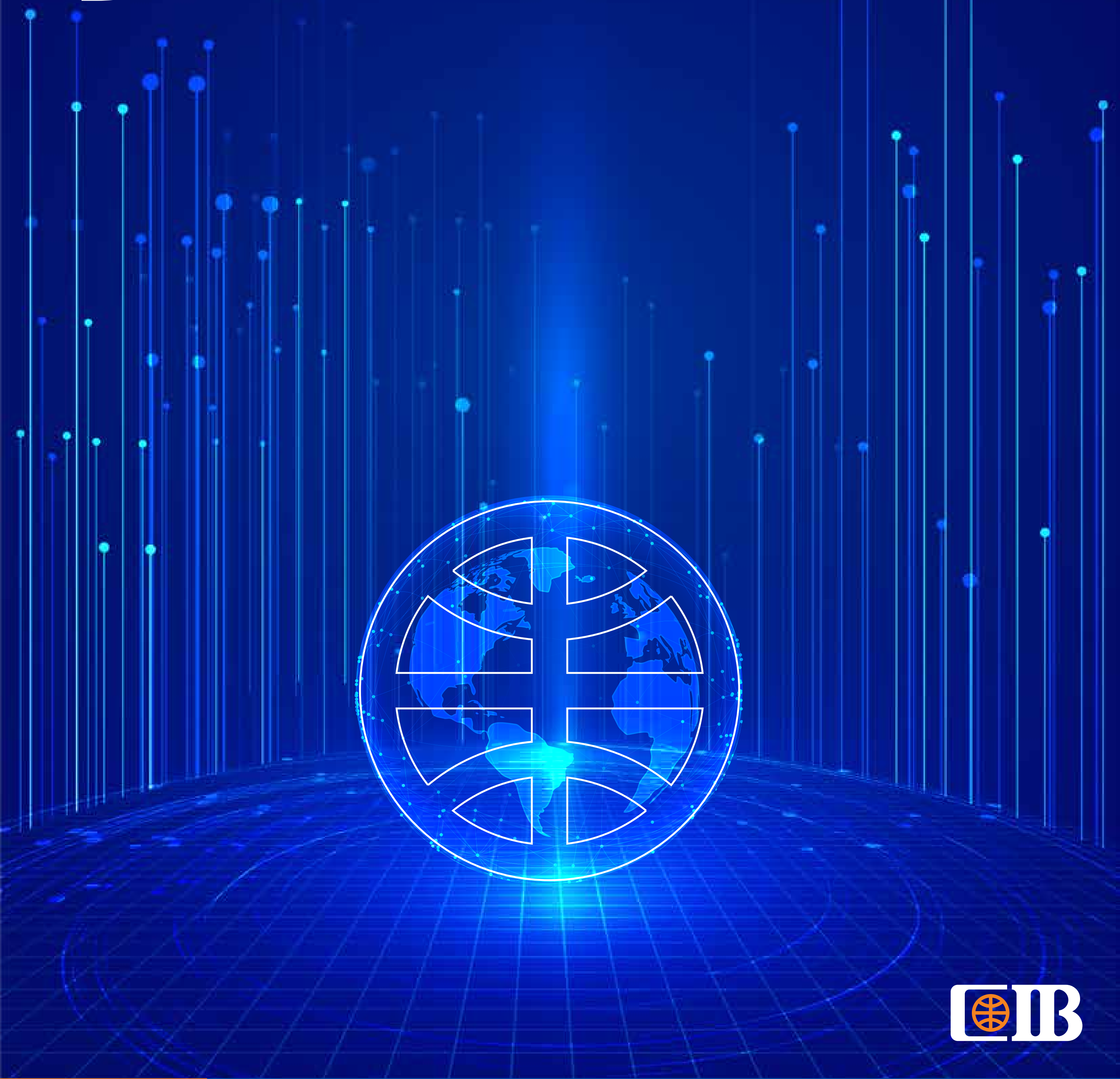
# IFRS Consolidated Financial Statements

December 2024



# Independent auditor's report to the members of Commercial International Bank (Egypt) S.A.E

For the purpose of this report, the terms "we" and "our" denote MHA in relation to UK legal, professional and regulatory responsibilities and reporting obligations to the members of Commercial International Bank (Egypt) S.A.E. For the purposes of the table on pages 4 to 7 that sets out the key audit matters and how our audit addressed the key audit matters, the terms "we" and "our" refer to MHA. The IFRS consolidated financial statements, as defined below, consolidate the accounts of Commercial International Bank (Egypt) S.A.E and its subsidiaries (the "Group"). The "Parent Company" or the "Bank" is defined as Commercial International Bank (Egypt) S.A.E, as an individual entity.

## Opinion

We have audited the IFRS consolidated financial statements of Commercial International Bank (Egypt) S.A.E for the year ended 31 December 2024.

The financial statements that we have audited comprise:

- the Consolidated Income Statement
- the Consolidated Statement of Comprehensive Income
- the Consolidated Statement of Financial Position
- the Consolidated Statement of Changes in Equity
- the Consolidated Statement of Cash Flows
- Notes 1 to 44 to the consolidated financial statements, including significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group's and Parent Company's financial statements is International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's affairs as at 31 December 2024 and of the Group's profit for the year then ended; and
- have been properly prepared in accordance with International Financial Reporting Standards (IFRS) as issued by International Accounting Standards Board (IASB).

Our opinion is consistent with our reporting to the Audit Committee.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Other Matter

The financial statements on which our opinion is issued are the IFRS consolidated financial statements of the Bank, which have been prepared for the purpose of the Bank meeting its continuing obligations under the Listing Rules of the London Stock Exchange. These financial statements are therefore not the statutory financial statements of the Bank as required by law in the jurisdiction where the Bank is registered and regulated. The statutory financial statements of the Bank for the year ended 31 December 2024 are prepared using another accounting framework and are subject to audit by a separate auditor. Our audit opinion does not extend to those statutory financial statements.

## Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the Directors' assessment of the Group's and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Using our knowledge of the strategic objectives of the Group, the Parent Company and the general economic environment to identify inherent risks in the business model and how such risks might affect the financial resources or the ability to continue operations over the going concern period.
- The evaluation of the current and forecast financial position, regulatory capital adequacy and liquidity, including internal stress tests performed on these.
- Evaluation of the strategic plans of the Group and Parent Company, and the supporting financial forecasts.
- Reading and evaluating the adequacy of the disclosures made in the financial statements in relation to going concern.
- Capital and liquidity considerations including examination of the Bank's cash flow and liquidity projections.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## Overview of our audit approach

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|---|---|
| **Scope** | Our audit was scoped by obtaining an understanding of the Group, including the Parent Company, and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the directors that may have represented a risk of material misstatement.<br><br>In devising our audit plan, we assessed the IFRS Group Financial Statements by classes of transactions, accounts balances and disclosures to determine the risks of material misstatement and the levels of testing to be performed. Where these were disaggregated across separate components which were determined not to pose significant risks of material misstatement, these were subject to substantive analytical procedures. |

| **Materiality** | **2024** | **2023** | |
|---|---|---|---|
| **Group** | EGP4,099.05 million | EGP2,149.99 million | 5.73% (2023: 5.58%) of profit before tax |

**Key audit matters**

| | |
|---|---|
| **Recurring** | • Expected credit loss provision - Impairment of loans and advances to customers.<br>• Classification and measurement of financial assets. |

## Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those matters which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th colspan="2">Expected credit loss provision - Impairment of loans and advances to customers</th></tr>
<tr><td>Key audit matter description</td><td>At 31 December 2024 the Group reported total gross loans of EGP392,383 million (2023: EGP266,375 million) and EGP45,481 millions of expected credit losses (ECL) (2023: EGP29,237 million).<br><br>The calculation of ECL require management to make significant judgments and estimates which are subjective due to significant uncertainty associated with the key assumptions used. Management uses a models to determine ECL. The key areas of judgement are:<br><br>• Staging – Qualitative and quantitative criteria applied to effectively identify significant increase in credit risk and determination of a default.<br>• Assumptions in relation to the probability of default (PD), Loss given default (LGD) and Exposure at default (EAD) models for computing ECL. Appropriateness of the data used in relation to these models for computing ECL.<br>• Management overlays to take into account macroeconomic factors that have an impact on the calculation of the ECL.<br>• Individually assessed stage 3 loans.<br><br>Therefore, this matter was considered one of the most significant risks of material misstatement for our audit.<br><br>The Group's accounting policy in respect of ECL is set out in note 2.3 to the consolidated financial statements, which states the critical accounting judgement, estimates and assumptions relating to the impairment of loans and advances and impairment assessment methodology used by the Group.</td></tr>
<tr><td>How the scope of our audit responded to the key audit matter</td><td>We performed the following procedures:<br><br>Validation of the design and implementation of controls around the ECL models<br>• Performed a walkthrough of the lending process and tested the design and implementation of the relevant key controls identified.<br>• Tested the controls in place to allocate loans to the respective risk categories (staging) and the application of the significant increase in credit risk (SICR) criteria on loans.<br>• Reviewed and tested the design of the ECL models for compliance with IFRS 9 requirements, including IT General Controls (ITGCs) and IT Application controls (ITACs) relevant to the models.<br>• Reviewed the appropriateness of the Group's impairment policy against the requirements of IFRS 9. We have also assessed the</td></tr>
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appropriateness of the SICR criteria determined by management in relation to retail and corporate exposures.

*Test of details*

- For a sample of exposures, we tested the appropriateness of the staging of the exposures by testing the correct application of SICR criteria. Our work in this regard included validating the payment history of the exposure to ensure that the exposure has been correctly classified as either stage 1, 2 or 3.
- Evaluated data quality by agreeing key data points used in ECL calculation to relevant source systems.
- Tested the process of allocation of customer loan repayments and identification of missed payments. This included testing on a sample basis that receipts are allocated to the correct loan accounts and missed payments are identified on a timely basis and appropriately reported.
- For a sample of exposures, we assessed the appropriateness of the timing of annual loan reviews for corporate portfolio as this process drives the staging and determination of default.
- We confirmed that the output of the model, specifically any ECL charge, or reversal was correctly reflected in the general ledger and ultimately the financial statements.
- For a sample of individually assessed stage 3 loans we reviewed the detailed methodology for identifying and calculating individual impairment provision. Performing a recalculation of the present value of future cashflows for each facility and testing mathematical accuracy. Further, we evaluated the adequacy of the rationale and analysis for significant assumptions used within the stage 3 loans ECL.

*Use of modelling and credit experts*

- Engaged with and instructed modelling and credit risk experts to test the assumptions, inputs and formulae used in relation to models used for computing ECL provision. This work included evaluation and challenge of macro-economic scenarios considered by management and comparing these to other scenarios from a variety of external sources.
- Performed sensitivity analysis in relation to key management assumptions and judgements to assess the impact of these on the ECL provision as at year-end.
- Tested the appropriateness of the staging of exposures including the determination of the PD, EAD and LGD considered by management in the calculation of ECL.
- Tested post model adjustments and overlays. This included assessing the completeness and appropriateness of these adjustments.

*Disclosures*

- We have assessed and challenged the appropriateness of the disclosures in the financial statements for the year-ended 31 December 2024.

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| | • We tested the data flows used to populate the disclosures and assessed the adequacy of disclosures for compliance with the accounting standards. |
| **Key observations** | We found the approach taken in respect of ECL to be consistent with the requirements of IFRS 9 and we have concluded that the assumptions and judgements made by the management in the application of ECL were reasonable and supportable. |

**Classification and measurement of financial assets**

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| **Key audit matter description** | As of 31 December 2024, the Group held financial assets classified at fair value through other comprehensive income and at amortised cost amounting to EGP234,694 million (2023: EGP233,430 million) and EGP168,118 million (2023: EGP38,341 million) respectively. This includes reported level 2 financial assets at fair value through other comprehensive income ("FVTOCI") of EGP91,315 million (2023: EGP118,456 million).<br><br>We considered the following to be key areas of judgement:<br>• Classification of financial assets in view of the intended use of such financial assets and the business model of the Group.<br>• Valuation of unlisted financial assets, where significant judgement is required to determine the valuation.<br><br>Therefore, this matter was considered one of the most significant risks of material misstatement for our audit.<br><br>Refer to the significant accounting policies notes 2.3 to the consolidated financial statements which contains the disclosure of critical accounting judgement and assumptions relating to the classification of financial assets of the Group. |
| **How the scope of our audit responded to the key audit matter** | We performed the following procedures:<br><br>*Classification*<br>• We have obtained an understating of the process of how the Group determines classification of financial assets as per the requirements of IFRS 9.<br>• For a sample of financial assets, we tested these to ensure that the classification of financial assets was consistent with the requirements of IFRS 9. This included a review of management's established business model for the use of such assets and validating the cash flow characteristics of those instruments.<br><br>*Measurement*<br>• For a sample of instruments, we validated managements measurement of the instrument by:<br><br>- Confirming the effective interest rate and recomputing amounts measured at amortised cost.<br>- Assessing the fair value methodology and where appropriate recomputing the fair value in line with that methodology using observable or unobservable inputs as appropriate. Where external prices are used to determine fair value assessing |

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| | whether those prices appropriately reflected the prices for identical assets on an active market.<br>• We have compared management's fair value methodologies to existing market practice to determine the appropriateness and adequacy of these methodologies.<br><br>Disclosures<br>• We have reviewed the appropriateness of the disclosures in the financial statements for the year-ended 31 December 2024. |
| Key observations | We found that the approach taken by management on classification and measurement of financial investments to be reasonable and in line with IFRS. |

**Our application of materiality**

Our definition of materiality considers the value of error or omission on the financial statements that, individually or in aggregate, would change or influence the economic decision of a reasonably knowledgeable user of those financial statements. Misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole. Materiality is used in planning the scope of our work, executing that work and evaluating the results.

| | |
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| *Overall Materiality* | EGP4,099.05 million (2023: EGP2,149.99 million) |
| • Basis of determining overall materiality | We determined materiality based on 5.73% (2023: 5.58%) of the profit before tax.<br><br>Our key criterion in determining materiality remains our perception of the needs of Group's stakeholders. We consider which earnings, activity or capital-based measure aligns best with their expectations. In so doing, we apply a 'reasonable investor perspective', which reflects our understanding of the common financial information needs of the members of the Group. We continue to believe that these needs are best met by basing materiality on a profit before tax basis. |
| *Performance materiality* | EGP2,459.43 million (2023: EGP1,289.99 million) |
| • Basis of determining overall performance materiality | We set performance materiality based on 60% (2023: 60%) of overall materiality.<br><br>Performance materiality is the application of materiality at the individual account or balance level, set at an amount to reduce, to an appropriately low level, the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.<br><br>The determination of performance materiality reflects our assessment of the risk of undetected errors existing, the nature of the systems and controls and the level of misstatements arising in previous audits. |
| *Reporting threshold* | We agreed to report any corrected or uncorrected adjustments exceeding EGP204.95 million (2023: EGP107.50 million) to the Audit Committee as well as differences below this threshold that in our view warranted reporting on qualitative grounds. |

### Overview of the scope of the Group audit

Our assessment of audit risk, evaluation of materiality and our determination of performance materiality sets our audit scope for each company within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. This assessment takes into account the size, risk profile, organisation / distribution and effectiveness of group-wide controls, changes in the business environment and other factors such as recent internal audit results when assessing the level of work to be performed at each component.

In assessing the risk of material misstatement to the consolidated financial statements, and to ensure we had adequate quantitative and qualitative coverage of significant accounts in the consolidated financial statements we identified Commercial International Bank (Egypt) S.A.E (the "Bank") which operates in Egypt as the entity which represent the principal business unit within the Group. A full scope audit was performed on the Bank. The Bank's gross assets represent 99.34% of the total assets of the Group.

We assessed significant components based on their significance to the Group financial position and operations. There were no other material components noted based on our thresholds, as such the components not covered by our audit scope were subject to analytical procedures to confirm our conclusion that there were no significant risks of material misstatement in the aggregated financial information. There are 4 (2023: 3) components which were subject to analytical procedures.

