

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

**FINANCIAL STATEMENTS
For the Year Ended 31 December 2025
AND AUDITORS' REPORT**



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

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2025
AND AUDITORS' REPORT

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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, 2025 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 the 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.

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, 2025 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 2025, 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.

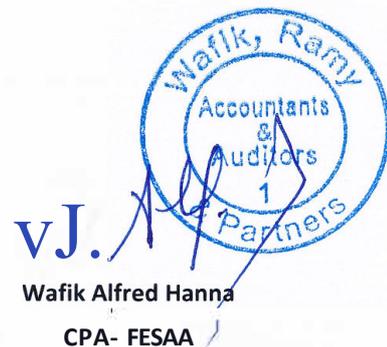
The financial information included in the Board of Directors' report, prepared in accordance with the Companies Law No. 159 of 1981 and its Executive Regulations and their amendments, is in agreement with the Bank's books of accounts insofar such information is normally recorded therein.



Financial Regulatory Authority register No. "105"
Accountants and Auditors register No. "9631"

BT Mohamed Hilal - Wahid Abdel Ghaffar
Public Accountants & Consultants

Auditors



Financial Regulatory Authority register No. "132"
Accountants and Auditors register No. "9176"

Deloitte - Wafik, Ramy & Partners
Accountants & Auditors

Cairo, January 25, 2026

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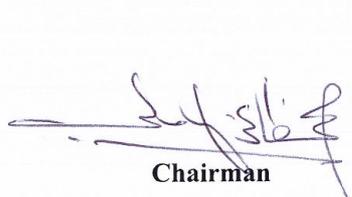
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ABU DHABI COMMERCIAL BANK- EGYPT (S.A.E)

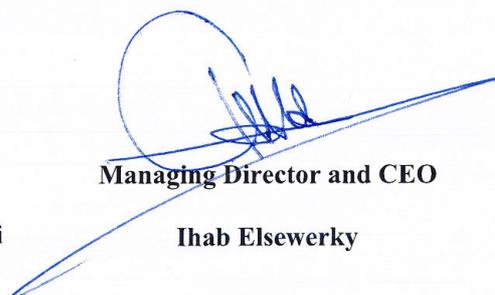
Statement of Financial Position as of December 31, 2025

<i>In Egyptian Pound</i>	Note	31 December 2025	31 December 2024
Assets			
Cash and due from Central Bank of Egypt	(6)	17 853 809 386	15 636 013 914
Due from banks	(7)	38 442 462 035	24 147 888 947
Treasury bills at fair value through other comprehensive income	(8)	31 966 774 672	27 344 284 014
Loans and advances to Banks	(9)	1 611 889 641	1 062 055 668
Loans and advances to Customers	(10)	67 320 713 570	52 345 570 926
Financial derivatives	(11)	55 397 205	2 379 916
Financial Investments :			
- At fair value through other comprehensive income	(12)	12 263 046 549	9 818 551 659
Investments in associates	(13)	100	100
Intangible assets	(14)	305 155 528	120 560 653
Other assets	(15)	2 467 618 716	1 988 300 289
Deferred Tax Assets	(16)	133 623 287	129 821 903
Property, Plant, and Equipment	(17)	1 548 616 246	1 561 482 959
Total assets		173 969 106 935	134 156 910 948
Liabilities and shareholders' equity			
Liabilities			
Due to banks	(18)	460 842 666	667 899 417
Customers' deposits	(19)	150 489 556 378	116 504 468 240
Financial derivatives	(11)	44 312 705	1 563 016
Other liabilities	(20)	3 757 579 391	3 256 300 617
Other provisions	(21)	251 622 786	298 161 316
Total liabilities		155 003 913 926	120 728 392 606
Shareholders' equity			
Paid - Up Capital	(22)	6 063 750 000	5 512 500 000
Reserves	(22)	2 536 488 960	1 260 431 811
Retained earnings	(22)	10 364 954 049	6 655 586 531
Total shareholders' equity		18 965 193 009	13 428 518 342
Total liabilities and shareholders' equity		173 969 106 935	134 156 910 948

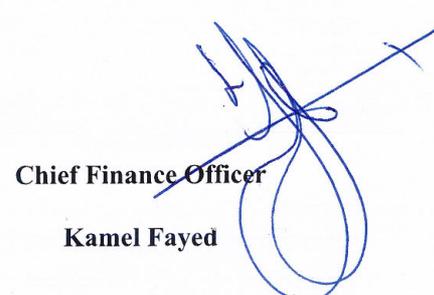
- The accompanying notes from (1) to (36) are an integral part of these Financial Statements and read with it.


Chairman

Mohamed Dhaen Al Hamli


Managing Director and CEO

Ihab Elsewerky


Chief Finance Officer

Kamel Fayed

Income Statement for year ended December 31, 2025

<i>In Egyptian Pound</i>	Note	31 December 2025	31 December 2024
Interest on loans and similar income	(25)	27 930 903 153	21 540 063 038
Cost of deposits and similar expense	(25)	(17 765 552 403)	(12 894 932 168)
Net interest income		10 165 350 750	8 645 130 870
Fees and Commissions income	(26)	1 480 066 854	1 132 085 518
Fees and Commissions expenses	(26)	(148 759 172)	(112 426 900)
Net fees and commissions income		1 331 307 682	1 019 658 618
Dividends income	(27)	4 035 901	2 934 911
Net trading income	(28)	11 084 500	869 525
Gains from financial investments	(29)	35 650 979	13 807 314
Expected credit losses charges	(30)	(383 074 732)	(1 346 641 188)
Administrative expenses	(31)	(3 043 079 884)	(1 954 921 899)
Other operating expenses	(32)	250 885 069	(129 332 317)
Profit for the year before income tax		8 372 160 265	6 251 505 834
Income tax expenses	(16-A)	(2 646 234 418)	(1 979 894 269)
Net profit for the year after tax		5 725 925 847	4 271 611 565
Earnings per share (EGP / Share)	(33)	4.70	3.46

- The accompanying notes from (1) to (36) are an integral part of the Financial Statements and read with it.

Statement of Comprehensive Income for year ended December 31, 2025

<i>In Egyptian Pound</i>	31 December 2025	31 December 2024
Net profit for the year	5 725 925 847	4 271 611 565
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	39 451 264	(53 294 963)
Income tax related to items that will not be reclassified to profit or loss	(8 876 535)	11 991 367
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	298 310 251	240 617 488
Income tax related to items that may be reclassified to profit or loss	(67 119 806)	(54 138 935)
Expected credit losses on debt instruments measured at fair value through other comprehensive income	(671 111)	15 216 320
Total other comprehensive income for the year, net after tax	261 094 063	160 391 277
Total comprehensive income for the year, net after tax	5 987 019 910	4 432 002 842

- The accompanying notes from (1) to (36) are an integral part of these Financial Statements and read with it.

ABU DHABI COMMERCIAL BANK– EGYPT (S.A.E)
Statement of changes in shareholders' equity for the year ended 31 December 2025

<i>In Egyptian Pound</i>	<u>Paid-Up capital</u>	<u>Under capital increase</u>	<u>Legal Reserve</u>	<u>General Reserve</u>	<u>Capital Reserve</u>	<u>General banking risk reserve</u>	<u>Fair value reserve</u>	<u>Retained earnings</u>	<u>Total</u>
year ended 31 December 2024									
Balance as at January 1, 2024 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)
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 to 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
Gain on the sale of financial assets	-	-	-	-	-	-	-	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
year ended 31 December 2025									
Balance as at January 1, 2025 before distribution	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
Profit distribution (Staff & BOD members) - 2024	-	-	-	-	-	-	-	(480 693 359)	(480 693 359)
Bouns Share from Profit distribution (shareholders) - 2024	-	551 250 000	-	-	-	-	-	(551 250 000)	-
Transfer to legal reserve	-	-	426 944 157	-	-	-	-	(426 944 157)	-
Transfer to capital reserve	-	-	-	-	2 170 000	-	-	(2 170 000)	-
Transfer to Banking Support and Development Fund	-	-	-	-	-	-	-	(46 319 336)	(46 319 336)
Transfer To General Risk Reserve	-	-	-	-	-	509 181 477	-	(509 181 477)	-
Net of change in fair value of financial investments through OCI	-	-	-	-	-	-	337 761 515	-	337 761 515
Paid under capital increase	551 250 000	(551 250 000)	-	-	-	-	-	-	-
Net profit for the year 31 December 2025	-	-	-	-	-	-	-	5 725 925 847	5 725 925 847
Balance as at 31 December 2025	6 063 750 000	-	1 040 964 852	11 504 993	411 654 705	552 473 524	519 890 886	10 364 954 049	18 965 193 009

- The accompanying notes from (1) to (36) are an integral part of these Financial Statements and read with it.

