	31 December 2023
Gains from revaluation of assets and liabilities in foreign currencies and foreign exchange earnings	162 988 097	37 956 459
Gains from sale of fixed assets	2 800 000	36 500 730
Other provision formed	(136 044 445)	(89 229 728)
Assets rent expense	(183 333 102)	(161 890 117)
Gains (Expenses) from assets reverted to the bank	24 257 133	(2 750 101)
	(129 332 317)	**(179 412 757)**

34- Earnings per share

The portion of the share in the profit is calculated by dividing the net profits of the shareholders of the bank by ordinary shares.

	In Egyptian Pound	31 December 2024	31 December 2023
	Net profit for the Year	4 271 611 565	2 047 136 592
Deduct:	Employees share	(463 193 359)	(227 447 343)
Deduct:	B.O.D. remuneration	(17 500 000)	(18 000 000)
Deduct:	Banking Support and Development Fund	(46 319 336)	(22 744 734)
	distributed net profit	**3 744 598 870**	**1 778 944 515**
	Weighted average number of shares	**984 375 000**	**984 375 000**
	Earnings per share	**3.80**	**1.81**

As illistruated under disclousre (23), the number of shares reached 984375000 shares (Issued shares numbers 937,500,000 in addition to the increase shares numbers to 468,750,000 shares) with the same nominal value per share, which is 5.60 Egyptian pounds. The increase issued by deducting retained earnings , and bonus shares were issued in exchange for the increase. Accordingly, the number of shares in the comparative period was adjusted according to the Egyptian standard (22) paragraph (28).

35- Capital commitments

The uncalled capital commitments related to the financial investments at the balance sheet date amounted to 654 651 955 Egyptian Pound as follows:-

In Egyptian Pound	Commitments	Amount Paid	Unclaimed / unpaid amount
Obligations for leases	654 651 955	-	654 651 955
	654 651 955	-	**654 651 955**

36- Transactions with related parties

The bank deals with its related parties on the same basis as with other parties In the balance sheet date the nature of these significant transactions and its balances with main shareholder Abou Dhabi Commercial Bank - UAE represented in are as follows:-

In Egyptian Pound	31 December 2024	31 December 2023
Nature of transactions		
Due from banks	9 042 966	59 422 104
Due to banks	208 933 771	61 458 825
Contingent liabilities and commitment	6 977 758 027	6 897 970 976

37 - Tax status

First: Corporate income tax

From inception till FY 2018:

These years had been inspected and tax differences had been paid and settled.

FY 2019:

ETA had inspected this year; the related disputes had been resolved based on consent in the internal committee in the large taxpayer center dated on May 22,2024. taking into consideration the delay fines of this year is not settled.

FYs 2020/2023:

The bank's management had submitted the annual corporate income tax returns and paid taxes to ETA in the legal dates, taking into consideration the delay fines of these years have not been requested for inspection till now.

Second: Salary tax:

From inception till FY 2020:

These years had been inspected and tax differences had been paid and settled.

FYs 2021/2022:

ETA had inspected these years, the bank had approved the inspection results and paid the tax differences. taking into consideration the delay fines of these years are not settled.

FY 2023:

The bank had withheld the tax and paid it to ETA with submission of salary tax reconciliations and forms in the legal dates. taking into consideration these years have not been requested for inspection till now.

FY 2024:

The bank is committed to withhold the tax and pay it to ETA, in addition to the commitment to submit monthly salary tax reconciliations and tax forms in the legal dates.

Third: Stamp Tax:

Stamp tax based on old law (till 31/7/2006):

ETA had inspected the bank's branches according to stamp tax law no. 111 for year 1980 from inception till 31/7/2006. The bank had paid the tax differences for branches that had been finalized. Taking into consideration, there are disputes related to some branches in front of courts.

Stamp tax based on new law (starting from 1/8/2006):

The period from 1/8/2006 till 31/12/2020:

These years had been inspected and tax differences had been paid except delay fines.

FYs 2021/2022:

ETA requested from the bank's management to inspect these years; the bank's management is currently preparing the documents.

The Period from 1/1/2023 till 31/12/2024:

The bank is committed to apply the provisions of stamp tax law, it is committed to pay monthly in-kind stamp tax, in addition to the quarterly proportional stamp tax on loans and credit facilities in the legal dates, taking into consideration this period has not been requested for inspection till now.