### The control environment

We evaluated the design and implementation of those internal controls of the Group, including the Parent Company, which are relevant to our audit, such as those relating to the financial reporting cycle. We also tested operating effectiveness and placed reliance on certain controls over lending, customer deposits, classification and measurement of financial assets, bank and cash reconciliations, interest and interest expense and certain expenses such as payroll. We deployed our internal IT audit specialists to obtain an understanding of the general IT environment and perform IT automated controls.

## Responsibilities of directors

The directors are responsible for the preparation of the IFRS consolidated financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the IFRS consolidated financial statements, the directors are responsible for assessing the Group's and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or Parent Company or to cease operations, or have no realistic alternative but to do so.

## Auditor responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the IFRS consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities . This description forms part of our auditor's report.

**Extent to which the audit was considered capable of detecting irregularities, including fraud**
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

**Identifying and assessing potential risks arising from irregularities, including fraud**
The extent of the procedures undertaken to identify and assess the risks of material misstatement in respect of irregularities, including fraud, included the following:

- We considered the nature of the industry and sector the control environment, business performance including remuneration policies and the Group's, including the Parent Company's, own risk assessment that irregularities might occur as a result of fraud or error. From our sector experience and through discussion with the directors, we obtained an understanding of the legal and regulatory frameworks applicable to the Group focusing on laws and regulations that could reasonably be expected to have a direct material effect on the financial statements. The key laws and regulations we considered in this context included the listing rules of the London Stock Exchange and the Egyptian Stock Exchange, regulatory and supervisory requirements of the Central Bank of Egypt and Egyptian tax legislation.
- We enquired of the directors and management including the in-house legal counsel, compliance, risk and internal audit and audit committee concerning the Group's and the Parent Company's policies and procedures relating to:
  - identifying, evaluating and complying with the laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they had any knowledge of actual or suspected fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur by evaluating management's incentives and opportunities for manipulation of the financial statements. This included utilising the spectrum of inherent risk and an evaluation of the risk of management override of controls. We determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce costs, creating fictitious transactions to hide losses or to improve financial performance, and management bias in accounting estimates particularly in determining expected credit loss provision.

**Audit response to risks identified**
In respect of the above procedures:

- we corroborated the results of our enquiries through our review of the minutes of the Group's audit committee meetings, inspection of the complaints registers and breaches register, inspection of legal and regulatory correspondence and correspondences from the regulators;
- audit procedures performed by the engagement team in connection with the risks identified included:

- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations expected to have a direct impact on the IFRS consolidated financial statements.
  - testing journal entries, including those processed late for financial statements preparation, those posted by infrequent or unexpected users, those posted to unusual account combinations;
  - evaluating the business rationale of significant transactions outside the normal course of business, and reviewing accounting estimates for bias;
  - enquiry of management around actual and potential litigation and claims.
  - challenging the assumptions and judgements made by management in its significant accounting estimates, in particular those relating to the determination of the expected credit losses as reported in the key audit matter section of our report; and
  - obtaining confirmations from third parties to confirm existence of a sample of transactions and balances.
- the Parent Company operates in a highly regulated banking industry. As such, we considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities; and
- we communicated relevant laws and regulations and potential fraud risks to all engagement team members, including experts, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

## Other requirements

We were appointed by the Directors of the Parent Company on 9 May 2024 to audit the IFRS consolidated financial statement for the year ended 31 December 2024.The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 4 years.

We did not provide any non-audit services which are prohibited by the FRC's Ethical Standard to the Group or the Parent Company, and we remain independent of the Group and the Parent Company in conducting our audit.

## Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with our engagement letter dated 9 May 2024. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

As required by the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rule (DTR) 4.1.14R, these financial statements form part of the European Single Electronic Format (ESEF) prepared Annual Financial Report filed on the National Storage Mechanism of the UK FCA in accordance with the ESEF Regulatory Technical Standard (('ESEF RTS'). This auditor's report provides no assurance over whether the annual financial report has been prepared using the single electronic format specified in the ESEF RTS.

**Rakesh Shaunak FCA**
(Senior Statutory Auditor)
for and on behalf of MHA, Statutory Auditor
London, United Kingdom
18 February 2025

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

(All amounts are shown in EGP thousands)

# Consolidated Income Statement for the Year Ended December 31, 2024

| | Notes | Dec. 31, 2024 | Dec. 31, 2023 |
|---|---|---|---|
| Interest and similar income | | **182,735,474** | 104,028,379 |
| Interest and similar expense | | **(91,751,450)** | (51,142,688) |
| **Net interest income** | 3 | **90,984,024** | 52,885,691 |
| Fee and commission income | | **12,813,876** | 9,049,924 |
| Fee and commission expense | | **(5,728,656)** | (3,611,699) |
| **Net fee and commission income** | 4 | **7,085,220** | 5,438,225 |
| Dividend income | 5 | **195,047** | 234,010 |
| Net trading income | 6 | **20,470,230** | 4,006,880 |
| Gain on investments | 20 | **459,337** | 221,810 |
| Intangible assets | | **-** | (51,831) |
| Goodwill | | **-** | (206,287) |
| Administrative expenses | 7 | **(19,952,958)** | (13,299,910) |
| Other operating expenses | 8 | **(23,201,267)** | (6,341,869) |
| Impairment charges for credit losses | 9 | **(4,523,819)** | (4,270,081) |
| Bank's share in the loss of associates | 12 | **(17,786)** | (55,983) |
| **Profit before income tax from continuing operations** | | **71,498,028** | 38,560,655 |
| Taxes | 10 | **(21,878,946)** | (11,942,406) |
| **Net profit from continued operations** | | **49,619,082** | 26,618,249 |
| **Discontinued Operations** | | | |
| Net (loss) from discontinued operations | 44 | **-** | (42,102) |
| **Net profit for the Year** | | **49,619,082** | 26,576,147 |
| **Attributable to:** | | | |
| Equity holders of the parent | | **49,558,744** | 26,541,824 |
| Non-controlling interest | | **60,338** | 34,323 |
| **Net Profit for the year** | | **49,619,082** | 26,576,147 |
| **Earnings per share** | 11 | | |
| Basic attributable to equity holders of the parent | | **16.34** | 8.75 |
| Diluted attributable to equity holders of the parent | | **16.14** | 8.64 |

*The accompying notes from 1 to 44 form an integral part of these consolidated financial statements.*

**Islam Zekry**
**Group CFO & Executive Board Member**
18-Feb-2025

**Hisham Ezz Al-Arab**
**CEO & Executive Board Member**
18-Feb-2025

(All amounts are shown in EGP thousands)

# Consolidated Statement of Comprehensive Income for the Year Ended December 31, 2024

| | Dec. 31, 2024 | Dec. 31, 2023 |
|---|---|---|
| **Profit for the year** | **49,619,082** | 26,618,249 |
| **Comprehensive income items that will not be reclassified to the profit or loss:** | | |
| Change in fair value of equity instruments measured at fair value through comprehensive income | **51,159** | 259,291 |
| Deferred Tax impact for investments that will not be reclassified to P&L | **(157,217)** | (131,008) |
| Transferred to RE from financial assets at fair value through comprehensive income | **(370,224)** | (95,308) |
| **Comprehensive income items that is or may be reclassified to the profit or loss:** | | |
| Change in fair value of Financial invesments measured at fair value through comprehensive income | **8,634,672** | (7,070,544) |
| Change in fair value from selling FVOCI financial instruments | **(459,337)** | (205,344) |
| Cumulative foreign currencies translation differences | **989,367** | (32,971) |
| Deferred Tax impact for investments that may be reclassified to P&L | **887,145** | 1,530,823 |
| Effect of ECL in fair value of debt instruments measured at fair value through OCI | **936,949** | 1,888,326 |
| **Total comprehensive income for the year** | **60,131,596** | 22,761,514 |
| **As follows:** | | |
| Equity holders of the parent | **60,071,258** | 22,727,191 |
| Non-controlling interest | **60,338** | 34,323 |
| **Total comprehensive income for the year** | **60,131,596** | 22,761,514 |

(All amounts are shown in EGP thousands)

# Consolidated Statement of Financial Position as at December 31, 2024

| | Notes | Dec. 31, 2024 | Dec. 31, 2023 |
|---|---|---|---|
| **Assets** | | | |
| Cash and balances at the central bank | 13 | **136,531,020** | 71,887,821 |
| Due from banks | 14 | **270,829,834** | 231,085,244 |
| Loans and advances to banks, net | 15 | **9,555,410** | 822,448 |
| Loans and advances to customers, net | 16 | **343,542,674** | 234,985,936 |
| Financial Assets at fair value through profit or loss | 19 | **380,769** | 306,375 |
| Derivative financial instruments | 17 | **819,711** | 1,105,148 |
| Financial Assets at fair value through OCI | 19 | **234,694,966** | 233,430,236 |
| Financial Assets at amortized cost | 19 | **168,118,219** | 38,341,019 |
| Right of use assets | 23 | **1,301,850** | 729,823 |
| Investments in associates | 21 | **98,193** | 115,979 |
| Non current assets held for sale | 42 | **-** | 161 |
| Other assets | 22 | **44,282,773** | 18,801,444 |
| Deferred tax assets | 10.2 | **2,685,330** | 1,685,230 |
| Property and equipment | 23 | **3,997,929** | 2,739,092 |
| **Total assets** | | **1,216,838,678** | 836,035,956 |
| **Liabilities and equity** | | | |
| **Liabilities** | | | |
| Due to banks | 24 | **2,034,885** | 12,458,003 |
| Due to customers | 25 | **972,595,958** | 677,237,479 |
| Lease liabilities | 23 | **1,425,604** | 674,417 |
| Derivative financial instruments | 17 | **100,571** | 140,934 |
| Non current liabilities held for sale | 43 | **1,397** | 873 |
| Issued debt instruments | 18 | **5,067,781** | 3,073,349 |
| Other liabilities | 27 | **27,725,569** | 21,937,452 |
| Current Tax liability | | **18,327,968** | 9,395,534 |
| Other loans | 26 | **23,962,389** | 12,483,907 |
| Provisions | 28 | **18,623,634** | 11,095,996 |
| **Total liabilities** | | **1,069,865,756** | 748,497,944 |
| **Equity** | | | |
| Issued and paid in capital | 29 | **30,431,580** | 30,195,010 |
| Reserves | 30 | **62,899,966** | 28,362,690 |
| Reserve for employee stock ownership plan (ESOP) | 30 | **1,868,235** | 1,486,010 |
| Retained earnings | 30 | **51,590,097** | 27,334,229 |
| **Total equity attributable to equity holders of the parent** | | **146,789,878** | 87,377,939 |
| Non-controlling interest | 38 | **183,044** | 160,073 |
| **Total equity** | | **146,972,922** | 87,538,012 |
| **Total liabilities and equity** | | **1,216,838,678** | 836,035,956 |

*The accompying notes from 1 to 44 form an integral part of these consolidated financial statements.*

**Islam Zekry**
**Group CFO & Executive Board Member**
18-Feb-2025

**Hisham Ezz Al-Arab**
**CEO & Executive Board Member**
18-Feb-2025

(All amounts are shown in EGP thousands)

# Consolidated Statement of Changes in Shareholders' Equity

| Dec. 31, 2023 | Issued and paid in capital | Reserve for employee stock ownership plan (ESOP) | Retained earnings | Reserves | Total | Non-controlling interest | Total equity |
|---|---|---|---|---|---|---|---|
| Beginning balance | 29,825,134 | 1,895,435 | 15,144,290 | 19,342,866 | 66,207,725 | 580,431 | 66,788,156 |
| Change in non controlling interest from acquisition of subsidiaries | - | - | - | - | - | (536,867) | (536,867) |
| Net Profit for the year | - | - | 26,541,824 | - | 26,541,824 | 34,323 | 26,576,147 |
| Capital increase | 369,876 | - | - | - | 369,876 | - | 369,876 |
| Reserve for employee stock ownership plan (ESOP) | - | 754,817 | - | - | 754,817 | - | 754,817 |
| Dividend | - | - | (2,016,159) | - | (2,016,159) | (17,108) | (2,033,267) |
| Transferred to reserves | - | (1,164,242) | (12,335,726) | 9,019,824 | (4,480,144) | 99,294 | (4,380,850) |
| **Balance at 31 December 2023** | **30,195,010** | **1,486,010** | **27,334,229** | **28,362,690** | **87,377,939** | **160,073** | **87,538,012** |
| **Dec. 31, 2024** | | | | | | | |
| **Beginning balance** | **30,195,010** | **1,486,010** | **27,334,229** | **28,362,690** | **87,377,939** | **160,073** | **87,538,012** |
| **Net Profit for the year** | **-** | **-** | **49,558,744** | **-** | **49,558,744** | **60,338** | **49,619,082** |
| **Capital increase** | **236,570** | **-** | **-** | **-** | **236,570** | **-** | **236,570** |
| **Reserve for employee stock ownership plan (ESOP)** | **-** | **1,005,350** | **-** | **-** | **1,005,350** | **-** | **1,005,350** |
| **Dividend** | **-** | **-** | **(2,379,819)** | **-** | **(2,379,819)** | **(37,367)** | **(2,417,186)** |
| **Transferred to reserves** | **-** | **(623,125)** | **(22,923,057)** | **34,537,276** | **10,991,094** | **-** | **10,991,094** |
| **Balance at 31 December 2024** | **30,431,580** | **1,868,235** | **51,590,097** | **62,899,966** | **146,789,878** | **183,044** | **146,972,922** |

(All amounts are shown in EGP thousands)

# Consolidated Statement of Cash Flow for the Year Ended December 31, 2024

| | Notes | Dec. 31, 2024 | Dec. 31, 2023 |
|---|---|---|---|
| **Cash flow from operating activities** | | | |
| **Profit before income tax from continued operations** | | **71,498,028** | 38,560,655 |
| **(Loss) from discontinued operations** | | **-** | (42,102) |
| **Adjustments to reconcile profits to net cash provided by operating activities** | | | |
| Fixed assets depreciation | | **1,414,920** | 788,209 |
| Impairment charge for credit losses (Loans and advances to customers) | | **4,768,107** | 2,311,867 |
| Other provisions release/charge | | **3,363,525** | 2,821,141 |
| Impairment release/charge for credit losses (due from banks) | | **(341)** | (47,234) |
| Impairment release/charge for credit losses (financial investments) | | **(243,947)** | 2,005,448 |
| Impairment release/charge for other assets | | **37,939** | 17,620 |
| Exchange revaluation differences for financial assets at fair value through OCI and AC | | **(21,026,044)** | (5,442,433) |
| Utilization of other provisions | | **(9,586)** | (5,850) |
| Revaluation differences impairment charge for due from banks | | **2,008** | - |
| Impairment of goodwill and intangible assets | | **-** | 258,118 |
| Exchange revaluation differences of other provisions | | **4,173,699** | 1,213,126 |
| Revaluation differences impairment charge for Financial Assets at Amortized cost | | **119,504** | 607 |
| Impairment (Reversal of impairment) charges of investments in associates | | **-** | (9,000) |
| Profits from selling property, plant and equipment | | **(2,246)** | (1,663) |
| Profits/losses from selling financial investments at fair value through OCI | | **(459,337)** | (205,344) |
| Revaluation differences impairment charge for Financial Assets at Fair value through OCI | | **1,329,905** | 1,903 |
| Shares based payments | | **1,005,350** | 754,817 |
| Losses (Profits) from selling investments in associates | | **-** | (7,466) |
| Bank's share in the profits / losses of associates | | **17,786** | 55,983 |
| **Operating profits before changes in working capital** | | **65,989,270** | 43,028,402 |
| **Net decrease (increase) in working capital** | | | |
| Due from banks | | **(111,192,809)** | 18,441,280 |
| Financial assets at fair value through profit or loss | | **(74,394)** | - |
| Derivative financial instruments | | **490,593** | 755,995 |
| Loans and advances to banks and customers | | **(122,049,597)** | (41,467,103) |
| Other assets | | **(22,078,200)** | (3,968,123) |
| Non current assets held for sale | | **-** | (161) |
| Non current liabilities held for sale | | **524** | 873 |
| Due to banks | | **(10,423,118)** | 8,961,305 |
| Due to customers | | **295,358,479** | 145,620,929 |
| Current income tax obligations paid | | **(5,220,965)** | (3,704,414) |
| Other liabilities | | **5,788,117** | 4,236,973 |
| **Net cash generated from operating activities** | | **96,587,900** | 171,905,956 |
| **Net cash generated from (used in) operating activities** | | | |
| **Cash flow from investing activities** | | | |
| Proceeds from sale of investments in associates | | **11,956** | 4,510 |
| Payments for purchases of property, equipment and branches construction | | **(6,707,018)** | (1,685,846) |
| Proceeds from selling property and equipment | | **2,246** | 1,663 |
| Proceeds from redemption of financial assets at amortized cost | | **2,028,180** | 6,125,452 |
| Payments for purchases of financial assets at amortized cost | | **(129,153,136)** | (9,290,232) |
| Payments for purchases of financial assets at fair value through OCI | | **(113,445,585)** | (129,073,519) |
| Proceeds from selling financial assets at fair value through OCI | | **140,381,225** | 102,763,650 |
| Payment for investment in subsidiaries | | **-** | (1,142,840) |
| **Net cash generated from (used in) investing activities** | | **(106,882,132)** | (32,297,162) |