Statement of cash flows for the year ended December 31, 2025

<i>In Egyptian Pound</i>	Note	31 December 2025	31 December 2024
<u>Cash flow from operating activities</u>			
Net profit for the year before tax		8 372 160 265	6 251 505 834
<u>Adjustments to reconcile net profit to cash flow from operating activities</u>			
Depreciation and amortization	(14,17)	384 340 534	124 236 058
(Reversed) / Reversed charged during the year-other provisions	(32,21)	(7 774 732)	136 044 445
(Reversed) / Charged during the year impairment provision at fair value through OCI and translation of forex		(1 787 358)	3 498 606
(Reversed) / Charged during the year-due from banks	(32,7)	(14 638 307)	35 325 765
Foreign revaluation differences for other provisions	(21)	(264 502)	7 379 567
Foreign revaluation differences for expected credit losses- Due from Bank		(474 018)	333 219
Gain on sale of fixed assets	(32)	(249 164 608)	(2 800 000)
Dividends income	(27)	(4 035 901)	(2 934 911)
Operating profit before changes in assets and liabilities from operating activities		8 478 361 373	6 552 588 583
Net decrease (increase) in assets and increase (decrease) in liabilities			
Due from banks	(7)	(8 498 741 923)	(5 717 099 924)
Due from Central Bank of Egypt within reserve percentage	(6)	(2 288 546 073)	(3 767 762 616)
Treasury bills and other governmental notes	(8)	(4 677 793 979)	(4 812 291 401)
Loans and advances to Banks	(9)	(549 833 973)	(1 062 055 668)
Loans and advances to Customers	(10)	(14 938 975 537)	(16 374 957 597)
Financial derivatives assets	(11)	(53 017 290)	(2 379 916)
Other assets	(15)	(664 122 448)	(770 245 671)
Due to bank	(18)	(207 056 751)	577 010 797
Customers' deposits	(19)	33 985 088 138	29 869 434 643
Financial derivatives liabilities	(11)	42 749 690	1 563 016
Used from other provisions	(21)	(38 499 296)	(1 780 408)
Other liabilities	(20)	1 521 551 000	233 078 706
Income tax paid		(2 533 552 943)	(1 329 733 686)
Net cash flow provided from operating activities		9 577 609 988	3 395 368 858

Statement of cash flows for the year ended December 31, 2025 (Continued)

<i>In Egyptian Pound</i>	Note	31 December 2025	31 December 2024
<u>Cash flow from investing activities</u>			
Payments to purchase fixed assets, establishments and finishing of branches		(386 825 842)	(807 449 044)
Proceeds from sale of fixed assets		264 725 774	3 523 800
Retrieval of financial investments - Amortized cost		-	78 576 000
Purchase of net investments at FVOCI, including associates	(12)	(2 232 684 223)	(3 800 690 955)
Dividends received		4 035 901	2 934 911
Net cash flow (used in) investing activities		(2 350 748 390)	(4 523 105 288)
<u>Cash flow from financing activities</u>			
Dividends paid		(480 693 359)	(245 447 343)
Net cash flow (used in) financing activities		(480 693 359)	(245 447 343)
Net (decrease) increase in cash and cash equivalents during the year		6 746 168 239	(1 373 183 773)
Cash and cash equivalents at the beginning of the year		18 114 421 886	19 487 605 659
Cash and cash equivalents at the end of the year		24 860 590 125	18 114 421 886
<u>For the purpose of preparing the statement of cash flow, the cash and cash equivalent comprise of the following</u>			
Cash and due from Central Bank of Egypt	(6)	17 853 809 386	15 636 013 914
Due from banks	(7)	38 467 500 890	24 188 040 127
Treasury bills and other governmental notes	(8)	35 706 886 511	29 992 892 532
Due from Central Bank within reserve percentage		(17 041 956 063)	(14 753 409 990)
Due from banks (over 3 months maturity)		(15 454 964 088)	(6 956 222 165)
Treasury bills and other governmental notes (over 3 months maturity)		(34 670 686 511)	(29 992 892 532)
Cash and cash equivalents at the end of the year	(23)	24 860 590 125	18 114 421 886

- The accompanying notes from (1) to (36) are an integral part of these Financial Statements and read with it.

Proposed Profits appropriation Statement for the year ended 31 December 2025

In Egyptian Pound	31 December 2025	31 December 2024
Net profit for the year based on the income statement	5 725 925 847	4 271 611 565
Deduct gain from sale of fixed assets transferred to Capital reserve according to the statute of law *	(193 102 571)	(2 170 000)
Add change in General Banking Reserve (Change in Assets Revert to the bank Reserve)	5 310 446	16 519 357
(Deduct) Add change in General Banking Reserve (Change in Loans and Advances Reserve)	(514 491 923)	345 972 672
Distributable net profit	5 023 641 799	4 631 933 594
Add retained earnings as at beginning of the year	5 148 209 679	2 016 671 866
Add disposal gain financial Assets Fair value through Comprehensive Income - Equity	-	4 811 071
Total	10 171 851 478	6 653 416 531
<u>Distributed as follows:</u>		
Legal reserves	553 282 328	426 944 157
Shareholders 1st Dividend **	303 187 500	275 625 000
Employees' profit share	572 592 585	463 193 359
B.O.D. remuneration	15 900 000	17 500 000
Shareholders 2nd Dividend **	909 562 500	275 625 000
Banking System Support and Development Fund ***	50 236 418	46 319 336
Retained earnings as at end of the year	7 767 090 147	5 148 209 679
Total	10 171 851 478	6 653 416 531

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

** Cash dividend of 1.12 Egyptian pounds for each original share owned by the 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 1451 employees as at 31 December 2025.
- 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 Cairo - Head office, 50 branches and 276 ATM, the bank is unlisted on Egyptian stock exchange.
- 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 22, 2026 approved the adoption of the Financial Statements for Year Ended December 31, 2025.

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 cyclicity 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 valued 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 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 a 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:

Useful Lives / Depreciation Rates	Useful Life	Depreciation Rate	Useful Life	Depreciation Rate
	Up to 31-12/2024		From 01-01-2025	
Buildings, Constructions and its fixtures	50	2%	25 - 5	4% - 20%
Integrated Automated Systems	5	20%	4	25%
Vehicles	5	20%	3	33.33%
Tools and Equipment	5	20%	4	25%
Furniture	10	10%	5	20%
Premises Fixtures and other fixtures	5	20%	5	20%
Intangible assets	3	33.33%	3	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

<u>Rating description</u>	<u>Rating</u>
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 2025 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:-

<u>CBE classification</u>	<u>Description</u>	<u>Required provision percentage</u>	<u>Internal classification</u>	<u>Description</u>
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

<i>In Egyptian pound</i>	31 December 2025	31 December 2024
Treasury bills and other governmental securities through OCI	35 706 886 511	29 992 892 532
Loans and advances - Banks	1 620 820 800	1 067 614 800
Loans and advances - Retail :		
Overdraft Accounts	78 522 176	17 371 760
Personal loans	12 377 328 343	10 397 760 880
Real Estate Finance loans	350 020 904	222 229 382
Credit cards	731 703 352	550 047 059
Loans and advances - Corporate & SMEs		
Overdraft Accounts	9 402 847 854	8 815 810 514
Syndicated loans	11 775 060 628	6 401 631 486
Direct loans	33 711 752 571	28 544 780 206
Discounted commercial bills	1 375 913 849	9 000 000
Financial investments:		
Debt instruments at fair value through other comprehensive income	12 171 578 148	9 766 532 822
Total	119 302 435 136	95 785 671 441
<u>Credit risk exposures of off balance sheet items</u>		
Credit commitments (Irrevocable)	3 813 792 601	1 909 892 505
Letters of guarantees	21 821 503 408	17 094 004 448
Letters of guarantees based on other banks requests	12 911 332 439	12 731 620 944
Letters of credit	2 329 335 177	3 088 944 444
Other financial liabilities	384 811 495	654 651 955
Total	41 260 775 120	35 479 114 296

The above table represents the maximum limit for credit risk as of 31 December 2025 without taking into considerations any collateral for balance-sheet items.

As shown in the preceding table, 60 % of the total maximum limit exposed to credit risk resulted from loans and advances to customers and banks, while 40 % represents investments in debt instruments.