(All amounts are shown in EGP thousands)

# Consolidated Statement of Cash Flow for the Year Ended December 31, 2024 (Cont.)

| | Notes | Dec. 31, 2024 | Dec. 31, 2023 |
|---|---|---|---|
| **Cash flow from financing activities** | | | |
| **Other loans** | | **11,478,482** | 4,504,932 |
| Other loans - new loans obtained in the year | | 3,835,016 | 9,604,139 |
| Other loans - loans repaid in the year | | (243,015) | (5,334,093) |
| Other loans - movement in foreign exchange rate | | 7,886,481 | 234,886 |
| Dividends paid | | **(2,379,819)** | (2,016,159) |
| Issued debt instruments | | **1,994,432** | 616,742 |
| Cash payments for lease (principle and interest) | | **(501,724)** | (248,871) |
| Capital increase | | **236,570** | 369,876 |
| **Net cash generated from (used in) financing activities** | | **10,827,941** | 3,226,520 |
| Net (decrease) increase in cash and cash equivalent during the year | | **533,709** | 142,835,314 |
| Beginning balance of cash and cash equivalent | | **225,941,383** | 83,106,069 |
| **Cash and cash equivalent at the end of the year** | | **226,475,092** | 225,941,383 |
| **Cash and cash equivalent at the end of the year** | | | |
| Cash and balances at the central bank | 13 | **136,531,020** | 71,887,821 |
| Due from banks with maturities of 3 months or less | 14 | **203,103,430** | 217,156,599 |
| Treasury bills and other governmental notes with maturities of three months or less | 19 | **1,618,665** | 1,293,148 |
| Obligatory reserve balance with CBE | 13 | **(114,778,023)** | (64,396,185) |
| **Total cash and cash equivalent** | 31 | **226,475,092** | 225,941,383 |

# Notes to the Consolidated Financial Statements for the year Ended December 31, 2024

## 1. Corporate Information

The Commercial International Bank-Egypt (CIB) S.A.E. provides Retail, Corporate and Investment banking services in various parts of Egypt through the operation of 198 branches, 14 units, and 8,290 employees as at the date of the statement of financial position.

The Commercial International Bank-Egypt (CIB) S.A.E. was formed as a commercial bank under the investment law no. 43 of 1974 amended by law no. 32/1977 and its amendments. The address of its registered head office is as follows: Nile tower, 21/23 Charles de Gaulle Street-Giza, Cairo, Egypt. The Bank is listed on the Egyptian stock exchange and has GDRs (Global Depository Receipt) in London Stock Exchange.

The bank owns investments in subsidiaries "Commercial International Bank (CIB) Kenya Limited", "Commercial international for finance", "Damietta Shipping" and "Commercial International Africa Holding Company" in which the bank's shares are 100%, 99.96%, 49.95% and 100% respectively.

The financial statements have been approved by the board of directors on the 18th of February, 2025

## 2. Accounting Policies

### 2.1. Basis of Preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

In addition, the financial statements have been prepared on a historical cost basis, except for financial investments at FVOCI, derivative financial instruments, financial assets and liabilities classified as trading or held at fair value through profit or loss, all of which have been measured at fair value. The carrying values of recognized assets and liabilities that are hedged items in fair value hedges, and otherwise carried at amortized cost, are adjusted to record changes in fair value attributable to the risks that are being hedged. The consolidated financial statements are presented in Egyptian pound (EGP) which is the functional currency of the bank.

All amounts are rounded to the nearest thousands unless otherwise indicated.

### Presentation of Financial Statements

The Bank presents its Statement of Financial Position in order of liquidity.

### Basis of Consolidation

The consolidated financial statements are comprised of the financial statements of the bank and its subsidiaries as of 31 December 2024. Control is achieved when the bank is exposed, or has rights, to variable returns from its involvement with subsidiaries and has the ability to affect those returns through its power over the subsidiaries companies. The Bank controls its subsidiaries in the cases of the following:

**Power**
-Has power over its subsidiaries when the bank has existing rights that give it the current ability to direct the relevant activities, the activities that significantly affect the subsidiaries' returns.

-Power arises from rights. Assessing power is straightforward, as such when power over subsidiaries is obtained directly and solely from the voting rights granted by equity instruments such as shares, and can be assessed by considering the voting rights from those shareholdings.

-The current ability to direct the relevant activities has power even if its rights to direct have yet to be exercised.

-Have power over subsidiaries even if other entities have existing rights that give them the current ability to participate in the direction of the relevant activities.

**Returns**
-The bank is exposed, or has rights, to variable returns from its involvement with the subsidiaries when the bank's returns from its involvement have the potential to vary as a result of the subsidiaries' performance. The bank's returns can be only positive, only negative or both positive and negative.

Consolidation of a subsidiary begins when the Bank obtains control over the subsidiary and ceases when the Bank loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Statement of Comprehensive Income from the date the Bank gains control until the date the Bank ceases to control the subsidiary. Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the parent of the Bank and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Bank's accounting policies. All intra-bank assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Bank are eliminated in full upon consolidation. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.
If the Bank loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any non-controlling interests
- Derecognizes the cumulative translation differences recorded in equity
- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained
- Recognizes any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Bank had directly disposed of the related assets or liabilities.

### Loss of Control

When the Bank loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

### Transactions Eliminated on Consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

### Investment in Associates

An associate is an entity over which the group has significant influence and that is neither a subsidiary nor an interest in a joint venture.

Significant influence is the power to participate in the decision-making of financial and operating policies of the investee, but is not in control or joint control over those polices.

Investments in associates are accounted for using the equity method of accounting. This method requires, the initial recognition of the investment at cost, and any increases or decreases are reflected in the carrying amount to recognize the investors share of the profit or loss of the investee after the date of acquisition.

The Bank determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Bank calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount adjacent to 'share of profit/ (loss) of an associate' in the income statement.

Profits and losses resulting from upstream and downstream transactions between the bank and its associate are recognized in the bank's financial statements only to the extent of unrelated investor's interests in the associates. Cumulative foreign currencies translation differences are recognized at statement of other comprehensive income. Unrealized losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

## 2.2. Significant Accounting Judgements, Estimates and Assumptions

The bank makes estimates and assumptions that affect the amounts recognized, and the carrying amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies. Judgement made by management in applying the entity's accounting policies are clearly differentiated between judgements that have significant risk of resulting in a material adjustment to the carrying amount within the next financial year.

### ECL measurement

Measurement of ECLs is a significant estimate that involves determination of methodology, models and data inputs. The following components have a major impact on credit loss allowance: definition of default, SICR, probability of default ("PD"), exposure at default ("EAD"), and loss given default ("LGD"), as well as forward-looking of macro-economic indicators. The bank regularly reviews and validates the models and inputs to the models to reduce any gaps between expected credit loss estimates and actual credit loss experience.

The bank used forward-looking information for measurement of ECL, primarily an outcome of macro-economic forecasting. The most significant forward-looking assumptions, for both corporate and retail, that correlate with ECL level and their assigned weights were interest rate, GDP growth rate, Inflation rate and foreign currency index. In addition to these assumptions, liquidity standard M2 and foreign direct investment have been used for the retail facilities portfolio.

**Significant increase in credit risk ("SICR")**. some factors are for corporate and some for retail in order to determine whether there has been a significant increase in credit risk, the bank compares the risk of a default occurring over the life of a financial instrument at the end of the reporting date with the risk of default at the date of initial recognition. The assessment considers relative increase in credit risk using, Transition in risk ratings, delinquency status, number of defaulted days and restructured status resulting from credit risk in addition to watch list. The bank considers all information about actual or estimated negative changes at working environment, financial and economic circumstances and regulatory jurisdiction which may affect negatively the ability of the borrower to settle outstanding's dues. The bank identifies behavioral indicators of increases in credit risk prior to delinquency and incorporated appropriate forward-looking information into the credit risk assessment, either at an individual instrument, or on a portfolio level.

**Business model assessment**. The business model drives classification of financial assets. Management applied judgement in determining the level of aggregation and portfolios of financial instruments when performing the business model assessment. When assessing sales transactions, the bank considers their historical frequency, timing and value, reasons for the sales and expectations about future sales activity. Sales transactions aimed at minimizing potential losses due to credit deterioration are considered consistent with the "hold to collect" business model. Other sales before maturity, not related to credit risk management activities, are also consistent with the "hold to collect" business model, provided that they are infrequent or insignificant in value, both individually and in aggregate. The bank assesses significance of sales transactions by comparing the value of the sales to the value of the portfolio subject to the business model assessment over the average life of the portfolio. In addition, sales of financial asset expected only in stress case scenario, or in response to an isolated event that is beyond the bank's control, is not recurring and could not have been anticipated by the bank, are regarded as incidental to the business model objective and do not impact the classification of the respective financial assets.

The "hold to collect and sell" business model means that assets are held to collect the cash flows, but selling is also integral to achieving the business model's objective, such as, managing liquidity needs, achieving a particular yield, or matching the duration of the financial assets to the duration of the liabilities that fund those assets.

The residual category includes those portfolios of financial assets, which are managed with the objective of realizing cash flows primarily through sale, such as where a pattern of trading exists. Collecting contractual cash flow is often incidental for this business model.

A change in the assigned weight to the base scenario of the forward looking macro-economic variables by 10% towards the downturn scenario would result in an increase in ECL by EGP 2,868,724 thousand as of 31 December 2024 (31 December 2023: by EGP 1,817,837 thousand). A corresponding change towards the upturn scenario would result in a decrease in ECL by EGP 2,868,724 thousand as of 31 December 2024 (31 December 2023: by EGP 1,817,788 thousand). A 10% increase or decrease in LGD estimates would result in an increase or decrease in total expected credit loss allowances of EGP 3,462,531 thousand at 31 December 2024 (31 December 2023: increase or decrease of EGP 2,055,659 thousand).

**Assessment whether cash flows are solely payments of principal and interest ("SPPI").** Determining whether a financial asset's cash flows are solely payments of principal and interest required judgement.

The time value of money element may be modified, for example, if a contractual interest rate is periodically reset but the frequency of that reset does not match the tenor of the debt instrument's underlying base interest rate. The impact of the modified time value of money was assessed by comparing relevant instrument's cash flows against a benchmark debt instrument with SPPI cash flows, in each period and cumulatively over the life of the instrument. The assessment was done for all reasonably possible scenarios, including reasonably possible financial stress situation that can occur in financial markets.

### Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Bank based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances beyond the control of the Bank. Such changes are reflected in the assumptions when they occur.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 December 2024 is set out below in relation to the impairment of financial instruments and in the following notes:

•• Note 33 – Determination of fair value of financial instruments with significant unobservable inputs;

•• Note 28 – Recognition and measurement of ECL for off-balance sheet items and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

•• Note 16 –ECL for loans and advances to customers (on balance sheet)

•• Note 10.2 – Deferred tax assets (Liabilities)

•• Note 28 – Provisions

•• Note 38 - Goodwill

**Going Concern**

The Bank's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Bank's ability to continue as a going concern.

Therefore, the financial statements are prepared on the going concern basis.

**Determination of Fair Value**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

* In the principal market for the asset or liability

Or

* In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 33.4.

The Bank uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Bank determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Bank's Risk Committee determines the policies and procedures for both recurring fair value measurement, such as investment properties and unquoted financial investment at FVOCI, and for non-recurring measurement, such as assets held for distribution in discontinued operation.

External valuator are involved for valuation of significant assets, such as properties and financial investment at FVOCI, and significant liabilities, such as contingent consideration. Involvement of an external evaluator is decided upon annually by the Risk Committee after discussions and approvals by the Company's Audit committee are obtained. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. evaluator are normally rotated every three years. The Risk committee decides, after discussions with the Bank's external evaluator, which valuation techniques and inputs to use for each case.

At each reporting date, "The Direct Investment Exposure Unit '' operating under "Investment Committee '' analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the bank's accounting policies. For this analysis, the Risk Committee verifies the major inputs applied in the latest valuation by agreeing the information in the computation of the valuation to contracts and other relevant documents. The Risk Committee, in conjunction with the Bank's external evaluator, also compares each the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Bank has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy Note 33.4.

**Impairment of Loans and Advances**

The Bank reviews its individually significant loans and advances at each statement-of-financial-position date to assess whether an impairment loss should be recorded in the income statement. In particular, management's judgment is required in the estimation of the amount and timing of future cash flows when determining the impairment loss. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance. Loans and advances that have been assessed individually (and found not to be impaired) are assessed together with all individually insignificant loans and advances in groups of assets with similar risk characteristics. This is to determine whether provision should be made due to incurred loss events for which there is objective evidence, but the effects of which are not yet evident. The collective assessment takes account of data from the loan portfolio (such as levels of arrears, credit utilization, loan-to-collateral ratios, etc.), and judgments on the effect of concentrations of risks and economic data (including levels of unemployment, real estate prices indices, country risk and the performance of different individual groups). The impairment loss on loans and advances is disclosed in more detail in Note 16.

### ECL of Financial Investments

In the case of equity investments classified as financial investment at FVOCI, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. the loss allowance (ECL) shall be recognized in other comprehensive income and shall not reduce the carrying amount of the financial asset in the statement of financial position. Gains or losses on equity investments are not reversed through profit or loss and directly reflected at retained earnings.

The determination of what is 'significant' or 'prolonged' requires judgment. In making this judgment, the Group evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

In the case of debt instruments classified as financial investment at FVOCI, the loss allowance (ECL) shall be recognized in other comprehensive income and shall not reduce the carrying amount of the financial asset in the statement of financial position. Gains or losses on equity investments are reversed through profit or loss.

Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in the statement of profit or loss, the impairment loss is reversed through the statement of profit or loss.

### Deferred Tax Assets (note 10.2)

Deferred tax assets are recognized in respect of tax losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilized. Judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits, together with future tax-planning strategies. Tax losses can be used indefinitely.

## 2.3. Summary of material Accounting Policies

### (1) Foreign currency translation

The consolidated financial statements are denominated and presented in Egyptian pound (EGP), which is also the functional currency of the Bank. Transactions in foreign currencies are translated into Egyptian pound at exchange rates prevailing at transaction dates. Monetary assets and liabilities denominated in foreign currencies at the end of the year are translated into Egyptian pound at the exchange rates prevailing at the reporting date. Non–monetary items that are measured in terms of historical cost in a foreign currency are translated using the spot exchange rates as of the date of recognition. Non–monetary items measured at fair value in a foreign currency are translated using the spot exchange rates on the date when the fair value was determined.

Foreign exchange gains and losses resulting from settlement and translation of such transactions and balances are recognized in the income statement and reported under the following line items:

- Net trading income from FVTPL assets and liabilities.
- Items of other comprehensive income with equity in relation to investments in equity instruments at fair value through comprehensive income.
- Other operating revenues (expenses) from the remaining assets and liabilities.

Changes in the fair value of financial instruments of a monetary nature in foreign currencies that are classified as financial investments at fair value through comprehensive income (debt instruments) are analyzed between valuation differences that resulted from changes in the cost consumed for the instrument and differences that resulted from changing the exchange rates in effect and differences caused by changing the fair value For the instrument, the evaluation differences related to changes in the cost consumed are recognized in the income of loans and similar revenues and in the differences related to changing the exchange rates in other operating income (expenses) item, and are recognized in the items of comprehensive income.

Valuation differences arising from the measurement of items of a non-monetary nature at fair value through profit and losses resulting from changes in the exchange rates used to translate those items include, and then are recognized in the income statement by the total valuation differences resulting from the measurement of equity instruments classified at fair value through Profits and losses, while the total valuation differences resulting from the measurement of equity instruments at fair value through comprehensive income are recognized within other comprehensive income items in equity, fair value reserve item for financial investments at fair value through comprehensive income.

### (2) Sale and Repurchase Agreements

Securities sold with a commitment to repurchase at a specified future date (repos), continue to be recognized in the statement of consolidated financial position (because retains substantially the risk and rewards) and are measured in accordance with related accounting policies for FVOCI, FVPL and other investments at amortized cost. The counterparty liability for amounts received under these agreements is included in due to banks and other financial institutions or customer deposits, as appropriate. The difference between the sale and the repurchase price is treated as special interest expense and is recognized over the life of the repo agreement on an effective yield basis.

Assets purchased with a corresponding commitment to resell at a specified future date (reverse repos), are not recognized in the statement of consolidated financial position, as the bank does not obtain control over the assets. Amounts paid under these agreements are included in cash and balances with Central Banks, due from banks and other financial institutions or loans and advances, as appropriate. The difference between the purchase and the resale price is treated as special commission income and is recognized over the life of the reverse repo agreement using EIR.

### (3) Impairment of Non–Financial Assets

The Bank assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Bank estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit's (CGU) fair value less costs to sell and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre–tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Bank estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the income statement.

Impairment losses relating to goodwill are not reversed in future periods.

### (4) Hedge Accounting

The Bank makes use of derivative instruments to manage exposures to interest rate, foreign currency and credit risks, including risk exposures arising from highly probable forecast transactions and firm commitments. In order to manage particular risks, the Bank applies hedge accounting for transactions which meet specified criteria.

At inception of the hedge relationship, the Bank formally documents the relationship between the hedged item and the hedging instrument, including the nature of the risk, the risk management objective and strategy for undertaking the hedge and the method that will be used to assess the effectiveness of the hedging relationship at inception and on an ongoing basis.

At each hedge effectiveness assessment date, a hedge relationship must be expected to be highly effective on a prospective basis and demonstrate that it was effective (retrospective effectiveness) for the designated period in order to qualify for hedge accounting. A formal assessment is undertaken by comparing the hedging instrument's effectiveness in offsetting the changes in fair value or cash flows attributable to the hedged risk in the hedged item, both at inception and at each quarter end on an ongoing basis. A hedge is expected to be highly effective if the changes in fair value or cash flows attributable to the hedged risk during the period for which the hedge is designated were offset by the hedging instrument in a range of 80% to 125% and were expected to achieve such offset in future periods. Hedge ineffectiveness is recognized in the income statement in 'Net trading income'. For situations where the hedged item is a forecast transaction, the Bank also assesses whether the transaction is highly probable and presents an exposure to variations in cash flows that could ultimately affect the income statement.

### (5) Fair Value Hedges

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

All gains and losses from changes in the fair values of derivatives that do not qualify for hedge accounting are recognized immediately in the income statement. These gains and losses are reported in 'net trading income', except where derivatives are managed in conjunction with financial instruments designated at fair value, in which case gains and losses are reported in 'net income from financial instruments designated at fair value'.

For designated and qualifying fair value hedges, the cumulative change in the fair value of a hedging derivative is recognized in the income statement in Net trading income. Meanwhile, the cumulative change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item in the statement of financial position and is also recognized in the income statement in Net trading income. If the hedging instrument expires or is sold, terminated or exercised, or where the hedge no longer meets the criteria for hedge accounting, the hedge relationship is discontinued prospectively. For hedged items recorded at amortized cost, the difference between the carrying value of the hedged item on termination and the face value is amortized over the remaining term of the original hedge using the recalculated EIR method. If the hedged item is derecognized, the unamortized fair value adjustment is recognized immediately in the income statement.

### (6) Offsetting Financial Assets and Financial Liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the bank has legal right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS, or for gains and losses arising from a group of similar transactions such as in the trading activities.

## (7) Financial Instruments

### Classification of Financial Assets and Liabilities:

### Date of Recognition

Financial assets and liabilities, with the exception of loans and advances to customers and balances due to customers, are initially recognized on the trade date, i.e., the date that the Bank becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial ~assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Loans and advances to customers are recognized once funds are transferred to the customers' accounts. The Bank recognizes balances due to customers once funds are transferred to the Bank.

### Initial Measurement of Financial Instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at FVTPL, transaction costs are added to, or subtracted from, this amount. Trade receivables are measured at the transaction price. When the fair value of financial instruments at initial recognition differs from the transaction price, the Bank accounts for the Day 1 profit or loss, as described below.

### Day 1Profit or Loss

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Bank recognizes the difference between the transaction price and fair value in net trading income. In those cases, where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognized in profit or loss once the inputs become observable, or when the instrument is derecognized.

### (a) Classification and Measurement

From a classification and measurement perspective, all financial assets, except equity instruments and derivatives, to be assessed based on a combination of the entity's business model for managing the assets and the instruments' contractual cash flow characteristics.

### Defining a Business Model

Business Model is the overarching principle that determines the management philosophy and method by which the Bank manages its group of financial assets to achieve a particular objective. A business model document shall set the broader objectives of the Bank and serve as the guiding principle in developing portfolios of debt instruments.

The Bank applies the following approved business models in the management of its debt instruments to achieve its goals and objectives.

| Business models | Primary objective |
|---|---|
| Hold to Collect | Hold to collect contractual cash flows |
| Hold to Collect and Sell | Hold to collect and sell financial assets |
| Others | Hold for trading and/or manage on a fair value basis |

### Level of Portfolio Aggregation

Management shall define the level of portfolio aggregation at which the business model applies to aid in the management, monitoring, and operation of the model. The aggregation reflects the objective of the portfolio rather than the intent of each instrument.

The following diagram depicts the bank business segment and the financial asset portfolio being managed by each segment:

**Investment and Treasury**

**Debt**

- Treasury bills and bonds with CBE
- Balances with the CBE
- Investments in debt securities (quoted and unquoted)

**Equity**

Investments in equity securities (quoted and unquoted)

**Funds**

Investments in funds securities (quoted and unquoted)

**Loans and Advances**

**Corporate**

- Overdrafts
- Medium Term loans
- Syndicated MTL/ Club Deal/Working Capital Facility
- Fully Secured Direct Facility (Time Loan / Overdraft, Demand loan & Immediate Credit, Credit Cards etc.)

**Retail**

- Personal Loans
- Auto Loans
- Residential Property Finance
- Credit Cards
- Overdrafts

**Management and Monitoring of Business Models**

The business groups, in consultation with Finance, shall:

- Perform business model reassessment regularly to ensure that the portfolios are managed consistently with the business model; and
- Monitor and document deviations from the business model

If deviations to business model were noted, the business group shall document the nature, justification and impact of deviation.

**Contractual Cash Flow Characteristics**

The Bank should assess the contractual cash flow characteristics of its financial assets, which are debt instruments held within the following business model:

- Hold to Collect
- Hold to Collect and Sell

To do so, the Bank has to determine whether the asset's contractual cash flows are consistent with the basic lending arrangement by performing a Contractual Cash Flow Characteristics of Financial Assets or more commonly known as Solely Payment of Principal and Interest (SPPI) testing.

In a basic lending arrangement, the contractual cash flows of debt investments and credit products are composed of principal value, and interest payment (i.e., rate of return). These two components are discussed further below:

**Rate of Return**

Rate of return consists of consideration for the time value of money, credit risk associated with the principal amount outstanding during a particular period of time and other basic lending risks and costs, as well as a profit margin. The Bank derives the rate of return considering its cost of fund, provision for expected and unexpected losses, administrative costs, and reasonable return of investment.

**Levels of SPPI Assessment**

Generally, SPPI test is performed at an instrument level. Details of the assessment vary between debt securities and loan products as discussed further below:

**Loan Facilities**

**Standard Loan Contracts**

Standard loan contracts are based on master agreements where contracts for facilities include pre-defined contractual agreements. Lending terms may vary from obligor to obligor depending on the lending risk (e.g. interest rate, frequency, tenor, etc.)

Facilities under a standard loan contract is expected to have consistent cash flow features and characteristics. Therefore, assessment is performed on the master agreement to determine whether IFRS 9 criteria on cash flow characteristics are met. Rest of individual contracts within the product portfolio is presumed to be covered by the SPPI testing of single master agreement.

Bank has controls in place to consistently comply with the Bank's credit documentation requirements. Any deviation shall be reviewed and cleared by the Bank's legal unit.

**New Credit Product – Standard Loan Contracts**

Proposal for new credit products shall include full details of the offering such as credit criteria, pricing, legal terms and expected risk adjusted returns. In consultation with Finance, proposing business unit shall perform SPPI test on new credit product as per the requirement of IFRS 9. Clearance on SPPI testing is needed to be able to classify new credit products in accordance with IFRS 9 classification and measurement. Results of the SPPI testing will be communicated to Finance department prior to launch to ensure that the transactions under this product are properly accounted in the books.

**Non-Standard Loan Contracts**

Non-standard loan contracts are not based on master agreement where credit terms vary from one obligor to another. The contractual cash flow characteristics are expected to be different from each other, thus, SPPI testing is performed at instrument level.

The business unit managing a non-standard loan contract shall perform the SPPI testing, in consultation with Finance. Results of the SPPI testing will be forwarded to Finance for the assessment of accounting treatment in the books.

**Restructuring and Modification of Financial Assets**

Some loan facilities are subject to restructuring or modification of credit terms. In such cases, modified or restructured terms of a credit facility shall be assessed for contractual cash flow characteristics and features.

The business unit managing the restructured or modified products shall perform the SPPI test with consultation with the Finance department, if needed. Results of the SPPI testing will be forwarded to Finance for the assessment of accounting impact in the financial statements.

**Bonds and Other Debt Instruments**

As part of the Bank's activity to maximize return on its assets, the Investment and Treasury department will attempt to find profitable investments within the acceptable risk limit.

The investment proposal should include the result of SPPI testing along with the business model objective for which the Bank would intend to manage the investment in following cases:

- Prior to approval to purchase
- Upon restructuring
- Modification of an investment

The business unit managing the investment shall perform the SPPI testing. Results shall be forwarded to Finance department for the assessment of accounting impact on the financial statements.

**Equity Instruments and Derivatives**

Equity instruments are generally measured at FVTPL as per IFRS 9. However, the Bank may acquire equity instruments, which is not held for trading. IFRS 9, upon initial recognition, provides an irrevocable election to designate equity securities (instrument level) to present subsequent changes in fair value in other comprehensive income (OCI). Amounts presented in OCI are not subsequently transferred to profit and loss even on De-recognition, although the cumulative amounts may be transferred within equity, as appropriate. Dividend on equity instruments is recognized in profit and loss, unless it represents recovery of the cost of investment consequently, there is no requirement to review equity instruments for impairment.

**Reclassification of Financial Assets**

Under IFRS 9, financial assets are not reclassified subsequent to their initial recognition, except in certain rare circumstances when the Bank changes its business model for managing financial assets, it should reclassify all affected financial assets within the portfolio in accordance with the new business model. However, it is expected to be infrequent as it occurs if the Bank begins or ceases activity of a significant operation and it is demonstrable to external parties.

The following are not considered changes in the business model:

- A change in intention related to particular financial assets
- A temporary discontinuation of a particular market for financial assets
- A transfer of financial assets between parts of the entity with different business models

The Bank does not allow the reclassification of equity instruments after the initial recognition.

The reclassification should be applied prospectively from the reclassification date, which is defined as, 'the first day of the first reporting period following the change in business model that results in an entity reclassifying financial assets'. Any previously recognised gains, losses or interest should not be restated.

**Classification of Financial Liabilities**

Financial liabilities are to be subsequently measured at:

- Amortised cost, measured using the effective interest method; OR
- Fair value through profit or loss (FVTPL)

**The principal changes in the Group's accounting policies are as follows:**

**Impairment of Financial Assets:**

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

**Stage 1:** 12 months Expected Credit Loss (ECL)

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

**Stage 2**: Life Time Expected Credit Loss (ECL) – Non-impaired credit exposures where there has been a significant increase in credit risk since initial recognition, but not credit default, expected credit losses are recognized over the life of the asset.

**Stage 3**: Expected Credit Losses Financial assets are credit impaired whereby one or more events have occurred that have a detrimental effect on the estimated future cash flows of those financial assets.

**(b) Impairment**

The Bank has established a policy to perform an assessment at the end of each reporting period of whether credit risk has increased significantly since initial recognition by considering the change in the risk of default occurring over the remaining life of the financial instrument.

• To calculate ECL, the Bank estimates the risk of a default occurring on the financial instrument during its expected life. ECLs are estimated based on the present value of all cash shortfalls over the remaining expected life of the financial asset, i.e., the difference between: the contractual cash flows that are due to the Bank under the contract, and

• The cash flows that the Bank expects to receive, discounted at the effective interest rate of the loan.

The Bank will record impairment for FVOCI debt securities, depending on whether they are classified as Stage 1, 2, or 3, as explained above. However, the expected credit losses will not reduce the carrying amount of these financial assets in the statement of financial position, which will remain at fair value.

Instead, an amount equal to the allowance that would arise if the asset was measured at amortized cost will be recognized in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss.

- ## Default Definition for CIB

**Days Past Due:** Exposures that have one or more instalment past due for more than 90 days both for Consumer and Business Banking assets. This will be consistent with the rebuttable criteria set out by IFRS 9 and existing practice of the Bank.

**Rating:** Customers rated 8 to 10 (applicable to both corporate and business banking as a whole)

**Event driven defaults:** this will be based on the customer specific factors such as breach of covenants which are deemed material, declaration of bankruptcy by the customer, death of borrower and other customer specific factors. This will be applied on a case-by-case basis.

**Regulatory default:** If in future, the local regulator prescribes the criteria of default for IFRS 9 purposes, the Bank will choose the criteria which is stricter of the criteria under this policy or regulatory purpose for defining default.

The definition should be applied to all financial instruments under the scope of IFRS 9 impairment with the exception of 'Rating' criteria which is only applicable for corporate and business banking facilities as the Bank does not currently maintain any rating or credit scoring for Consumer facilities.

The Bank has set the following definition for **default**:

**Days Past Due (DPD):** exposures (principal &/or interest) that have one or more installment past due for 90 or more days for IB, BB and CB borrowers. This is consistent with the criteria set out by IFRS9 and existing practice of the Bank.

**Rating:** obligors rated 8 to 10 (applicable to both IB & BB LOB) in addition to facilities reaching 90 or more DPD. **Rating criteria is only applicable for IB and BB large, medium and small borrowers.**

**Event of Default:** obligor specific factors such as declaration of Bankruptcy by the borrower, death of borrower and any other credit factors deemed material. Similar credit factors are assessed and approved on case by case basis by the concerned approving body as per Line of Business.