Notes to Financial Statements for year ended December 31, 2025
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 2025				
<i>In Egyptian pound</i>	The first stage	The second stage	The third stage	Total
Due from banks	11 879 527 900	-	-	11 879 527 900
Financial investments	8 494 313 603	-	-	8 494 313 603
Loans and advances - Banks	1 628 008 042	-	-	1 628 008 042
Loans and advances - corporate	51 133 208 861	2 450 676 815	2 879 681 637	56 463 567 313
Loans and advances - Retail	12 827 504 268	615 464 508	269 742 038	13 712 710 814
Contingent liabilities	31 899 209 508	2 219 046 400	70 412 878	34 188 668 786
Loan commitments and facilities	50 418 041 414	7 000 117	7 869 055	50 432 910 586
Total	168 279 813 596	5 292 187 840	3 227 705 608	176 799 707 044

31 December 2024				
<i>In Egyptian pound</i>	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 advances - Banks	1 074 228 441	-	-	1 074 228 441
Loans and advances - corporate	36 337 825 165	5 468 779 204	2 111 750 931	43 918 355 300
Loans and advances - 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	9 824 562 673	2 457 739 578	127 694 658 131

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 2025

<i>In Egyptian pound</i>	The first stage	The second stage	The third stage	Total
Due from banks	25 038 855	-	-	25 038 855
Financial investments	39 307 018	-	-	39 307 018
Loans and advances - Banks	8 931 159	-	-	8 931 159
Loans and advances - corporate	194 063 530	448 357 922	1 567 012 209	2 209 433 661
Loans and advances - Retail	24 645 684	53 811 838	170 485 496	248 943 018
Contingent liabilities	47 388 550	32 184 967	37 328 759	116 902 276
Loan commitments and facilities *	50 444 395	698 618	5 243 864	56 386 877
Total	389 819 191	535 053 345	1 780 070 328	2 704 942 864

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

<i>In Egyptian pound</i>	31 December 2025	31 December 2025	
Loans and advances Provision - Customer	2 458 376 679	2 648 059 742	(189 683 063)
Contingent liabilities Provision - Customer	101 841 920	464 632 381	(362 790 461)
	2 560 218 599	3 112 692 123	(552 473 524)

31 December 2024

<i>In Egyptian pound</i>	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	1 732 591 221	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

<i>In Egyptian pound</i>	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)

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 2025

	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)	40 151 180	-	-	-	(474 018)	(14 638 307)	25 038 855
Loans and advances - Banks	(9)	5 559 132	3 488 000	-	-	(115 973)	-	8 931 159
Loans and advances - corporate	(10)	2 342 087 560	225 158 030	45 094 701	(391 690 044)	(11 216 586)	-	2 209 433 661
Loans and advances - Retail	(10)	210 746 266	168 395 898	66 021 386	(196 220 532)	-	-	248 943 018
Total expected credit losses (1)		2 598 544 138	397 041 928	111 116 087	(587 910 576)	(11 806 577)	(14 638 307)	2 492 346 693

	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		41 094 376	671 111	-	-	(2 458 469)	-	39 307 018
Total expected credit losses (2)		41 094 376	671 111	-	-	(2 458 469)	-	39 307 018

	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	(21)	89 130 618	28 167 925	-	(131 765)	(264 502)	-	116 902 276
Loans and advances commitments	(21)	37 629 534	18 757 343	-	-	-	-	56 386 877
Total expected credit losses (3)		126 760 152	46 925 268	-	(131 765)	(264 502)	-	173 289 153
Total expected credit losses (1 + 2 + 3)		2 766 398 666	444 638 307	111 116 087	(588 042 341)	(14 529 548)	(14 638 307)	2 704 942 864

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:

- 26.7 % of the loans and advances portfolio is classified at the highest two ratings in the internal rating.
- 93.6% 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 2.9 Bn which represent 4.1 % and the provision formed and interest in suspense amount EGP 1.8 Bn represent 60.7 % 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

<i>In Egyptian Pound</i>	31/12/2025	31/12/2024
Neither past dues nor impaired	65 363 154 295	44 652 879 983
Past dues but not impaired	1 013 969 639	7 747 227 314
Past dues are subjected to impairment	3 426 025 743	2 558 523 990
Total	69 803 149 677	54 958 631 287
<u>(Less):</u>		
Unearned revenue and discount	(14 116 797)	(6 478 175)
Impairment loss provision	(2 458 376 679)	(2 552 833 827)
Interest in suspense	(9 942 631)	(53 748 360)
Net	67 320 713 570	52 345 570 925

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-6-1 Loans and advances neither having past due nor subject to impairment
31 December 2025

<u>Valuation</u>	<u>Retail</u>					<u>Corporate</u>					<u>Total</u>
	<u>Overdraft Accounts</u>	<u>Credit cards</u>	<u>Personal loans</u>	<u>Real Estate Finance</u>	<u>Total Retail</u>	<u>Discounted Commercial Papers</u>	<u>Overdraft Accounts</u>	<u>Syndicated loans</u>	<u>Direct loan</u>	<u>Total Corporate</u>	
In Egyptian Pound											
1-Performing loans	78 522 176	650 179 732	11 511 437 323	267 475 139	12 507 614 370	1 375 913 849	9 402 847 854	10 903 288 332	26 791 530 672	48 473 580 707	60 981 195 077
2-Regular follow up	-	-	-	-	-	-	-	871 772 296	3 098 976 185	3 970 748 481	3 970 748 481
3-Watch list	-	-	-	-	-	-	-	-	411 210 737	411 210 737	411 210 737
Total	78 522 176	650 179 732	11 511 437 323	267 475 139	12 507 614 370	1 375 913 849	9 402 847 854	11 775 060 628	30 301 717 594	52 855 539 925	65 363 154 295

31 December 2024

<u>Valuation</u>	<u>Retail</u>					<u>Corporate</u>					<u>Total</u>
	<u>Overdraft Accounts</u>	<u>Credit cards</u>	<u>Personal loans</u>	<u>Real Estate Finance</u>	<u>Total Retail</u>	<u>Discounted Commercial Papers</u>	<u>Overdraft Accounts</u>	<u>Syndicated loans</u>	<u>Direct loan</u>	<u>Total Corporate</u>	
In Egyptian Pound											
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	42 043 911 170
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

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

A-6-2 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 2025								
<u>Valuation</u>	<u>Retail</u>					<u>Corporate</u>				
In Egyptian Pound	<u>Overdraft Accounts</u>	<u>Credit cards</u>	<u>Personal loans</u>	<u>Real Estate Finance</u>	<u>Total Retail</u>	<u>Overdraft Accounts</u>	<u>Syndicated loans</u>	<u>Direct loan</u>	<u>Total Corporate</u>	<u>Total</u>
Past due from 1 day to 30 days	-	29 500 259	385 547 265	78 510 652	493 558 176	-	-	374 822 889	374 822 889	868 381 065
Past due from 31 day to 60 days	-	-	-	-	-	-	-	145 588 574	145 588 574	145 588 574
Total	-	29 500 259	385 547 265	78 510 652	493 558 176	-	-	520 411 463	520 411 463	1 013 969 639

		31 December 2024								
<u>Valuation</u>	<u>Retail</u>					<u>Corporate</u>				
In Egyptian Pound	<u>Overdraft Accounts</u>	<u>Credit cards</u>	<u>Personal loans</u>	<u>Real Estate Finance</u>	<u>Total Retail</u>	<u>Overdraft Accounts</u>	<u>Syndicated loans</u>	<u>Direct loan</u>	<u>Total Corporate</u>	<u>Total</u>
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	-	28 225 839	31 761 957	8 637 032	68 624 828	-	-	7 678 602 486	7 678 602 486	7 747 227 314

A-6-3 Loans and advances subject to individual impairment

Loans and advances subject to individual impairment after cash flows from collaterals amounted to EGP 3 286 077 794

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 2025

<u>Valuation</u>	<u>Retail</u>					<u>Corporate</u>					
	<u>Overdraft Accounts</u>	<u>Credit cards</u>	<u>Personal loans</u>	<u>Real Estate Finance</u>	<u>Total Retail</u>	<u>Overdraft Accounts</u>	<u>Syndicated loans</u>	<u>Direct loan</u>	<u>Net loans and advances</u>	<u>Total Corporate</u>	<u>Total</u>
In Egyptian Pound											
Balance	–	52 023 361	480 343 755	4 035 113	536 402 229	–	–	2 889 623 514	–	2 889 623 514	3 426 025 743
Fair value of collaterals	–	–	–	–	–	–	–	139 947 949	–	139 947 949	139 947 949

31 December 2024

<u>Valuation</u>	<u>Retail</u>					<u>Corporate</u>					
	<u>Overdraft Accounts</u>	<u>Credit cards</u>	<u>Personal loans</u>	<u>Real Estate Finance</u>	<u>Total Retail</u>	<u>Overdraft Accounts</u>	<u>Syndicated loans</u>	<u>Direct loan</u>	<u>Net loans and advances</u>	<u>Total Corporate</u>	<u>Total</u>
In Egyptian Pound											
Balance	–	34 326 090	350 065 652	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