**Cross-Default:** borrowers are classified as defaulted, when a default occurs under any of the extended facilities (default under one facility trigger default for all of the borrower's extended facilities).

**Regulatory Default:** in case the local regulator prescribes/ change the definition of default, and any DPD for any Line of Business than the IFRS9 regulations, the Bank will apply the regulator default criteria even if less conservative.

- ## Modification of Assets

**Modification of financial assets (that was approved in the policy)**

Modification occurs when the contractual cash flow of a financial asset is renegotiated or otherwise modified of credit terms. In such cases, modified or restructured terms of a credit facility shall be assessed for contractual cash flow characteristics and features.

The business unit managing the restructured or modified products shall perform the SPPI test with consultation with Finance department, as needed. Results of the SPPI testing will be forwarded to Finance for the assessment of accounting impact in the financial statements.

**Consumer Banking**

Stage 1 – Restructure: (within the policy) based on customer request (no credit reasons present)

Stage 2 – Restructure: In case of credit risk reasons and not in default will be classified into Stage 2. (The Impairment % of such accounts to follow the current bank's policy)

Stage 2 or Stage 3 – Reschedule: Reschedule in delinquency (customer in debt repayment) Stage 2 or Stage 3 depending upon the policy (100% Impairment is taken and kept for six months – post six months the release of the Impairment depends on the customer good performance)

**Corporate & Business Banking**

Stage 1 – Restructure: Business Banking is complying with the modification rules in the policy, regarding collateralized asset under Restructure (within the policy) based on customer request (no credit reasons present)

Stage 2 – Restructure: In case of credit risk reasons and not in default will be classified into Stage 2. (The Impairment % of such accounts to follow the current bank's policy).

Stage 2 or Stage 3 – Reschedule: Reschedule in delinquency (customer in debt repayment) Stage 2 or Stage 3 depending upon the policy (100% Impairment is taken and kept for six months – post six months the release of the Impairment depends on the customer good performance).

- ## Individual vs Collective Assessment

### Corporate and Business Banking

For corporate exposures, CIB will assess SICR on an individual assessment at a facility/instrument level.

While for business banking (all segments):

- Business Banking (all segments) exposures will assess SICR on an individual assessment at a Customer level.
- Business Banking assessment will be on each facility level but if any facility assessed as SICR or default all other facilities granted to one counterparty will be assessed as SICR or default (contagion)

### Consumer Exposures

- The Bank will determine SICR at both instrument level and collective basis. SICR can be assessed at a collective/portfolio level if common risk characteristics are shared. Any instruments that are assessed collectively must possess shared credit risk characteristics. This is to prevent significant increases in credit risk being obscured by aggregating instruments that have different risks. CIB's Consumer exposures are grouped into different segments by
- Products (i.e. auto loan, personal loan etc.) and their employment status (self-employed, salaried etc.) for cards we have further segmented by Limit buckets (Less than 10k and greater than 10K). CIB may try alternate segmentations if deemed to be significant.

### Significant Increase in Credit Risk (SICR):

### Corporate and Business Banking:

CIB will use the following indicators to identify any significant increase in credit risks. The occurrence of any one of the indicators should be considered as an indicator of SICR and consequently the related financial instrument will be classified as Stage 2 and will attract a lifetime ECL:

- **Risk Ratings:** All facilities with internal rating of 7 (watch list) will be directly categorised in Stage 2 (absolute measure).
- **Transition in Risk Ratings:** All facilities that have been downgraded at the reporting date by:
  - 2 or more grades: for facilities which were internally rated 2 to 4 at inception.
- **Delinquency Status:** The facilities will be considered as SICR and will be moved to Stage 2 if the following conditions re prevail:
  - Outstanding exposure (or related interest) is 30 days past due ("DPD") at the reporting date irrespective of the rating OR;
- **Industry:** Certain industries/sectors are considered high risk. If the following conditions prevail, the account will be categorized in stage 2.
  - Internal rating is 5 or 6 And Industry is classified as high risk, which will be determined and revised periodically.

**Restructured Status:** All facilities that have been restructured in the past period due to credit risk related factors

## Risk Parameters

This section covers the calculation methodology of the risk parameters of Expected Credit Loss (ECL) measurement and this is complementary to all other individual policies on risk qualification.

The ECL methodology was detailed in the previous section on Expected Credit Loss Approach and the related scenario methodology is detailed in the next section on Scenarios and Forward-Looking Information, this section restricts itself to the calculation methodology of PD, EAD and LGD, which are the key risk parameters for ECL calculation.

In the context of risk parameters, the key areas that need to be addressed are the following:

### The Bank's Internal Rating and PD Estimation Process

The Bank's independent Credit Risk Department operates a rating models. The Bank runs a separate model for its key portfolios in which its customers are rated from 1 to 10 using internal grades. The models incorporate both qualitative and quantitative information and, in addition to information specific to the borrower, utilise supplemental external information that could affect the borrower's behaviour. Where practical, they also build on information from Good Rating Agency. PDs are then adjusted for IFRS 9 ECL calculations to incorporate forward looking information and the IFRS 9 Stage classification of the exposure. This is repeated for each economic scenario as appropriate.

### Exposure at Default – EAD

The Exposure at Default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the client's ability to increase its exposure while approaching default and potential early repayments too.

To calculate the EAD for a Stage 1 loan, the Bank assesses the possible default events within 12 months for the calculation of the 12m ECL. However, if a Stage 1 loan that is expected to default in the 12 months from the balance sheet For Stage 2, Stage 3 and POCI financial assets, the exposure at default is considered for events over the lifetime of the instruments.

The Bank determines EADs by modelling the range of possible exposure outcomes at various points in time, corresponding to multiple scenarios. The IFRS 9 PDs are then assigned to each economic scenario based on the outcome of Bank's models.

### Loss Given Default Methodology

For corporate and investment banking financial instruments, LGD values are assessed by account managers and reviewed and approved by the Bank's specialized credit risk department. The credit risk assessment is based on a standardized LGD assessment framework that results in a certain LGD rate. These LGD rates take into account the expected EAD in comparison to the amount expected to be recovered or realized from any collateral held.

The Bank segments its retail lending products into smaller homogeneous portfolios, based on key characteristics that are relevant to the estimation of future cash flows. The applied data is based on historically collected loss data and involves a wider set of transaction characteristics (e.g., product type, wider range of collateral types) as well as borrower characteristics.

Further recent data and forward-looking economic scenarios are used in order to determine the IFRS 9 LGD rate for each group of financial instruments. When assessing forward-looking information, the expectation is based on multiple scenarios. Examples of key inputs involve changes in, collateral values including property prices
for mortgages, commodity prices, payment status or other factors that are indicative of losses in the group. The Bank estimates regulatory and IFRS 9 LGDs on a different basis. Under IFRS 9, LGD rates are estimated for the Stage 1, Stage 2, Stage 3 and POCI IFRS 9 segment of each asset class. The inputs for these LGD rates are estimated and, where possible, calibrated through back testing against recent recoveries. These are repeated for each economic scenario as appropriate.

### (c) Hedge Accounting

#### 1. Initial Recognition and Measurement

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

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

#### 2. Classification

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

- Assets are retained in the business model, which is intended to retain assets in order to collect contractual cash flows;

- The contractual terms of the financial assets on specific dates result in cash flows which are only payments on the original amount and interest on the original outstanding amount.

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

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

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

### Evaluation of Business Model

The Bank assesses the objective of the business model in which assets are maintained at the business portfolio level. This method better reflects how business is managed and how information is communicated to management. The information to be considered is as follows:

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

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

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

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

For the purpose of this valuation, the original amount is determined on the basis of the fair value of financial assets at initial recognition. Interest is determined on the basis of the time value of the money and the credit risk associated with the original principal over a given period of time or other basic lending risk and costs (eg liquidity risk and administrative costs), as well as profit margin.

### Reclassification

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

### 3. De-recognition

**Financial Assets**

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

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

Gain / Loss recognized in other comprehensive income in respect of investment securities in equity securities is not recognized in profit or loss on disposal of such securities. Any interest on transferred financial assets that are eligible for disposal that are created or retained by the Group as a separate asset or liability is recognized.

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

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

- Expiration of rights to receive cash flows from the original;

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

**Financial Liabilities**

A financial liability is derecognized when the obligation under the liability is discharged, canceled or expires.

**Investments held for trading**

Investments held for trading are subsequently measured at fair value with any gain or loss arising from the change in fair value recognized in the consolidated income or loss in the period in which they arise. Interest earned or dividends received are included in net trading income.

### (8) Leasing

A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration

**A-Financial Lease**

**Right-Of-Use Assets**

The Bank recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.
The depreciation period of right of use should not exceed the lease term, unless the lease contract transfers ownership of the underlying asset to the customer (lessee) by the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option. Right-of-use assets are subject to impairment under IAS 36.

**Lease Liabilities**

At the commencement date of the lease, the Bank recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (less any lease incentives receivable), variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Bank and payments of penalties for terminating the lease, if the lease term reflects exercising the option to terminate. Variable lease payments that do not depend on an index or a rate is recognized as expenses in the period in which the event or condition that triggers the payment occurs.

**B-Operational Lease**

Leases of low value assets and short-term leases are categorized as operational lease.

### (9) Recognition of Income and Expenses

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Bank and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized.

**(i) Interest and Similar Income and Expense**

For all financial instruments measured at amortized cost, interest bearing financial assets classified as FVOCI, interest income or expense is recorded using the EIR. EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or over the expected behavioral life, where appropriate, to the gross carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses, which include, but not limited to, transaction costs and any discount or premium on the acquisition of the financial asset, as well as fees and costs that are an integral part of the EIR.

The carrying amount of the financial asset or financial liability is adjusted if the Bank revises its estimates of payments or receipts. The adjusted carrying amount is calculated based on the original EIR and the change in carrying amount is recorded as 'Interest and similar income' for financial assets and Interest and similar expense for financial liabilities.

Once the recorded value of a financial asset or a group of similar financial assets has been reduced due to an impairment loss, interest income continues to be recognized using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

**(ii) Fee and Commission Income**

The Bank earns fee and commission income from a diverse range of services it provides to its customers.

Fee income can be divided into the following two categories:

*Fee Income Earned from Services that are Provided Over a contract or service lifetime.*

Fees earned for the provision of services are accrued and Recognized on a straight-line basis on a contract or a service lifetime. These fees include commission income and asset management, custody and other management and advisory fees.

*Fee Income from Providing Transaction Services*

Fees arising from negotiating or participating in the negotiation of a transaction for a third party, such as the arrangement of the acquisition of shares or other securities or the purchase or sale of businesses, are recognized on completion of the underlying transaction. Fees or components of fees that are linked to a certain performance are recognized after fulfilling the corresponding criteria.

*(iii) Dividend Income*

Revenue is recognized when the Bank's right to receive the payment is established, which is generally when the shareholders approve the dividend.

*(iv) Net Trading Income*

Results arising from trading activities include all gains and losses from changes in fair value and related interest income or expense and dividends for financial assets and financial liabilities held for trading.

**Segment analysis**

The Bank is divided into main business segments on a worldwide basis:

- Corporate banking – incorporating direct debit facilities, current accounts, deposits, overdrafts, loan and other credit facilities, foreign currency and derivative products

- SME's – incorporating direct debit facilities, current accounts, deposits, overdrafts, loan and other credit facilities, foreign currency and derivative products.

- Investment banking – incorporating financial instruments Trading, structured financing, corporate leasing, and merger and acquisitions advice.

- Retail banking – incorporating private banking services, private customer current accounts, savings, deposits, investment savings products, custody, credit and debit cards, consumer loans and mortgages;

- Transactions between the business segments are on normal commercial terms and conditions.

**(10) Cash and Cash Equivalents**

Cash and cash equivalents include cash in hand, unrestricted balances held with central banks and highly liquid financial assets with original maturities of less than three months from acquisition, which are subject to insignificant risk of changes in their fair value, and are used by the Bank in the management of its short-term commitments. Cash and cash equivalents are carried at amortized cost in the statement of financial position.

### (11) Property and Equipment

Property and equipment is stated at cost excluding the costs of day–to–day servicing, less accumulated depreciation and accumulated impairment in value. Changes in the expected useful life are accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. Depreciation is calculated using the straight–line method to write down the cost of property and equipment to their residual values over their estimated useful lives. Land is not depreciated. The estimated useful lives are as follows:

| Asset Type | Useful Life |
|---|---|
| Buildings | 20 years. |
| Leasehold improvements | 3 years, |
| Furniture and safes | 3-5 years. |
| Air-conditioners | 5 years |
| Vehicles | 5 years |
| Computers and core systems | 3-4 years |
| Fixtures and fittings | 3 years |

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

Property and equipment are derecognized on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in other operating income in the income statement in the year the asset is derecognized.

### (12) Business combinations and goodwill

Business combinations are accounted for using the acquisition method of accounting. This involves recognizing identifiable assets (including previously unrecognized intangible assets) and liabilities (including contingent liabilities but excluding future restructuring) of the acquired business at fair value. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognized as goodwill. If the cost of acquisition is less than the fair values of the identifiable net assets acquired, the discount on acquisition is recognized directly in the income statement in the year of acquisition.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually, or more frequently, if events or changes in circumstances indicate that the carrying value may be impaired. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Bank's cash– generating units (CGUs) or group of CGUs, which are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units. Each unit to which the goodwill is allocated represents the lowest level within the Bank at which the goodwill is monitored for internal management purposes, and is not larger than an operating segment in accordance with IFRS 8 Operating Segments.

Where goodwill has been allocated to a CGU (or group of CGUs) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed of in these circumstances is measured based on the relative fair values of the disposed operation and the portion of the CGU retained.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration that is classified as equity is not re-measured and subsequent settlement is accounted for within equity.
Non-controlling interest is that part of the net results and of the equity of a subsidiary attributable to interests which are not owned, directly or indirectly, by the Bank. Non-controlling interest forms a separate component of the Group's equity.
Purchases and sales of non-controlling interests. The Bank applies the economic entity model to account for transactions with owners of no controlling interest. Any difference between the purchase consideration and the carrying amount of non-controlling interest acquired is recorded as a capital transaction directly in equity. The Bank recognizes the difference between sales consideration and carrying amount of non-controlling interest sold as a capital transaction in the statement of changes in equity.

### (13) Intangible assets

The Bank's other intangible assets include the value of computer software and customer core deposits acquired in business combinations.

An intangible asset is recognized only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Bank. Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as of the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

The useful life of intangible assets is assessed to be either finite or indefinite. Intangible assets with a finite life is amortized over the useful economic life. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial yearend. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and they are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is presented as a separate line item in the income statement.

Amortization is calculated using the straight–line method to write down the cost of intangible assets to their residual values over their estimated useful lives.

### (14) Provisions

Provisions are recognized when the Bank has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the income statement net of any reimbursement.

These types of provisions are as follows, but not limited to (Legal claims, contingent and other claims)

### (15) Share–Based Payment Transactions

Employees (including senior executives) of the Bank receive remuneration in the form of share–based payment transactions, whereby employees render services as consideration for equity instruments (equity–settled transactions).

*Equity–Settled Transactions*

The cost of equity–settled transactions is recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting date) the cumulative expense recognized for equity settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Bank’s best estimate of the number of equity instruments that will ultimately vest. The income statement expense or credit for a period is recorded in administrative expense and represents the movement in cumulative expense recognized as of the beginning and end of that period.

Where the terms of an equity–settled award are modified, the minimum expense recognized in administrative expense is the expense as if the terms had not been modified.