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

In Egyptian Pound	<u>Treasury bills and other governmental notes</u>	<u>Financial assets held for trading</u>	<u>Other Financial Investments At fair value through other comprehensive income</u>	<u>Total</u>
Classification of CAA1	35 706 886 511	-	7 986 401 584	43 693 288 095
Total	35 706 886 511	-	7 986 401 584	43 693 288 095

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:

<i>In Egyptian Pound</i>	<u>Cairo</u>	<u>Alexandria, Delta and Canal</u>	<u>Upper Egypt & Red Sea</u>	<u>Total</u>
Treasury bills and other governmental notes	35 706 886 511	-	-	35 706 886 511
Loans and advances to customers:				
Banks Loans	1 620 820 800	-	-	1 620 820 800
Retail:				
Overdraft Accounts	5 447 980	72 210 451	863 745	78 522 176
Personal loans	8 424 653 672	2 669 746 530	1 282 928 141	12 377 328 343
Real Estate Finance loans	272 436 486	77 584 418	-	350 020 904
Credit cards	585 560 760	81 849 652	64 292 940	731 703 352
Corporate:				
Overdraft Accounts	7 825 561 715	1 494 537 052	82 749 087	9 402 847 854
Syndicated loans	11 509 660 588	265 400 040	-	11 775 060 628
Direct loans	27 152 962 182	5 190 158 405	1 368 631 984	33 711 752 571
Discounted commercial bills	221 033 072	1 154 880 777	-	1 375 913 849
Other Financial investments				
Debt instruments at fair value through other comprehensive income	12 171 578 148	-	-	12 171 578 148
Total at the end of the year	105 496 601 914	11 006 367 325	2 799 465 897	119 302 435 136

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	<u>Agriculture activity</u>	<u>Manufacturing institutions</u>	<u>Trading activity</u>	<u>Services</u>	<u>Governmental sector/General</u>	<u>Others</u>	<u>Retail</u>	<u>Total</u>
Treasury bills and other governmental notes	-	-	-	-	35 839 411	-	-	35 839 411
Loans and advances to Banks	-	-	-	-	1 620 821	-	-	1 620 821
Loans and advances to customers	403 470	13 028 576	6 632 495	26 841 577	7 959 176	1 400 281	13 537 575	69 803 150
Financial derivatives	-	-	-	-	-	55 397	-	55 397
Financial investments								
Debt instruments at fair value through other comprehensive income	-	-	-	-	7 986 401	4 185 177	-	12 171 578
Total at the end of the year	403 470	13 028 576	6 632 495	26 841 577	53 405 809	5 640 855	13 537 575	119 490 357

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 2025

	Average	Maximum	Minimum
Foreign exchange risk	942 982	2 645 495	54 969
Interest rate risk	187 717 484	216 727 805	172 502 100
Equity instruments risk	-	-	-

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	-	-	-

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:

<i>In thousand Egyptian pound</i>	<u>EGP</u>	<u>USD</u>	<u>Euro</u>	<u>GBP</u>	<u>Other currencies</u>	<u>Total</u>
Financial assets						
Cash and due from central banks	17 668 755	122 042	40 609	11 392	11 011	17 853 809
Due from banks	20 045 714	17 852 475	303 789	150 428	90 056	38 442 462
Treasury bills and other governmental notes	28 147 751	3 708 498	110 526	-	-	31 966 775
Loans and advances to Banks	-	1 611 890	-	-	-	1 611 890
Loans and advances to customers	60 584 452	6 137 316	598 321	386	239	67 320 714
Financial derivatives	55 397	-	-	-	-	55 397
Financial investments						
- At fair value through other comprehensive income	11 628 066	634 980	-	-	-	12 263 046
Intangible assets	305 156	-	-	-	-	305 156
Other assets	2 308 524	158 480	457	134	24	2 467 619
Deferred Tax Assets	133 623	-	-	-	-	133 623
Property, Plant, and Equipment	1 548 616	-	-	-	-	1 548 616
Total financial assets	142 426 054	30 225 681	1 053 702	162 340	101 330	173 969 107
Financial liabilities						
Due to banks	85 790	250 547	15 547	-	108 959	460 843
Customer's deposits	119 560 107	29 724 690	998 097	161 136	45 526	150 489 556
Financial derivatives	44 313	-	-	-	-	44 313
Other liabilities	3 626 567	128 204	2 808	1	-	3 757 580
Other provisions	198 432	39 772	13 418	-	-	251 622
Total share holder's equity	18 877 838	87 355	-	-	-	18 965 193
Total financial liabilities	142 393 047	30 230 568	1 029 870	161 137	154 485	173 969 107
Net financial position	33 007	(4 887)	23 832	1 203	(53 155)	-
Purchasing	-	-	-	-	49 903	49 903
Selling	22 383	3 655	23 865	-	-	49 903
Net financial position	10 624	(8 542)	(33)	1 203	(3 252)	-
Loan Commitments – Irrevocable	3 813 793	-	-	-	-	3 813 793
Letters of credit	9 125	1 018 172	234 935	9 621	10 979	1 282 832
Letters of guarantees	17 612 669	1 051 899	183 804	-	1 146 133	19 994 505
Letters of guarantees based on other banks requests	696 535	1 880 496	10 327 151	-	7 150	12 911 332
Other financial liabilities	384 811	-	-	-	-	384 811
Total	22 516 933	3 950 567	10 745 890	9 621	1 164 262	38 387 273

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

	<u>Up to one month</u>	<u>More than one month till three months</u>	<u>More than three month till one year</u>	<u>More than one year till five years</u>	<u>Financial Assets and Liabilities non interest bearing</u>	<u>Total</u>
<i>In thousand Egyptian pound</i>						
Financial assets						
Cash and due from central banks	-	-	-	-	17 853 809	17 853 809
Due from banks	8 623 247	9 903 527	2 557 140	316 593	17 041 955	38 442 462
Treasury bills and other governmental notes	1 309 120	3 092 006	27 565 649	-	-	31 966 775
Loans and advances to Banks	-	-	1 611 890	-	-	1 611 890
Loans and advances to customers	9 993 721	6 685 439	11 447 246	21 689 579	17 504 728	67 320 713
Financial derivatives	55 397	-	-	-	-	55 397
Financial investments						
- At fair value through profit and loss	227 197	-	1 706 726	10 237 656	91 468	12 263 047
Intangible assets	-	-	-	-	305 156	305 156
Other assets	-	-	-	-	2 467 619	2 467 619
Deferred Tax Assets	-	-	-	-	133 623	133 623
Property, Plant, and Equipment	-	-	-	-	1 548 616	1 548 616
Total financial assets	20 208 682	19 680 972	44 888 651	32 243 828	56 946 974	173 969 107
Financial liabilities						
Due to banks	-	-	-	-	460 843	460 843
Customer’s deposits	37 192 604	9 548 487	70 186 645	33 561 820	-	150 489 556
Financial derivatives	44 313	-	-	-	-	44 313
Share holder’s equity	-	-	-	-	18 965 193	18 965 193
Other financial liabilities	-	-	-	-	4 009 202	4 009 202
Total financial liabilities	37 236 917	9 548 487	70 186 645	33 561 820	23 435 238	173 969 107
Interest re-pricing gap	(17 028 235)	10 132 485	(25 297 994)	(1 317 992)	33 511 736	-

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

<u>Financial assets</u>	31/12/2025		31/12/2023	
	<u>Book value</u>	<u>Fair value</u>	<u>Book value</u>	<u>Fair value</u>
Loans and advances to Banks	1 620 821	1 620 821	1 067 615	1 067 615
Loans and advances to customers				
-Retail	13 537 575	13 537 575	11 187 409	11 187 409
-Corporate	56 265 575	56 265 575	43 771 222	43 771 222
<u>Financial liabilities</u>				
Due to banks	460 843	460 843	667 899	667 899
Customer’s deposits				
-Retail	29 491 845	29 491 845	23 036 051	23 036 051
-Corporate	120 997 771	120 997 771	93 468 417	93 468 417

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 EGP Five 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 2025.