Where an equity–settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non–vesting conditions within the control of either the entity or the counterparty are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

### (16) The Bank’s Contributions to the Employees’ Social Insurance Fund (Defined Contribution Plan)

Bank employees benefit from the Social Insurance Fund that has been established under the Law No. 64 of year 84 regarding alternative social insurance systems. This system is considered an alternative to state regulations and is subject to the supervision of the Ministry of Social Insurance. A Ministerial Resolution No. 22 of year 83 was issued regarding approval of the establishment of the Social Fund for Employees. The bank is obligated to pay towards the fund the contributions due for each month represented in the employer's share and the share of the insured and pay his obligations towards the fund in implementation of the provisions of the fund system. This is a system of benefits enjoyed by employees, a system of specific benefits for the bank, according to the Egyptian Accounting Standards.

### (17) Taxes

#### (i) Current Tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

#### (ii) Deferred Tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences, except:

-Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

-In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized except:

-Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

-In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Current tax and deferred tax relating to items recognized directly in equity are also recognized in equity and not in the income statement, also for items at OCI related to investment.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority, there is a legal right to offset and the intention to settle on a net basis or realize the asset/liability simultaneously

### (18) Borrowings (Liability side)

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

### (19) Dividends on Ordinary Shares

Dividends on ordinary shares are recognized as a liability and deducted from equity when they are approved by the Bank's shareholders. Interim dividends are deducted from equity when they are declared and no longer at the discretion of the Bank.

Dividends for the year that are approved after the reporting date are disclosed as an event after the reporting date.

### (20) Equity Reserves

The reserves recorded in equity (Other comprehensive income) on the Bank's statement of financial position include financial investment at FVOCI reserve, which comprises changes in fair value of financial investment at FVOCI.

### (21) Segment Reporting

The Bank's segment reporting is based on the following operating segments: Corporate Banking, SME's, Investment Banking and Retail Banking.

### (22) Earnings Per Share

The bank presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss that is attributable to ordinary shareholders of the Bank by the weighted-average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss that is attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

### (23) Financial Guarantees and Loan Commitments

The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees and standby letters of credit carry the same credit risk as loans. Documentary and commercial letters of credit – which are written undertakings by the Bank on behalf of a customer authorizing a third party to draw drafts on the Bank up to a stipulated amount under specific terms and conditions – are collateralized by the underlying shipments of goods to which they relate and therefore carry less risk than a direct loan. Commitments to extend credit represent unused portions of authorizations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Bank is potentially exposed to loss in an amount equal to the total unused commitments. However, the likely amount of loss is less than the total unused commitments, as most commitments to extend credit are contingent upon customers maintaining specific credit standards. The Bank monitors the term to maturity of credit commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

Financial guarantees and loan commitment are considered when calculating ECL according to IFRS 9.

### (24) Deposits

Deposits issued are initially measured at fair value minus incremental direct transaction costs, and subsequently measured at their amortized cost using the effective interest method.

### (25) Discontinued operation

Discontinued operation as 'a component of an entity that either has been disposed of, or is classified as held for sale, and

(a) Represents a separate major line of business or geographical area of operations,

(b) Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations or

(c) Is a subsidiary acquired exclusively with a view to resale.

When presenting discontinued operations in the income statement, the comparative figures should be adjusted as if the operations had been discontinued in the comparative period.

### (26) Liabilities

Liabilities side at the statement of financial position are measured at cost and fair value is calculated within note 33.4.2 (excluding derivatives)

### Standards Issued but not yet Effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Bank's financial statements are disclosed below. The Bank intends to adopt these standards, if applicable, when they become effective.

#### Presentation and Disclosure in Financial Statements (IFRS 18)

In April 2024, the IASB published IFRS18 which will replace IAS 1Presentation of Financial Statements as the primary source of requirements in IFRS Accounting Standards for financial statement presentation. While IFRS 18 introduces significant changes to financial statement presentation, not all aspects of IAS 1are being revised. In many areas, there requirements of IAS 1 are expected to be 'brought forward' into IFRS 18substantially unchanged. The new standard will be effective for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted and has not yet been endorsed by the UK Endorsement Board (UKEB).

#### Subsidiaries without Public Accountability: Disclosures (IFRS 19)

In May 2024, the IASB issued a new standard: IFRS 19 with the objective of significantly reducing the disclosure requirements in the financial statements of eligible subsidiaries. For eligible subsidiaries, IFRS 19 specifically dis-applies most of the disclosure requirements contained in IFRS and instead mandates disclosures based on the IFRS for SMEs. There are however no exemptions from presenting all of the primary financial statements required by IFRS. The new standard will be effective for annual reporting periods beginning on or after 1 January 2027 and has not yet been endorsed by the UK Endorsement Board (UKEB). Early application is also permitted with additional requirements applying where IFRS 19 is applied earlier than IFRS 18 Presentation and Disclosure in Financial Statements.

### Changes in Liabilities Arising from Financing Activities:

| Cash Flow from Financing Activities | 1/1/2024 | New loans | Settlement | FX | 31/12/2024 |
|---|---|---|---|---|---|
| Other loans | 12,483,907 | 3,835,016 | (243,015) | 7,886,481 | 23,962,389 |
| Total | 12,483,907 | 3,835,016 | (243,015) | 7,886,481 | 23,962,389 |

| Cash Flow from Financing Activities | 1/1/2023 | New loans | Settlement | FX | 31/12/2023 |
|---|---|---|---|---|---|
| Other loans | 7,978,975 | 9,604,139 | (5,334,093) | 234,886 | 12,483,907 |
| Total | 7,978,975 | 9,604,139 | (5,334,093) | 234,886 | 12,483,907 |

(All amounts are shown in EGP thousands)

## 3 . Net interest income

| | Dec.31, 2024 | Dec.31, 2023 |
|---|---|---|
| **Interest and similar income** | | |
| - Banks | 47,716,067 | 30,018,930 |
| - Clients | 63,529,846 | 36,650,367 |
| **Total** | 111,245,913 | 66,669,297 |
| Treasury bills, bonds and other governmental notes | 63,980,900 | 32,950,513 |
| Debt instruments at fair value through OCI and AC | 7,508,661 | 4,408,569 |
| **Total** | 182,735,474 | 104,028,379 |
| **Interest and similar expense** | | |
| - Banks | (10,195,894) | (2,458,316) |
| - Clients | (79,141,208) | (47,249,312) |
| **Total** | (89,337,102) | (49,707,628) |
| Repos | (19,188) | (156,017) |
| Finance expense related to financial lease contract | (80,198) | (43,971) |
| Other loans | (2,137,347) | (1,115,442) |
| Issued debt instruments | (177,615) | (119,630) |
| **Total** | (91,751,450) | (51,142,688) |
| **Net interest income** | 90,984,024 | 52,885,691 |

## 4 . Net fee and commission income

| | Dec.31, 2024 | Dec.31, 2023 |
|---|---|---|
| **Fee and commission income** | | |
| Fee and commissions related to credit | 4,695,486 | 3,286,402 |
| Custody fee | 755,738 | 551,324 |
| Credit & Debit Card Fees | 4,914,860 | 3,440,113 |
| Other fee | 2,447,792 | 1,772,085 |
| **Total** | 12,813,876 | 9,049,924 |
| **Fee and commission expense** | | |
| Credit & Debit Card Charges | (4,817,905) | (3,150,019) |
| Other fee paid | (910,751) | (461,680) |
| **Total** | (5,728,656) | (3,611,699) |
| **Net income from fee and commission** | 7,085,220 | 5,438,225 |

## 5 . Dividend income

| | Dec.31, 2024 | Dec.31, 2023 |
|---|---|---|
| Financial assets at fair value through OCI | 195,047 | 234,010 |
| **Total** | 195,047 | 234,010 |

## 6 . Net trading income

| | Dec.31, 2024 | Dec.31, 2023 |
|---|---|---|
| Profit from foreign exchange transactions | 20,577,493 | 4,016,338 |
| (Loss) from forward foreign exchange deals revaluation | (539,674) | (60,945) |
| Profit from interest rate swaps revaluation | 21,150 | 291,504 |
| (Loss) from currency swap deals revaluation | (54,006) | (401,470) |
| Profit from financial assets at fair value through P&L | 465,267 | 161,453 |
| **Total** | 20,470,230 | 4,006,880 |

(All amounts are shown in EGP thousands)

## 7 . Administrative expenses

| | Dec.31, 2024 | Dec.31, 2023 |
|---|---|---|
| **Staff costs** | | |
| Wages and salaries | **(6,239,931)** | (4,584,213) |
| Social insurance | **(288,575)** | (354,136) |
| Other benefits | **(6,145,185)** | (3,269,373) |
| Stock option | **(1,005,350)** | (754,817) |
| Depreciation* | **(1,308,234)** | (980,861) |
| Maintenance | **(722,725)** | (442,498) |
| Premises & Vehicles improvements and maintenance | **(319,697)** | (385,693) |
| Internship expense | **(157,346)** | (92,325) |
| Board Meeting & Director's expense | **(14,425)** | (15,306) |
| Other administrative expenses | **(3,751,490)** | (2,420,688) |
| **Total** | **(19,952,958)** | (13,299,910) |

*Includes depreciation related to right of use contracts

## 8 . Other operating income (expenses)

| | Dec.31, 2024 | Dec.31, 2023 |
|---|---|---|
| Forex (losses) gains from non-trading assets and liabilities revaluation | **(15,457,960)** | (756,492) |
| Gains from selling property and equipment | **2,246** | 1,663 |
| Release (charges) of other provisions | **(3,400,877)** | (2,838,761) |
| Care Service & Cash Trans. Expense | **(387,386)** | (198,816) |
| Regulatory Expense | **(727,134)** | (485,860) |
| Consultants | **(139,779)** | (125,235) |
| IT communications | **(336,069)** | (364,030) |
| Utilities | **(251,274)** | (196,442) |
| Other income (expenses) | **(2,503,034)** | (1,377,896) |
| **Total** | **(23,201,267)** | (6,341,869) |

## 9 . Impairment charges (reversals of impairments) for credit losses

| | Dec.31, 2024 | Dec.31, 2023 |
|---|---|---|
| Loans and advances to customers and banks | **(4,768,107)** | (2,311,867) |
| Due from banks | **341** | 47,234 |
| Financial investments | **243,947** | (2,005,448) |
| **Total** | **(4,523,819)** | (4,270,081) |

## 10 . Taxes

### 10.1 . Adjustments to calculate the effective tax rate

| | Dec.31, 2024 | Dec.31, 2023 |
|---|---|---|
| Profit before tax | **71,498,028** | 38,560,655 |
| Tax rate | **22.5%** | 22.5% |
| **Income tax based on accounting profit** | **16,087,056** | 8,676,147 |
| **Add / (Deduct)** | | |
| Non-deductible expenses | **8,224,145** | 5,486,757 |
| Tax exemptions | **(11,825,018)** | (7,458,312) |
| Withholding tax | **9,392,763** | 5,237,814 |
| **Income and Deferred tax** | **21,878,946** | 11,942,406 |
| **Effective tax rate** | **30.60%** | 30.97% |

The Group operates in a number of jurisdictions and the effective tax rate for the financial year 2024 was 30.60% (2023: 30.97%). The Group's effective tax rate is above the 15% minimum global tax rate announced by the G7 and progressed by the OECD Pillar II Inclusive Framework on Base Erosion and Profit Shifting. The Group has assessed its exposure to Multinational Top Up Taxes and any impact will be immaterial.

(All amounts are shown in EGP thousands)

### 10.2 . Deferred tax assets (liabilities)

Deferred tax assets and liabilities are attributable to the following:

| | Balance at 31 December 2024 | | | | | |
|---|---|---|---|---|---|---|
| | Balance at 1 January 2024 | Recognised in Consolidated Statement of Comprehensive Income | Recognised in Consolidated Income statement | Balance at 31 December 2024 per Consolidated Statement of Financial Position | Deferred tax Assets/Liabilities in Subsidiaries | Deferred tax Assets/Liabilities for the bank |
| Fixed assets (difference between net book value and tax base cost) | (83,567) | - | (86,990) | (170,557) | 2,506 | (173,063) |
| Provisions (excluding loan loss, contingent liabilities and income tax provisions) | 782,907 | - | 853,941 | 1,636,848 | (364) | 1,637,212 |
| Change in fair value of investments through OCI | 1,399,815 | (669,887) | - | 729,928 | (14,051) | 743,979 |
| Other investments impairment | 395,978 | - | - | 395,978 | - | 395,978 |
| Other statement of financial position Revaluation | (1,183,449) | - | 401,182 | (782,267) | 33,707 | (815,974) |
| Reserve for employee stock ownership plan (ESOP) | 334,352 | - | 86,000 | 420,352 | - | 420,352 |
| Interest rate swaps revaluation | (65,588) | - | 60,829 | (4,759) | - | (4,759) |
| Trading investment revaluation | - | - | - | - | - | - |
| Forward foreign exchange deals revaluation | 104,782 | - | 355,025 | 459,807 | 326,229 | 133,578 |
| **Total Assets / (Liabilities)** | 1,685,230 | (669,887) | 1,669,987 | 2,685,330 | 348,027 | 2,337,303 |

| | Balance at 31 December 2023 | | | | | |
|---|---|---|---|---|---|---|
| | Balance at 1 January 2023 | Recognised in Consolidated Statement of Comprehensive Income | Recognised in Consolidated Income statement | Balance at 31 December 2023 per Consolidated Statement of Financial Position | Deferred tax Assets/Liabilities in Subsidiaries | Deferred tax Assets/Liabilities for the bank |
| Fixed assets (difference between net book value and tax base cost) | (45,921) | - | (37,646) | (83,567) | - | (83,567) |
| Provisions (excluding loan loss, contingent liabilities and income tax provisions) | 347,128 | - | 435,779 | 782,907 | - | 782,907 |
| Change in fair value of investments through OCI | 1,057,872 | 341,943 | - | 1,399,815 | - | 1,399,815 |
| Other investments impairment | 82,952 | - | 313,026 | 395,978 | - | 395,978 |
| Other statement of financial position Revaluation | (1,582,895) | - | 399,446 | (1,183,449) | - | (1,183,449) |
| Reserve for employee stock ownership plan (ESOP) | 426,473 | - | (92,121) | 334,352 | - | 334,352 |
| Interest rate swaps revaluation | (108) | - | (65,480) | (65,588) | - | (65,588) |
| Trading investment revaluation | 17,770 | - | (17,770) | - | - | - |
| Forward foreign exchange deals revaluation | (117,526) | - | 222,308 | 104,782 | - | 104,782 |
| **Total Assets / (Liabilities)** | 185,745 | 341,943 | 1,157,542 | 1,685,230 | - | 1,685,230 |

**Recognition of deferred tax assets**

Recognition of deferred tax assets is based on management's profit forecasts (which are based on the available evidence, including historical levels of profitability), which indicates that it is probable that the Group's entities will have future taxable profits against which these assets can be utilised.

**Significant Accounting Judgements, Estimates and Assumptions**

Deferred Tax Assets

Deferred tax assets are recognized in respect of tax losses and other future deductions to the extent that it is probable that future taxable profit will be available against which the losses and deductions can be utilized. Judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits, together with future tax-planning strategies. Tax losses can be used indefinitely.