Notes to Financial Statements for year ended December 31, 2025
Capital adequacy ratio as per Basel II requirements

<i>In thousand Egyptian pound</i>	31 December 2025	31 December 2024
Capital		
Tier I Capital		
<u>Core capital after deductions</u>		
Capital (Includes amounts under capital increase) *	6 063 750	6 063 750
Reserves *	1 464 125	1 464 125
Retained earnings *	5 148 210	5 148 210
Total cumulative other comprehensive income after control adjustments	519 891	182 129
<u>Additional Going Concern</u>		
Net profit for the year	5 725 926	-
<u>Deduct from Common Equity</u>		
(-) Deduct 100% from net of Intangible assets(Other than goodwill)	(305 156)	(120 561)
Deferred tax Assets	(185 401)	(161 899)
Total Tier I	18 431 345	12 575 754
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	389 819	325 293
Total Tier 2 capital	389 819	325 293
Total capital based after deductions	18 821 164	12 901 047
Total credit risk	88 703 653	68 543 520
Capital requirements for operating risk	5 340 146	3 455 063
Total Assets and potential liabilities weighted by credit, market and operating risk	94 043 799	71 998 583
Capital adequacy ratio (%)	20.01%	17.92%

* Some comparative figures have been restated after taking into consideration the Profits appropriation schedule for the fiscal year ending December 31, 2024 , which was approved by the Ordinary General Assembly held on February 23, 2025 , illustrate the items amended as follows:

	31 December 2024	31 December 2024
	Before profits distribution	After profits distribution
Capital (Includes amounts under capital increase)	5 512 500	6 063 750
Reserves	1 035 010	1 464 125
Retained earnings	2 383 975	5 148 210
Net profit	4 271 612	-

Leverage Ratio			
<i>In Thousand Egyptian Pounds</i>		31 December 2025	31 December 2024
First	Tier 1 capital after Exclusions	18 431 345	12 575 754
Second	On-Off balance sheet exposures items		
1	<u>Exposures on-balance sheet and financial derivatives and securities finance</u>		
	Cash and due from Central Bank of Egypt (CBE)	37 824 318	28 073 020
	Due from Banks	20 117 813	12 818 649
	Treasury bills and other Government securities	31 998 581	27 378 955
	REPO	(31 806)	(34 672)
	Financial investments Fair Value through OCI	12 263 046	9 818 551
	Loans and credit facilities to customers	69 803 150	54 958 632
	Fixed Assets (after deducting depreciation and impairment losses)	1 548 616	1 561 483
	Other assets	2 958 176	2 270 761
	Deducted amounts from exposures (after deducting Tier I Exclusions for capital base)	(2 805 680)	(2 723 566)
	Total on-balance sheet exposures items after deducting after Tier I Exclusions for capital base.	173 676 214	134 121 813
2	<u>Exposures off-balance sheet</u>		
	<u>Contingent liabilities (1)</u>		
	Letters of Credit - Import	115 790	79 002
	Letters of Credit - Export	3 514	12 776
	Letters of Guarantees	9 997 252	7 801 702
	Letters of Guarantees according to foreign banks	6 455 666	6 365 810
	Accepted papers	199 584	206 524
	Re-discounted Commercial paper	486 729	195 733
	<u>Commitments (2)</u>		
	Operating lease commitments	384 811	654 652
	Loan commitments to clients/banks (unutilized part) within original maturity	5 001 850	2 541 701
	Total Exposures off-balance sheet	22 645 196	17 857 901
	Total On-Off balance sheet exposures items (1) + (2)	196 321 410	151 979 714
	Leverage financial ratio	9.39%	8.27%

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

	<u>Corporate & Financial Institutions</u>	<u>Retail</u>	<u>Treasury & Others</u>	<u>Total</u>
<u>Revenues and expenses according to business segment</u>				
Net Segment revenues *	4 880 455 763	3 320 435 311	3 841 616 504	12 042 507 578
Segment expenses	(1 310 012 814)	(1 466 160 513)	(894 173 986)	(3 670 347 313)
Profit for the year before taxes	3 570 442 949	1 854 274 798	2 947 442 518	8 372 160 265
Taxes	(1 127 670 587)	(588 411 726)	(930 152 105)	(2 646 234 418)
Profit for the year	2 442 772 362	1 265 863 072	2 017 290 413	5 725 925 847
<u>Assets and Liabilities according to business segment</u>				
Total assets	62 239 561 184	15 736 552 164	95 992 993 587	173 969 106 935
Total liabilities	78 770 750 708	75 638 167 463	594 995 755	155 003 913 926
<u>Other business segment items</u>				
Depreciations	(142 794 034)	(214 405 812)	(27 140 688)	(384 340 534)
Expedcted Credit Loss	(272 083 299)	(168 395 898)	10 479 197	(430 000 000)

* Represents net interest income, net fees and commissions income, and other income

B-Geographic analysis

In Egyptian Pound

	<u>Greater Cairo</u>	<u>Alex and Delta and Canal</u>	<u>Upper Egypt & Red Sea</u>	<u>Total</u>
<u>Geographical analysis of revenues and expenses</u>				
Net Geographical sector revenues *	10 868 194 306	1 040 532 644	133 780 628	12 042 507 578
Geographical sector expenses	(3 431 626 346)	(193 577 796)	(45 143 171)	(3 670 347 313)
Profit for the year before taxes	7 436 567 960	846 954 848	88 637 457	8 372 160 265
Taxes	(2 434 437 981)	(191 777 657)	(20 018 780)	(2 646 234 418)
Profit for the year before taxes	5 002 129 979	655 177 191	68 618 677	5 725 925 847
<u>Assets and Liabilities</u>				
Total assets	159 983 253 490	13 147 069 841	838 783 604	173 969 106 935
Total liabilities	142 631 148 819	11 318 575 240	1 054 189 867	155 003 913 926
<u>Other Geographical sector items</u>				
Depreciations	(368 582 190)	(12 144 732)	(3 613 612)	(384 340 534)
Expedcted Credit Loss	(401 374 020)	(26 951 480)	(1 674 500)	(430 000 000)

* Represents net interest income, net fees and commissions income, and other income

Notes to Financial Statements for year ended December 31, 2025
6- Cash and due from Central Bank of Egypt

<i>In Egyptian Pound</i>	31 December 2025	31 December 2024
Cash on hand	811 853 323	882 603 924
Due from Central Bank of Egypt within reserve ratio	17 041 956 063	14 753 409 990
	17 853 809 386	15 636 013 914

7- Due from banks

<i>In Egyptian Pound</i>	31 December 2025	31 December 2024
<u>The Central Bank of Egypt</u>		
Current accounts	64 238 025	102 082 276
Time deposits	19 253 721 730	12 334 924 165
Other balances *	652 549 000	-
	19 970 508 755	12 437 006 441

On May 26, 2025, our bank received a letter from the Central Bank of Egypt regarding the bank's failure to achieve a ratio of 25% of the bank's credit facilities portfolio, according to the financial position on December 31, 2020, to finance micro, small and medium enterprises and directing a ratio of 10% to finance small enterprises and companies. Accordingly, the Board of Directors of the Central Bank of Egypt decided in its session held on May 21, 2025, to implement the provisions of Article (z) of Article (144) of Law No. 194 of 2020 issuing the Central Bank and Banking System Law, obligating the bank to deposit an amount of 788 million Egyptian pounds with the Central Bank of Egypt without interest, representing the value of the deficit with the bank according to the highest percentage achieved from the percentage referred to above, provided that the achieved percentage is reviewed by the bank every three months starting from the end of June 2025, in order to return what is achieved from that percentage, in order to present this decision to the bank's Board of Directors. This is to refund the amounts achieved from the said ratio and to present this decision to the Bank's Board of Directors. Accordingly, following the achievement of positive results in the related credit facilities portfolio, the Central Bank of Egypt refunded approximately EGP 136 million of the amount previously set aside.