## 11 . Earnings per share

**(a) Basic earnings per share**

| | Dec.31, 2024 | Dec.31, 2023 |
|---|---|---|
| (i) Profit attributable to ordinary shareholders (basic) | | |
| **Net profit for the year attributable to equity holders of the bank** | 49,558,744 | 26,541,824 |
| (ii) Weighted - average number of ordinary shares (basic) | | |
| Average number of shares | 3,032,982 | 3,032,982 |
| **Basic earning per share** | 16.34 | 8.75 |

**(b) Diluted earnings per share**

| | Dec.31, 2024 | Dec.31, 2023 |
|---|---|---|
| (i) Profit attributable to ordinary shareholders (diluted) | | |
| **Net profit for the year attributable to equity holders of the bank** | 49,558,744 | 26,541,824 |
| (ii) Weighted - average number of ordinary shares (diluted) | | |
| Issued ordinary shares | 3,032,982 | 3,032,982 |
| Effect of ESOP program | 37,770 | 37,770 |
| Weighted - average number of ordinary shares diluted | 3,070,752 | 3,070,752 |
| **Diluted earning per share** | 16.14 | 8.64 |

(All amounts are shown in EGP thousands)

## 12 . Bank's share in the profit and (loss) of associates

| | Dec.31, 2024 | Dec.31, 2023 |
|---|---|---|
| - TCA Properties | (26,199) | (42,844) |
| - Fawry Plus | - | (11,137) |
| - Al Ahly Computer | 8,413 | (2,002) |
| **Total** | (17,786) | (55,983) |

## 13 . Cash and balances at the central bank

| | Dec.31, 2024 | Dec.31, 2023 |
|---|---|---|
| Cash | 21,752,997 | 7,491,636 |
| **Obligatory reserve balance with CBE** | | |
| Current accounts | 114,778,023 | 64,396,185 |
| **Total** | 136,531,020 | 71,887,821 |

## 14 . Due from banks

| | Dec.31, 2024 | Dec.31, 2023 |
|---|---|---|
| Current accounts | 8,417,769 | 4,750,675 |
| Deposits | 262,415,890 | 226,336,727 |
| Expected credit losses | (3,825) | (2,158) |
| **Total** | 270,829,834 | 231,085,244 |
| Central banks | 99,637,072 | 198,129,519 |
| Local banks | 101,775,461 | 7,418,937 |
| Foreign banks | 69,417,301 | 25,536,788 |
| **Total** | 270,829,834 | 231,085,244 |
| Non-interest bearing balances | 2,156,451 | 2,491,343 |
| Floating interest bearing balances | 44,712,342 | 98,470,020 |
| Fixed interest bearing balances | 223,961,041 | 130,123,881 |
| **Total** | 270,829,834 | 231,085,244 |
| Current balances | 270,829,834 | 226,451,466 |
| Non-Current balances | - | 4,633,778 |
| **Total** | 270,829,834 | 231,085,244 |

## 15 . Loans and advances to banks, net

| | Dec.31, 2024 | Dec.31, 2023 |
|---|---|---|
| Loans | 9,863,221 | 823,739 |
| Unamortized bills discount | (174,320) | - |
| ECL | (133,491) | (1,291) |
| **Net** | 9,555,410 | 822,448 |
| Current balances | 8,117,337 | 822,448 |
| Non-current balances | 1,438,073 | - |
| **Net** | 9,555,410 | 822,448 |

| **Analysis for ECL of loans and advances to banks** | Dec.31, 2024 | Dec.31, 2023 |
|---|---|---|
| Beginning Balance | (1,291) | (10,213) |
| Released (charged) during the year | (131,405) | 8,922 |
| Deduction during the year | (795) | - |
| **Ending balance** | (133,491) | (1,291) |

(All amounts are shown in EGP thousands)

## 16 . Loans and advances to customers, net

| | Dec.31, 2024 | Dec.31, 2023 |
|---|---|---|
| **Individual** | | |
| - Overdraft | **3,731,857** | 2,927,620 |
| - Credit cards | **15,027,813** | 10,297,598 |
| - Personal loans | **54,941,264** | 42,552,132 |
| - Mortgage loans | **5,794,632** | 4,348,982 |
| **Total 1** | **79,495,566** | 60,126,332 |
| **Corporate and Business Banking** | | |
| - Overdraft | **87,461,400** | 55,047,153 |
| - Direct loans | **144,428,805** | 99,455,837 |
| - Syndicated loans | **79,963,890** | 51,311,552 |
| - Other loans | **1,033,383** | 434,524 |
| **Total 2** | **312,887,478** | 206,249,066 |
| **Total Loans and advances to customers (1+2)** | **392,383,044** | 266,375,398 |
| **Less:** | | |
| Unamortized bills discount | **(238,286)** | (509,523) |
| Unamortized syndicated loans discount | **(84,093)** | (145,003) |
| Suspended credit account | **(3,036,429)** | (1,497,199) |
| ECL | **(45,481,562)** | (29,237,737) |
| **Net loans and advances to customers** | **343,542,674** | 234,985,936 |
| **Distributed to** | | |
| Current balances | **196,071,388** | 126,122,466 |
| Non-current balances | **147,471,286** | 108,863,470 |
| **Total** | **343,542,674** | 234,985,936 |

(All amounts are shown in EGP thousands)

**Analysis of the expected credit losses on loans and advances to customers by product during the year is as follows:**

| | Dec.31, 2024 | | | | |
|---|---|---|---|---|---|
| **Individual Loans:** | **Overdraft** | **Credit cards** | **Personal loans** | **Mortgage loans** | **Total** |
| Beginning balance | **(5,517)** | **(723,524)** | **(1,428,802)** | **(85,452)** | **(2,243,295)** |
| Released (charged) during the year | **(6,713)** | **(1,304,974)** | **(375,154)** | **(1,642)** | **(1,688,483)** |
| Written off during the year | **3,038** | **69,410** | **190,105** | **1,638** | **264,191** |
| Recoveries during the year | **(1,595)** | **(69,878)** | **(85,661)** | **(548)** | **(157,682)** |
| **Ending balance** | **(10,787)** | **(2,028,966)** | **(1,699,512)** | **(86,004)** | **(3,825,269)** |

| | Dec.31, 2024 | | | | |
|---|---|---|---|---|---|
| **Corporate and Business Banking:** | **Overdraft** | **Direct loans** | **Syndicated loans** | **Other loans** | **Total** |
| Beginning balance | **(2,814,547)** | **(18,367,660)** | **(5,792,815)** | **(19,420)** | **(26,994,442)** |
| Released (charged) during the year | **(2,166,672)** | **3,320,981** | **(4,085,932)** | **(16,596)** | **(2,948,219)** |
| Written off during the year | **11,501** | **236,120** | **-** | **1,209** | **248,830** |
| Recoveries during the year | **(1,000)** | **(709,589)** | **-** | **-** | **(710,589)** |
| ECL Transfer to Other provisions | **-** | **-** | **1,276,440** | **-** | **1,276,440** |
| Foreign currencies translation differences | **(848,120)** | **(8,195,864)** | **(3,484,329)** | **-** | **(12,528,313)** |
| **Ending balance** | **(5,818,838)** | **(23,716,012)** | **(12,086,636)** | **(34,807)** | **(41,656,293)** |

| | Dec.31, 2023 | | | | |
|---|---|---|---|---|---|
| **Individual Loans:** | Overdraft | Credit cards | Personal loans | Mortgage loans | Total |
| Beginning balance | (7,131) | (321,989) | (1,201,774) | (63,242) | (1,594,136) |
| Released (charged) during the year | 663 | (402,460) | (337,815) | (25,362) | (764,974) |
| Written off during the year | 1,960 | 59,027 | 177,095 | 3,332 | 241,414 |
| Recoveries during the year | (1,009) | (58,102) | (66,308) | (180) | (125,599) |
| **Ending balance** | (5,517) | (723,524) | (1,428,802) | (85,452) | (2,243,295) |

| | Dec.31, 2023 | | | | |
|---|---|---|---|---|---|
| **Corporate and Business Banking:** | Overdraft | Direct loans | Syndicated loans | Other loans | Total |
| Beginning balance | (2,516,317) | (15,277,168) | (5,140,284) | (8,807) | (22,942,576) |
| Released (charged) during the year | 205,563 | (2,270,797) | 520,032 | (10,613) | (1,555,815) |
| Written off during the year | 2,529 | 2,234,286 | - | - | 2,236,815 |
| Recoveries during the year | - | (51,666) | - | - | (51,666) |
| Foreign currencies translation differences | (506,322) | (3,002,315) | (1,172,563) | - | (4,681,200) |
| **Ending balance** | (2,814,547) | (18,367,660) | (5,792,815) | (19,420) | (26,994,442) |

(All amounts are shown in EGP thousands)

### 16.1 Loans and advances.

**Loans and advances are summarized as follows:**

| | Dec.31, 2024 | | Dec.31, 2023 | |
|---|---|---|---|---|
| | Loans and advances to customers | Loans and advances to banks | Loans and advances to customers | Loans and advances to banks |
| **Gross Loans and advances** | 392,383,044 | 9,863,221 | 266,375,398 | 823,739 |
| **Less:** | | | | |
| ECL | 45,481,562 | 133,491 | 29,237,737 | 1,291 |
| Unamortized bills discount | 238,286 | 174,320 | 509,523 | - |
| Unamortized syndicated loans discount | 84,093 | - | 145,003 | - |
| Suspended credit account | 3,036,429 | - | 1,497,199 | - |
| **Net** | 343,542,674 | 9,555,410 | 234,985,936 | 822,448 |

Expected credit losses for loans and advances totaled EGP 45,615,053 thousand compared to EGP 29,239,028 thousand in 2023.
During the year, the Bank's total loans and advances increased by 50.54% compared to 19.96% in 2023.
In order to minimize the probable exposure to credit risk, the Bank focuses more on the business with large enterprises,banks or retail customers with good credit rating or sufficient collateral.

**Total balances of loans and advances to customers divided by stages:**

**Dec.31, 2024**

| | Stage 1: 12 months | Stage 2: Life time | Stage 3: Life time | Total |
|---|---|---|---|---|
| Individuals | 73,490,959 | 5,035,557 | 969,050 | 79,495,566 |
| Corporate and Business Banking | 191,684,590 | 108,916,985 | 12,285,903 | 312,887,478 |
| **Total** | 265,175,549 | 113,952,542 | 13,254,953 | 392,383,044 |

**The below table covers Expected Credit Loss by segment in each stage**

**Dec.31, 2024**

| | Stage 1: 12 month ECL | Stage 2: Lifetime ECL not credit impaired | Stage 3:Lifetime ECL credit impaired | Total |
|---|---|---|---|---|
| Individuals | 2,901,607 | 165,037 | 758,625 | 3,825,269 |
| Corporate and Business Banking | 7,381,514 | 24,585,991 | 9,688,788 | 41,656,293 |
| **Total** | 10,283,121 | 24,751,028 | 10,447,413 | 45,481,562 |

**Loans, advances and expected credit losses to banks divided by stages:**

**Dec.31, 2024**

| | Stage 1: 12 months | Stage 2: Life time | Stage 3: Life time | Total |
|---|---|---|---|---|
| Time and term loans | 2,164,119 | 7,699,102 | - | 9,863,221 |
| Expected credit losses | (30) | (133,461) | - | (133,491) |
| **Net of ECL** | 2,164,089 | 7,565,641 | - | 9,729,730 |

**Off balance sheet items exposed to credit risk and expected credit losses divided by stages:**

**Dec.31, 2024**

| | Stage 1: 12 months | Stage 2: Life time | Stage 3: Life time | Total |
|---|---|---|---|---|
| Facilities and guarantees | 252,395,002 | 29,789,216 | 6,921,704 | 289,105,922 |
| Expected credit losses | (7,049,948) | (5,116,697) | (3,439,478) | (15,606,123) |
| **Net of ECL** | 245,345,054 | 24,672,519 | 3,482,226 | 273,499,799 |

(All amounts are shown in EGP thousands)

**Total balances of loans and advances to customers divided by stages:**

**Dec.31, 2023**

| | Stage 1: 12 months | Stage 2: Life time | Stage 3: Life time | Total |
|---|---|---|---|---|
| Individuals | 53,641,448 | 5,646,750 | 838,134 | **60,126,332** |
| Corporate and Business Banking | 129,155,165 | 68,344,499 | 8,749,402 | **206,249,066** |
| **Total** | **182,796,613** | **73,991,249** | **9,587,536** | **266,375,398** |

**Expected credit losses for loans and advances to customers divided by stages:**

**Dec.31, 2023**

| | Stage 1: 12 month ECL | Stage 2: Lifetime ECL not credit impaired | Stage 3:Lifetime ECL credit impaired | Total |
|---|---|---|---|---|
| Individuals | 1,551,112 | 205,628 | 486,555 | **2,243,295** |
| Corporate and Business Banking | 4,410,307 | 14,882,887 | 7,701,248 | **26,994,442** |
| **Total** | **5,961,419** | **15,088,515** | **8,187,803** | **29,237,737** |

**Loans and advances, balances and expected credit losses to banks divided by stages:**

**Dec.31, 2023**

| | Stage 1: 12 months | Stage 2: Life time | Stage 3: Life time | Total |
|---|---|---|---|---|
| Loans | 86,495 | 737,244 | - | **823,739** |
| Expected credit losses | - | (1,291) | - | **(1,291)** |
| **Net of ECL** | **86,495** | **735,953** | **-** | **822,448** |

**Off balance sheet items exposed to credit risk and expected credit losses divided by stages:**

**Dec.31, 2023**

| | Stage 1: 12 months | Stage 2: Life time | Stage 3: Life time | Total |
|---|---|---|---|---|
| Facilities and guarantees | 113,577,662 | 55,000,921 | 6,073,099 | **174,651,682** |
| Expected credit losses | (5,128,681) | (3,391,432) | (2,150,455) | **(10,670,568)** |
| **Net of ECL** | **108,448,981** | **51,609,489** | **3,922,644** | **163,981,114** |

(All amounts are shown in EGP thousands)

**The following tables provide information on the quality of financial assets subject to ECL calculation at the end of financial year:**

**Dec.31, 2024**

| Due from banks | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---|---|---|---|
| Credit rating | 12 months | Life time | Life time | |
| 1 - High Grade (1-5) | 28,280,616 | - | - | 28,280,616 |
| 2 - Standard (6) | - | - | - | - |
| 3 - Sub Standard (7) | - | - | - | - |
| 4 - Non - Performing Loans (8-10) | - | - | - | - |
| **Total** | 28,280,616 | - | - | 28,280,616 |
| Less: ECL | (3,825) | - | - | (3,825) |
| **Net** | 28,276,791 | - | - | 28,276,791 |

| Individual Loans: | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---|---|---|---|
| Credit rating | 12 months | Life time | Life time | |
| 1 - High Grade (1-5) | 73,490,959 | - | - | 73,490,959 |
| 2 - Standard (6) | - | 5,034,913 | - | 5,034,913 |
| 3 - Sub Standard (7) | - | 644 | 515 | 1,159 |
| 4 - Non - Performing Loans (8-10) | - | - | 968,535 | 968,535 |
| **Total** | 73,490,959 | 5,035,557 | 969,050 | 79,495,566 |
| Less: ECL | (2,901,607) | (165,037) | (758,625) | (3,825,269) |
| **Net** | 70,589,352 | 4,870,520 | 210,425 | 75,670,297 |

| Corporate and Business Banking: | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---|---|---|---|
| Credit rating | 12 months | Life time | Life time | |
| 1 - High Grade (1-5) | 178,607,998 | 80,712,454 | - | 259,320,452 |
| 2 - Standard (6) | 13,076,592 | 25,282,401 | - | 38,358,993 |
| 3 - Sub Standard (7) | - | 2,922,130 | 51,942 | 2,974,072 |
| 4 - Non - Performing Loans (8-10) | - | - | 12,233,961 | 12,233,961 |
| **Total** | 191,684,590 | 108,916,985 | 12,285,903 | 312,887,478 |
| Less: ECL | (7,381,514) | (24,585,991) | (9,688,788) | (41,656,293) |
| **Net** | 184,303,076 | 84,330,994 | 2,597,115 | 271,231,185 |

| Debt Instruments at Fair value through OCI | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---|---|---|---|
| Credit rating | 12 months | Life time | Life time | |
| 1 - High Grade (1-5) | 45,126,560 | 5,096,905 | - | 50,223,465 |
| 2 - Standard (6) | 86,672,222 | - | - | 86,672,222 |
| 3 - Sub Standard (7) | - | - | - | - |
| 4 - Non - Performing Loans (8-10) | - | - | - | - |
| **Total** | 131,798,782 | 5,096,905 | - | 136,895,687 |
| ECL | (3,790,195) | (15,025) | - | (3,805,220) |

| Debt Instruments at amortized cost | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---|---|---|---|
| Credit rating | 12 months | Life time | Life time | |
| 1 - High Grade (1-5) | 4,086,865 | - | - | 4,086,865 |
| 2 - Standard (6) | 6,987,590 | - | - | 6,987,590 |
| 3 - Sub Standard (7) | - | - | - | - |
| 4 - Non - Performing Loans (8-10) | - | - | - | - |
| **Total** | 11,074,455 | - | - | 11,074,455 |
| Less: ECL | (466,982) | - | - | (466,982) |
| **Net** | 10,607,473 | - | - | 10,607,473 |