Local Banks

Current accounts	173 204 221	127 887 438
Time Deposits	9 790 474 800	1 372 647 600
	9 963 679 021	1 500 535 038

Foreign Banks

Current accounts	93 672 996	219 977 928
Time Deposits	8 439 640 118	10 030 520 720
	8 533 313 114	10 250 498 648

Total due from banks - amended

	38 467 500 890	24 188 040 127
Expect credit loss provision	(25 038 855)	(40 151 180)
Net due from banks	38 442 462 035	24 147 888 947

Non-interest bearing balances	983 664 242	449 947 642
Interest bearing balances	37 483 836 648	23 738 092 485
Expect credit loss provision	(25 038 855)	(40 151 180)
	38 442 462 035	24 147 888 947

8- Treasury bills at fair value through other comprehensive income

<i>In Egyptian Pound</i>	31 December 2025	31 December 2024
<u>Treasury bills</u>		
Treasury bills maturing to 91 days	1 036 200 000	-
Treasury bills maturing from 92 to 182 days	7 244 975 000	4 857 675 000
Treasury bills maturing greater than 182 to 364 days	27 457 517 400	25 169 889 200
	35 738 692 400	30 027 564 200
<u>(Less):</u>		
Unearned interest	(3 840 830 566)	(2 621 589 038)
Sales of treasury bills with repurchase obligation (REPO): *	(31 805 889)	(34 671 668)
Net change in fair value	100 718 727	(27 019 480)
Net of Treasury bills after change in fair value	31 966 774 672	27 344 284 014

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

<i>In Egyptian Pound</i>	31 December 2025	31 December 2024
Against the the amount granted by the Central Bank of Egypt within the mortgage finance initiative for low-income people	31 805 889	34 671 668
	31 805 889	34 671 668

Notes to Financial Statements for year ended December 31, 2025
9- Loans and advances to Banks

<i>In Egyptian Pound</i>	31 December 2025	31 December 2024
Banks Loans	1 620 820 800	1 067 614 800
	1 620 820 800	1 067 614 800
Expect credit loss provision	(8 931 159)	(5 559 132)
	1 611 889 641	1 062 055 668

10- Loans and advances to Customers

<i>In Egyptian Pound</i>	31 December 2025	31 December 2024
Discounted commercial bills	1 375 913 849	9 000 000
Customers loans	68 427 235 828	54 949 631 287
	69 803 149 677	54 958 631 287
(Less):		
Prepaid Revenue	(14 116 797)	(6 478 175)
Expect credit loss provision	(2 458 376 679)	(2 552 833 826)
Interest in suspense	(9 942 631)	(53 748 360)
	(2 482 436 107)	(2 613 060 361)
	67 320 713 570	52 345 570 926

10-1 Loans and Advances to customers

<i>In Egyptian Pound</i>	31 December 2025	31 December 2024
<u>Retail</u>		
Overdraft Accounts	78 522 176	17 371 760
Personal loans	12 377 328 343	10 397 760 880
Real Estate Finance loans	350 020 904	222 229 382
Credit cards	731 703 352	550 047 059
Total (2)	13 537 574 775	11 187 409 081
<u>Corporate & SME's</u>		
Overdraft Accounts	9 402 847 854	8 815 810 514
Syndicated loans	11 775 060 628	6 401 631 486
Direct loans	33 711 752 571	28 544 780 206
Discounted commercial bills	1 375 913 849	9 000 000
Total (3)	56 265 574 902	43 771 222 206
Total loans and Advances to customers (1+2+3)	69 803 149 677	54 958 631 287
(Deduct):		
Prepaid Revenue	(14 116 797)	(6 478 175)
Expect credit loss provision	(2 458 376 679)	(2 552 833 826)
Interest in suspense	(9 942 631)	(53 748 360)
Net	67 320 713 570	52 345 570 926

10-2 Expect credit loss provision

<i>In Egyptian Pound</i>	31 December 2025	31 December 2024
Provision balance at the beginning of the year	2 552 833 826	1 760 012 710
Expect credit loss	393 553 928	1 321 241 854
Proceeds from loans previously written off	111 116 087	64 628 721
Foreign currencies revaluation differences	(11 216 586)	208 340 220
	3 046 287 255	3 354 223 505
Amounts written off during the year	(587 910 576)	(801 389 679)
ECL provisions at the end of the year	2 458 376 679	2 552 833 826

Classification of Expect credit loss provision of loans and facilities to customers
31 December 2025
Retail

<i>In Egyptian Pound</i>	Credit cards	Personal loans	Real Estate Finance loans	Total
Balance at the beginning of the year	22 003 722	185 645 688	3 096 856	210 746 266
Expect credit loss	41 697 378	124 084 451	2 614 069	168 395 898
Proceeds from loans previously written off	4 169 931	61 637 814	213 641	66 021 386
Provisions used	(29 658 587)	(162 645 902)	(3 916 043)	(196 220 532)
Balance at the end of the year	38 212 444	208 722 051	2 008 523	248 943 018

Corporate

<i>In Egyptian Pound</i>	Overdraft Accounts	Direct loans	Syndicated loans	Total
Balance at the beginning of the year	1 605 506 401	478 870 515	257 710 644	2 342 087 560
Expect credit loss	352 239 046	(213 481 898)	86 400 882	225 158 030
Proceeds from loans previously written off	45 094 701	-	-	45 094 701
Foreign currencies revaluation differences	(7 688 996)	(2 293 378)	(1 234 212)	(11 216 586)
Provisions used	(391 690 044)	-	-	(391 690 044)
Balance at the end of the year	1 603 461 108	263 095 239	342 877 314	2 209 433 661

31 December 2024
Retail

<i>In Egyptian Pound</i>	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

<i>In Egyptian Pound</i>	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

11- Financial derivatives:

31 December 2025

Derivatives by fair value through profit and loss	Contractual amount	Assets	Liabilities
Currencies derivatives			
Currency Forward contracts	346 174 800	-	44 312 705
Currency Forward contracts	335 090 300	55 397 205	-
	-	55 397 205	44 312 705

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

12- Financial investments at fair value through other comprehensive income

<i>In Egyptian Pound</i>	31 December 2025	31 December 2024
Governmental debt instruments	7 986 401 584	6 814 060 931
Non governmental debt instruments	4 185 176 564	2 952 471 891
Total debt instruments	12 171 578 148	9 766 532 822
Unquoted equity instruments	91 468 401	52 018 837
Total Equity instruments	91 468 401	52 018 837
Financial investments at fair value through other comprehensive income	12 263 046 549	9 818 551 659
Current balances	12 171 578 148	9 766 532 822
Non-current balances	91 468 401	52 018 837
	12 263 046 549	9 818 551 659

Financial investments at fair value through other comprehensive income

<i>In Egyptian Pound</i>	31 December 2025	31 December 2024
Balance at the beginning of the year	9 818 551 659	5 859 956 794
Net amortization(issuing discount & issuing premium)	39 497 466	50 166 235
Additions – Treasury Bonds & Financial Investments	3 848 649 677	5 707 879 146
Retrieval – Treasury Bonds & Financial Investments	(1 618 004 025)	(2 178 813 384)
Net change in fair value	211 810 667	153 098 346
Foreign currencies revaluation differences	(37 458 895)	226 264 522
Balance at the end of the year	12 263 046 549	9 818 551 659

Financial assets at fair value through profit or loss

13- Investments in associates

EGP	31 December 2025	31 December 2024
Unquoted equity instrument *	100	100
Total Investments in associates	100	100

* Associates	31 December 2025	31 December 2024
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)	12/31/2023	Egypt

Notes to Financial Statements for year ended December 31, 2025

14- **Intangible assets**

<i>In Egyptian Pound</i>	31 December 2025	31 December 2024
Net balance at beginning of the year	120 560 653	61 088 294
Additions	264 916 298	97 071 055
Total	385 476 951	158 159 349
Amortization during the year	(80 321 423)	(37 598 696)
Net	305 155 528	120 560 653

15- **Other assets**

<i>In Egyptian Pound</i>	31 December 2025	31 December 2024
Accrued revenue	1 164 200 876	1 053 117 658
Prepaid expenses	278 454 552	137 320 865
Down payments to purchase of fixed assets	296 157 695	480 961 715
Assets reverted to the bank in settlement of debts	4 915 162	9 180 197
Deposits held with others and custody	9 763 385	9 750 744
Other debit balances *	714 127 046	297 969 110
	2 467 618 716	1 988 300 289

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

<i>In Egyptian Pound</i>	31 December 2025	31 December 2024
Other Debit Balances Under Settlements - ATM,Digital wallet & IPN	620 244 695	255 919 011
Other Debits amounts	93 882 351	42 050 099
	714 127 046	297 969 110

16- **Deferred Tax**

31 December 2025

<i>In Egyptian Pound</i>	<u>Assets</u>	<u>Liabilities</u>	<u>Total</u>
Deferred Tax Assets (Provisions)	185 400 685	-	185 400 685
Deferred Tax liabilities (Property, Plant, and Equipment)	-	(51 777 398)	(51 777 398)
Total Deferred Tax Assets (Liabilities)	185 400 685	(51 777 398)	133 623 287

31 December 2024

<i>In Egyptian Pound</i>	<u>Assets</u>	<u>Liabilities</u>	<u>Total</u>
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

16-A **Income tax expenses**

<i>In Egyptian Pound</i>	31 December 2025	31 December 2024
Corporate Tax Expenses	1 016 051 384	706 444 806
Treasury bills and bonds revenues taxes	1 633 639 074	1 302 571 060
Dividend tax	345 344	242 978
Deferred tax - Liabilities	19 700 000	15 369 465
Deferred tax - Assets	(23 501 384)	(44 734 040)
	2 646 234 418	1 979 894 269

17- Property, Plant, and Equipment (after deduct the accumulated depreciation)
31 December 2025

<i>In Egyptian Pound</i>	<u>Land</u>	<u>Buildings, Constructions and its fixtures</u>	<u>Integrated automated systems</u>	<u>Vehicles</u>	<u>Tools and equipment</u>	<u>Premises fixtures and Other fixtures</u>	<u>Furniture</u>	<u>Total</u>
Cost at the beginning of the year	316 146 523	867 081 843	391 068 890	12 869 000	138 032 628	337 531 973	70 254 584	2 132 985 441
Additions during the year	-	-	186 891 434	1 153 720	4 222 715	111 975 678	2 470 018	306 713 565
Disposals	-	(34 255 139)	(436 825)	(12 647 000)	(9 716 159)	(22 422 268)	(4 632 151)	(84 109 542)
Cost as at 31 December 2025	316 146 523	832 826 704	577 523 499	1 375 720	132 539 184	427 085 383	68 092 451	2 355 589 464
Accumulated depreciation at the beginning of the year	-	17 888 732	225 604 249	1 808 210	77 893 510	227 613 391	20 694 390	571 502 482
Depreciation for the year	-	135 680 488	95 731 520	395 751	18 085 433	40 767 936	13 357 984	304 019 111
Disposals accumulated depreciation	-	(29 583 346)	(436 825)	(1 757 627)	(9 716 159)	(22 422 268)	(4 632 151)	(68 548 375)
Accumulated depreciation as at 31 December 2025	-	123 985 874	320 898 944	446 334	86 262 784	245 959 059	29 420 223	806 973 218
Net book value as at 31 December 2025	316 146 523	708 840 830	256 624 555	929 386	46 276 400	181 126 324	38 672 228	1 548 616 246

* The item for Buildings, Constructions, and its fixtures includes an amount of 504,908,063 related to the fixtures of those buildings.

* The item for accumulated depreciation of Buildings, Constructions, and its fixtures includes an amount of 108,289,492 related to the fixtures of those buildings.

Property, Plant, and Equipment (after deduct the accumulated depreciation)
31 December 2024

<i>In Egyptian Pound</i>	<u>Land</u>	<u>Buildings, Constructions and its fixtures</u>	<u>Integrated automated systems</u>	<u>Vehicles</u>	<u>Tools and equipment</u>	<u>Premises fixtures and Other fixtures</u>	<u>Furniture</u>	<u>Total</u>
Cost at the beginning of the year	316 146 523	35 170 303	276 241 538	4 300 800	79 317 803	273 880 008	27 057 524	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	337 531 973	70 254 584	2 132 985 441
Accumulated depreciation at the beginning of the year	-	13 025 768	182 214 259	2 179 313	74 359 342	197 633 990	18 800 482	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	227 613 391	20 694 390	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

Notes to Financial Statements for year ended December 31, 2025
18- Due to banks

<i>In Egyptian Pound</i>	31 December 2025	31 December 2024
<u>Local banks</u>		
Current accounts	25 387	39 152 517
	25 387	39 152 517
<u>Foreign banks</u>		
Current accounts	460 817 279	628 746 900
	460 817 279	628 746 900
	460 842 666	667 899 417
Non-interest bearing balances	460 842 666	667 899 417
	460 842 666	667 899 417

19- Customers' deposits

<i>In Egyptian Pound</i>	31 December 2025	31 December 2024
Demand deposits	42 951 020 226	23 994 616 681
Time and callable deposits	85 704 532 928	75 691 959 141
Saving and deposit certificates	15 418 450 333	12 904 152 394
Saving deposits	5 394 027 552	2 930 627 648
Other deposits	1 021 525 339	983 112 376
Total Customers' deposits	150 489 556 378	116 504 468 240
Corporate & SMEs deposits	120 997 710 939	93 468 417 373
Retail deposits	29 491 845 439	23 036 050 867
	150 489 556 378	116 504 468 240
Non-interest bearing balances	11 696 396 665	6 449 111 086
Interest bearing balances	138 793 159 713	110 055 357 154
	150 489 556 378	116 504 468 240

20- Other liabilities

<i>In Egyptian Pound</i>	31 December 2025	31 December 2024
Accrued interest	1 153 033 463	1 133 375 614
Advanced revenues	1 818	-
Accrued expenses	387 337 295	208 974 540
Creditors	50 098 206	151 582 025
Other credit balances *	2 167 108 609	1 762 368 438
	3 757 579 391	3 256 300 617

*The other credit balances includes the following:

<i>in Egyptian pounds</i>	31 December 2025	31 December 2024
Taxes and insurance under settlement	1 435 786 530	1 301 114 515
Clearance cheques	600 385 270	329 726 270
Other Credit Amounts	130 936 809	131 527 653
	2 167 108 609	1 762 368 438

Notes to Financial Statements for year ended December 31, 2025

21- Other provisions

31 December 2025

<i>In Egyptian Pound</i>	Balance at the beginning of the year	Charged during the year	Foreign currencies revaluation differences	Utilized during the year	Provisions no longer required	Balance at year ended
Provision for potential claims	165 651 996	15 300 000	-	(38 109 610)	(70 000 000)	72 842 386
Contingent liabilities provision	89 130 618	28 167 925	(264 502)	(131 765)	-	116 902 276
Other provisions	5 749 168	-	-	(257 921)	-	5 491 247
Loans commitment provisions	37 629 534	18 757 343	-	-	-	56 386 877
Total Other Provisions	298 161 316	62 225 268	(264 502)	(38 499 296)	(70 000 000)	251 622 786

31 December 2024

<i>In Egyptian Pound</i>	Balance at the beginning of the Year	Charged during the Year	Foreign currencies revaluation differences	Utilized during the Year	Provisions no longer required	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 Other Provisions	156 517 712	136 044 445	7 379 567	(1 780 408)	-	298 161 316

Notes to Financial Statements for year ended December 31, 2025
22- 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 An amount of six billion sixty-three million seven hundred fifty thousand Egyptian Pounds only as at 31 December 2025 distributed among 1,082,812,500 shares with par value of LE 5.60.

The extra ordinary general assembly dated 23 February 2025 decided increasing the Issued and paid-up capital from EGP 5,512 billion to EGP 6,063 billion that by distributing one bonus shares for every 10 original shares owned by shareholder from net profit of year ended 31-12-2024 ,by increasing 98,437,500 share ,and after obtain the required approvals from relevant administrative bodies, obtained the approval of the Listing Committee of Misr for Clearing, Settlement, Depository and Central Registry (MCDR), which held on 14 October 2025 that the bonus shares would be distributed starting from 22 October 2025. The announcement was published in the investment gazette dated 26 October 2025.

31 December 2025

<i>In Egyptian pound</i>	<u>Number of shares</u>	<u>Ordinary shares value</u>	<u>Total</u>
Balance at the beginning of the year	984 375 000	5 512 500 000	5 512 500 000
Changes during the year	98 437 500	551 250 000	551 250 000
Balance at the end of the year	1 082 812 500	6 063 750 000	6 063 750 000

31 December 2024

<i>In Egyptian pound</i>	<u>Number of shares</u>	<u>Ordinary shares value</u>	<u>Total</u>
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

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 2025 :-

<i>In Egyptian pound</i>	31 December 2025	31 December 2024
Legal reserve formed in accordance with the bank's article of association	1 040 964 852	614 020 695
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	411 654 705	409 484 705
General banking risk reserve	552 473 524	43 292 047
Fair value reserve – Investment through OCI	519 890 886	182 129 371
Balance at the end of the year	2 536 488 960	1 260 431 811

The changes in the reserves are represented in the following:
A- Legal Reserve

<i>In Egyptian pound</i>	31 December 2025	31 December 2024
Balance at the beginning of the year	614 020 695	412 135 842
Changes during the year	426 944 157	201 884 853
Balance at the end of the year	1 040 964 852	614 020 695

B- Capital Reserve

<i>In Egyptian pound</i>	31 December 2025	31 December 2024
Balance at the beginning of the year	409 484 705	381 196 639
Changes during the year	2 170 000	28 288 066
Balance at the end of the year	411 654 705	409 484 705

C- General banking risk reserve

<i>In Egyptian pound</i>	31 December 2025	31 December 2024
Balance at the beginning of the year	43 292 047	405 784 076
Transferred from (to) Retained earnings	509 181 477	(362 492 029)
Balance at the end of the year	552 473 524	43 292 047

D- Fair value reserve – Investment through OCI

<i>In Egyptian pound</i>	31 December 2025	31 December 2024
Balance at the beginning of the year	182 129 371	(5 193 154)
Net change in the fair value	339 548 873	183 823 920
Expected Credit loss impact	671 111	(15 216 320)
Expected Credit loss impact Foreign currencies revaluation differences	(2 458 469)	18 714 925
Balance at the end of the year	519 890 886	182 129 371

F- Retained earnings

<i>In Egyptian pound</i>	31 December 2025	31 December 2024
<u>Movement on retained earnings</u>		
Balance at the beginning of the year	6 655 586 531	2 777 536 862
- Transferred to legal reserve	(426 944 157)	(201 884 853)
- Employees share in the profit	(463 193 359)	(227 447 343)
- Board of directors remuneration	(17 500 000)	(18 000 000)
- Transferred to Capital reserve	(2 170 000)	(28 288 066)
- Transferred to capital increase	(551 250 000)	(262 500 000)
- Transferred to the Banking Support and Development Fund	(46 319 336)	(22 744 734)
Retained earnings	5 148 209 679	2 016 671 866
Net profit for the year	5 725 925 847	4 271 611 565
Transferred From General Banking Risk reserve	(514 491 923)	345 972 672
Transferred To General Banking Risk reserve (Assets revert to the bank)	5 310 446	16 519 357
Disposal Gain (Loss) financial Assets Fair value through OCI Equity	-	4 811 071
Balance at the end of the year	10 364 954 049	6 655 586 531

Notes to Financial Statements for year ended December 31, 2025
23- 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.

<i>In Egyptian Pound</i>	31 December 2025	31 December 2024
Cash and due from Central Bank of Egypt	811 853 323	882 603 924
Due from banks	23 012 536 802	17 231 817 962
Treasury bills and the governmental notes	1 036 200 000	-
	24 860 590 125	18 114 421 886

24- Contingent liabilities and commitments

<i>In Egyptian Pound</i>	31 December 2025	31 December 2024
Loan Commitments – Irrevocable	3 813 792 601	1 909 892 505
Letter of guarantee	19 994 504 068	15 603 404 001
Letters of guarantees based on other banks requests	12 911 332 439	12 731 620 943
Letter of credit	1 282 832 278	861 152 189
Other contingent liabilities	384 811 495	654 651 955
	38 387 272 881	31 760 721 593

25- Net interest income

<i>In Egyptian Pound</i>	31 December 2025	31 December 2024
Loans interest and similar revenues		
Loans, facilities and deposits at banks		
Deposits at banks	3 560 582 225	3 548 324 861
Loans and facilities to clients	15 095 344 489	10 387 794 902
Total loans & banks	18 655 926 714	13 936 119 763
Treasury bills	6 363 782 000	6 116 075 459
Investment measured at fair value through OCI debt instruments	2 911 194 439	1 487 867 816
Total Debt instruments	9 274 976 439	7 603 943 275
Total Loans interest and similar revenues	27 930 903 153	21 540 063 038
Interest expense and similar charges		
Deposits and current accounts:		
To banks	(675 846)	-
To clients	(17 764 132 322)	(12 894 123 746)
Other Loans & REPO	(744 235)	(808 422)
Total Interest expense and similar charges	(17 765 552 403)	(12 894 932 168)
Net interest income	10 165 350 750	8 645 130 870

26- Net fees and commissions income

<i>In Egyptian Pound</i>	31 December 2025	31 December 2024
Fees and Commissions income		
Fees and Commissions related to facilities	839 118 782	653 693 258
Custody and Keeping Commissions	16 068 168	13 393 909
Other Commissions	624 879 904	464 998 351
Total Fees and Commissions income	1 480 066 854	1 132 085 518
Fees and Commissions expenses		
Other Commissions	(148 759 172)	(112 426 900)
Total Fees and Commissions expenses	(148 759 172)	(112 426 900)
Net fees and commissions income	1 331 307 682	1 019 658 618

Notes to Financial Statements for year ended December 31, 2025
27- Dividends income

<i>In Egyptian Pound</i>	31 December 2025	31 December 2024
Financial securities through OCI	4 035 901	2 934 911
	4 035 901	2 934 911

28- Net trading income

<i>In Egyptian Pound</i>	31 December 2025	31 December 2024
Revaluation of financial derivatives assets and liabilities in foreign currencies	11 084 500	869 525
	11 084 500	869 525

29- Gains from financial investments

<i>In Egyptian Pound</i>	31 December 2025	31 December 2024
Gains on sale of treasury bills	18 546 349	12 615 909
Gain on Sale of debt instruments through OCI	17 104 630	1 191 405
	35 650 979	13 807 314

30- Expected credit losses charges

<i>In Egyptian Pound</i>	31 December 2025	31 December 2024
Loans and advances Banks ECL charge	3 488 000	5 289 889
Loans and advances Customers ECL charge	393 553 928	1 321 241 854
Due From Banks ECL - (Reverse) / Charge	(14 638 307)	35 325 765
Financial investments at fair value through OCI - ECL Charge / (reverse)	671 111	(15 216 320)
	383 074 732	1 346 641 188

31- Administrative expenses

<i>In Egyptian Pound</i>	31 December 2025	31 December 2024
Labor cost		
Wages and salaries	1 069 609 415	813 626 618
Social insurance	39 094 800	35 656 716
Total Labor cost	1 108 704 215	849 283 334
Other administrative expenses*	1 934 375 669	1 105 638 565
	3 043 079 884	1 954 921 899

* Other administrative expenses

<i>In Egyptian Pound</i>	31 December 2025	31 December 2024
Depreciation and amortization	384 340 534	124 236 059
Subscriptions	250 170 541	119 817 092
Taxes and fees	271 767 652	196 183 144
Repair and maintenance	623 165 327	368 906 462
Others	404 931 615	296 495 808
	1 934 375 669	1 105 638 565

Notes to Financial Statements for year ended December 31, 2025
32- Other operating revenues (expenses)

<i>In Egyptian Pound</i>	31 December 2025	31 December 2024
Gains from revaluation of assets and liabilities in foreign currencies and foreign exchange earnings	182 022 489	162 988 097
Gains from sale of fixed assets	249 164 608	2 800 000
Other provision formed	7 774 732	(136 044 445)
Assets rent expense	(197 267 427)	(183 333 102)
Gains from assets reverted to the bank	9 190 667	24 257 133
	250 885 069	(129 332 317)

33- 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.

<i>In Egyptian Pound</i>	31 December 2025	31 December 2024
Net profit for the year	5 725 925 847	4 271 611 565
Deduct: Employees share	(572 592 585)	(463 193 359)
Deduct: B.O.D. remuneration	(15 900 000)	(17 500 000)
Deduct: Banking Support and Development Fund	(50 236 418)	(46 319 336)
distributed net profit	5 087 196 844	3 744 598 870
Weighted average number of shares	1 082 812 500	1 082 812 500
Earnings per share	4.70	3.46

As illustrated under disclosure (21), the number of shares reached 1,082,812,500 shares (Issued shares numbers 984,375,000 in addition to the increase shares numbers to (98,437,500 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 year was adjusted according to the Egyptian standard (22) paragraph (28).

34- Capital commitments

The uncalled capital commitments related to the financial investments at the balance sheet date amounted to 384 811 495 EGP as follows:-

<i>In Egyptian Pound</i>	Commitments
Obligations for leases	384 811 495
	384 811 495

35- 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:-

<i>In Egyptian Pound</i>	31 December 2025	31 December 2024
<u>Nature of transactions</u>		
Due from banks	77 881 200	9 042 966
Due to banks	247 580 807	208 933 771
Contingent liabilities and commitment	8 190 399 616	6 977 758 027

36 - Tax status

First: Corporate tax:

From inception till FY 2018:

These years 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 May 22, 2024. Taking into consideration, all tax differences were settled for this year except the delay penalties.

FYs 2020/2023:

The bank's management had submitted the annual corporate income tax returns and paid taxes to ETA on the legal dates, taking into consideration that these years under inspection process with the Egyptian tax authority.

Second: Salary tax:

From inception till FY 2020:

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

FYs 2021/2022:

These years inspected and tax differences paid taking into consideration these years are not settled.

FYs 2023/2024:

The bank had withheld the tax and paid it to ETA with submission of salary tax reconciliations and tax's forms in the legal dates. Taking into consideration, these years not been requested for inspection until now.

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 the year 1980 from inception till 31/7/2006. The bank had paid the tax for branches that had been finalized, considering this, 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 31/12/2022:

These years had been inspected and tax differences had been paid except delay fines, taking into consideration, these years not settled till to date.

FY 2023/2024:

The bank is committed to applying the provisions of stamp tax law; it is committed to paying 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 that this period has not been requested for inspection till now.