(All amounts are shown in EGP thousands)

**The following tables provide information on the quality of financial assets subject to ECL calculation at the end of financial year:**

**Dec.31, 2023**

| **Due from banks** | **Stage 1** | **Stage 2** | **Stage 3** | **Total** |
|---|---|---|---|---|
| **Credit rating** | **12 months** | **Life time** | **Life time** | |
| 1 - High Grade (1-5) | 5,436,043 | - | - | **5,436,043** |
| 2 - Standard (6) | - | - | - | - |
| 3 - Sub Standard (7) | - | - | - | - |
| 4 - Non - Performing Loans (8-10) | - | - | - | - |
| **Total** | **5,436,043** | - | - | **5,436,043** |
| Less: ECL | (2,158) | - | - | **(2,158)** |
| **Net** | **5,433,885** | - | - | **5,433,885** |

| **Individual Loans:** | **Stage 1** | **Stage 2** | **Stage 3** | **Total** |
|---|---|---|---|---|
| **Credit rating** | **12 months** | **Life time** | **Life time** | |
| 1 - High Grade (1-5) | 53,641,448 | - | - | **53,641,448** |
| 2 - Standard (6) | - | 5,608,073 | - | **5,608,073** |
| 3 - Sub Standard (7) | - | 38,677 | 207 | **38,884** |
| 4 - Non - Performing Loans (8-10) | - | - | 837,927 | **837,927** |
| **Total** | **53,641,448** | **5,646,750** | **838,134** | **60,126,332** |
| Less: ECL | (1,551,112) | (205,628) | (486,555) | **(2,243,295)** |
| **Net** | **52,090,336** | **5,441,122** | **351,579** | **57,883,037** |

| **Corporate and Business Banking:** | **Stage 1** | **Stage 2** | **Stage 3** | **Total** |
|---|---|---|---|---|
| **Credit rating** | **12 months** | **Life time** | **Life time** | |
| 1 - High Grade (1-5) | 117,477,290 | 46,809,570 | - | **164,286,860** |
| 2 - Standard (6) | 11,677,875 | 20,062,699 | - | **31,740,574** |
| 3 - Sub Standard (7) | - | 1,472,230 | 46,604 | **1,518,834** |
| 4 - Non - Performing Loans (8-10) | - | - | 8,702,798 | **8,702,798** |
| **Total** | **129,155,165** | **68,344,499** | **8,749,402** | **206,249,066** |
| Less: ECL | (4,410,307) | (14,882,887) | (7,701,248) | **(26,994,442)** |
| **Net** | **124,744,858** | **53,461,612** | **1,048,154** | **179,254,624** |

| **Debt Instruments at Fair value through OCI** | **Stage 1** | **Stage 2** | **Stage 3** | **Total** |
|---|---|---|---|---|
| **Credit rating** | **12 months** | **Life time** | **Life time** | |
| 1 - High Grade (1-5) | 31,311,103 | - | - | **31,311,103** |
| 2 - Standard (6) | 47,951,170 | - | - | **47,951,170** |
| 3 - Sub Standard (7) | - | - | - | - |
| 4 - Non - Performing Loans (8-10) | - | - | - | - |
| **Total** | **79,262,273** | - | - | **79,262,273** |
| ECL | (2,868,271) | - | - | **(2,868,271)** |

| **Debt Instruments at amortized cost** | **Stage 1** | **Stage 2** | **Stage 3** | **Total** |
|---|---|---|---|---|
| **Credit rating** | **12 months** | **Life time** | **Life time** | |
| 1 - High Grade (1-5) | 1,045,061 | - | - | **1,045,061** |
| 2 - Standard (6) | 4,071,573 | - | - | **4,071,573** |
| 3 - Sub Standard (7) | - | - | - | - |
| 4 - Non - Performing Loans (8-10) | - | - | - | - |
| **Total** | **5,116,634** | - | - | **5,116,634** |
| Less: ECL | (198,469) | - | - | **(198,469)** |
| **Net** | **4,918,165** | - | - | **4,918,165** |

(All amounts are shown in EGP thousands)

**By Internal Rating Dec 2024**
**Expected credit losses divided by internal classification:**

| Corporate and Business Banking: | PD Range | Stage 1: 12 month | Stage 2: Lifetime not credit impaired | Stage 3:Lifetime credit impaired | Total |
|---|---|---|---|---|---|
| 1 - High Grade (1-5) | 1%-11% | 6,820,290 | 11,518,502 | - | **18,338,792** |
| 2 - Standard (6) | 11%-21% | 561,224 | 10,361,085 | - | **10,922,309** |
| 3 - Sub Standard (7) | 21%-36% | - | 2,706,404 | 17,867 | **2,724,271** |
| 4 - Non - Performing Loans (8-10) | 100% | - | - | 9,670,921 | **9,670,921** |
| **Total** | | 7,381,514 | 24,585,991 | 9,688,788 | **41,656,293** |

| Individual Loans: | PD Range | Stage 1: 12 month | Stage 2: Lifetime not credit impaired | Stage 3:Lifetime credit impaired | Total |
|---|---|---|---|---|---|
| 1 - High Grade (1-5) | 1%-10% | 2,901,607 | - | - | **2,901,607** |
| 2 - Standard (6) | >11% | - | 164,910 | - | **164,910** |
| 3 - Sub Standard (7) | >11% | - | 127 | 50 | **177** |
| 4 - Non - Performing Loans (8-10) | 100% | - | - | 758,575 | **758,575** |
| **Total** | | 2,901,607 | 165,037 | 758,625 | **3,825,269** |

**The total balances of loans and facilities divided according to the internal classification:**

| Corporate and Business Banking: | PD Range | Stage 1: 12 month | Stage 2: Lifetime not credit impaired | Stage 3:Lifetime credit impaired | Total |
|---|---|---|---|---|---|
| 1 - High Grade (1-5) | 1%-11% | 178,607,998 | 80,712,454 | - | **259,320,452** |
| 2 - Standard (6) | 11%-21% | 13,076,592 | 25,282,401 | - | **38,358,993** |
| 3 - Sub Standard (7) | 21%-36% | - | 2,922,130 | 51,942 | **2,974,072** |
| 4 - Non - Performing Loans (8-10) | 100% | - | - | 12,233,961 | **12,233,961** |
| **Total** | | **191,684,590** | **108,916,985** | **12,285,903** | **312,887,478** |

| Individual Loans: | PD Range | Stage 1: 12 month | Stage 2: Lifetime not credit impaired | Stage 3:Lifetime credit impaired | Total |
|---|---|---|---|---|---|
| 1 - High Grade (1-5) | 1%-10% | 73,490,959 | - | - | **73,490,959** |
| 2 - Standard (6) | >11% | - | 5,034,913 | - | **5,034,913** |
| 3 - Sub Standard (7) | >11% | - | 644 | 515 | **1,159** |
| 4 - Non - Performing Loans (8-10) | 100% | - | - | 968,535 | **968,535** |
| **Total** | | **73,490,959** | **5,035,557** | **969,050** | **79,495,566** |

**By Internal Rating Dec 2023**
**Expected credit losses divided by internal classification:**

| Corporate and Business Banking: | PD Range | Stage 1: 12 month | Stage 2: Lifetime not credit impaired | Stage 3:Lifetime credit impaired | Total |
|---|---|---|---|---|---|
| 1 - High Grade (1-5) | 1%-12% | 3,513,490 | 4,535,215 | - | **8,048,705** |
| 2 - Standard (6) | 12%-21% | 896,817 | 9,607,743 | - | **10,504,560** |
| 3 - Sub Standard (7) | 21%-37% | - | 739,929 | 16,517 | **756,446** |
| 4 - Non - Performing Loans (8-10) | 100% | - | - | 7,684,731 | **7,684,731** |
| **Total** | | **4,410,307** | **14,882,887** | **7,701,248** | **26,994,442** |

| Individual Loans: | PD Range | Stage 1: 12 month | Stage 2: Lifetime not credit impaired | Stage 3:Lifetime credit impaired | Total |
|---|---|---|---|---|---|
| 1 - High Grade (1-5) | 1% - 10% | 1,551,112 | - | - | **1,551,112** |
| 2 - Standard (6) | 11% < | - | 205,544 | - | **205,544** |
| 3 - Sub Standard (7) | 11% < | - | 84 | - | **84** |
| 4 - Non - Performing Loans (8-10) | 100% | - | - | 486,555 | **486,555** |
| **Total** | | **1,551,112** | **205,628** | **486,555** | **2,243,295** |

**The total balances of loans and facilities divided according to the internal classification:**

| Corporate and Business Banking: | PD Range | Stage 1: 12 month | Stage 2: Lifetime not credit impaired | Stage 3:Lifetime credit impaired | Total |
|---|---|---|---|---|---|
| 1 - High Grade (1-5) | 1%-12% | 117,477,290 | 46,809,570 | - | **164,286,860** |
| 2 - Standard (6) | 12%-21% | 11,677,875 | 20,062,699 | - | **31,740,574** |
| 3 - Sub Standard (7) | 21%-37% | - | 1,472,230 | 46,604 | **1,518,834** |
| 4 - Non - Performing Loans (8-10) | 100% | - | - | 8,702,798 | **8,702,798** |
| **Total** | | **129,155,165** | **68,344,499** | **8,749,402** | **206,249,066** |

| Individual Loans: | PD Range | Stage 1: 12 month | Stage 2: Lifetime not credit impaired | Stage 3:Lifetime credit impaired | Total |
|---|---|---|---|---|---|
| 1 - High Grade (1-5) | 1% - 10% | 53,641,448 | - | - | **53,641,448** |
| 2 - Standard (6) | 11% < | - | 5,608,073 | - | **5,608,073** |
| 3 - Sub Standard (7) | 11% < | - | 38,677 | 207 | **38,884** |
| 4 - Non - Performing Loans (8-10) | 100% | - | - | 837,927 | **837,927** |
| **Total** | | **53,641,448** | **5,646,750** | **838,134** | **60,126,332** |

(All amounts are shown in EGP thousands)

**The table below displays ECL changes within 12 months resulting from the following factors:**

**Dec.31, 2024**

| **Due from banks** | Stage 1<br>12 months | Stage 2<br>Life time | Stage 3<br>Life time | Total |
|---|---|---|---|---|
| Beginning balance | 2,158 | - | - | 2,158 |
| Released/charged during the year | (341) | - | - | (341) |
| Transferred to stage 1 | - | - | - | - |
| Transferred to stage 2 | - | - | - | - |
| Transferred to stage 3 | - | - | - | - |
| Write off during the year | - | - | - | - |
| Cumulative foreign currencies translation differences | 2,008 | - | - | 2,008 |
| **Ending balance** | 3,825 | - | - | 3,825 |

| **Individual Loans:** | Stage 1<br>12 months | Stage 2<br>Life time | Stage 3<br>Life time | Total |
|---|---|---|---|---|
| Beginning balance | 1,551,112 | 205,628 | 486,555 | 2,243,295 |
| Released/charged during the year | 1,350,495 | (40,591) | 378,579 | 1,688,483 |
| Write off during the year | - | - | (264,191) | (264,191) |
| Recoveries | - | - | 157,682 | 157,682 |
| **Ending balance** | 2,901,607 | 165,037 | 758,625 | 3,825,269 |

| **Corporate and Business Banking:** | Stage 1<br>12 months | Stage 2<br>Life time | Stage 3<br>Life time | Total |
|---|---|---|---|---|
| Beginning balance | 4,410,307 | 14,882,887 | 7,701,248 | 26,994,442 |
| Released/charged during the year | 2,863,662 | 960,600 | (876,043) | 2,948,219 |
| Transferred to stage 1 | 197,123 | (197,123) | - | - |
| Transferred to stage 2 | (280,051) | 2,185,566 | (1,905,515) | - |
| Transferred to stage 3 | (30,105) | (875,843) | 905,948 | - |
| ECL Transfer to Other provisions | - | - | (1,276,440) | (1,276,440) |
| Recoveries | - | - | 710,589 | 710,589 |
| Write off during the year | - | - | (248,830) | (248,830) |
| Cumulative foreign currencies translation differences | 220,578 | 7,629,904 | 4,677,831 | 12,528,313 |
| **Ending balance** | 7,381,514 | 24,585,991 | 9,688,788 | 41,656,293 |

| **Debt Instruments at Fair value through OCI** | Stage 1<br>12 months | Stage 2<br>Life time | Stage 3<br>Life time | Total |
|---|---|---|---|---|
| Beginning balance | 2,868,271 | - | - | 2,868,271 |
| Released/charged during the year | (407,135) | 14,179 | - | (392,956) |
| Transferred to stage 1 | - | - | - | - |
| Transferred to stage 2 | (846) | 846 | - | - |
| Transferred to stage 3 | - | - | - | - |
| Write off during the year | - | - | - | - |
| Cumulative foreign currencies translation differences | 1,329,905 | - | - | 1,329,905 |
| **Ending balance** | 3,790,195 | 15,025 | - | 3,805,220 |

| **Debt Instruments at amortized cost** | Stage 1<br>12 months | Stage 2<br>Life time | Stage 3<br>Life time | Total |
|---|---|---|---|---|
| Beginning balance | 198,469 | - | - | 198,469 |
| Released/charged during the year | 149,009 | - | - | 149,009 |
| Transferred to stage 1 | - | - | - | - |
| Transferred to stage 2 | - | - | - | - |
| Transferred to stage 3 | - | - | - | - |
| Write off during the year | - | - | - | - |
| Cumulative foreign currencies translation differences | 119,504 | - | - | 119,504 |
| **Ending balance** | 466,982 | - | - | 466,982 |

(All amounts are shown in EGP thousands)

**The table below displays ECL changes within 12 months resulting from the following factors:**

**Dec.31, 2023**

| **Due from banks** | **Stage 1** 12 months | **Stage 2** Life time | **Stage 3** Life time | **Total** |
|---|---|---|---|---|
| ECL on 1 January 2023 | 38,884 | 10,508 | - | 49,392 |
| Released/charged during the year | (36,726) | (10,508) | - | (47,234) |
| Transferred to stage 1 | - | - | - | - |
| Transferred to stage 2 | - | - | - | - |
| Transferred to stage 3 | - | - | - | - |
| Write off during the year | - | - | - | - |
| Cumulative foreign currencies translation differences | - | - | - | - |
| **Ending balance** | 2,158 | - | - | 2,158 |

| **Individual Loans:** | **Stage 1** 12 months | **Stage 2** Life time | **Stage 3** Life time | **Total** |
|---|---|---|---|---|
| ECL on 1 January 2023 | 1,024,932 | 171,725 | 397,479 | 1,594,136 |
| Impairment during the year | 526,180 | 33,903 | 204,891 | 764,974 |
| Write off during the year | - | - | (241,414) | (241,414) |
| Recoveries | - | - | 125,599 | 125,599 |
| **Ending balance** | 1,551,112 | 205,628 | 486,555 | 2,243,295 |

| **Corporate and Business Banking:** | **Stage 1** 12 months | **Stage 2** Life time | **Stage 3** Life time | **Total** |
|---|---|---|---|---|
| ECL on 1 January 2023 | 2,631,413 | 11,053,147 | 9,258,016 | 22,942,576 |
| Released/charged during the year | 1,670,168 | 1,182,352 | (1,296,705) | 1,555,815 |
| Transferred to stage 1 | 148,230 | (148,230) | - | - |
| Transferred to stage 2 | (70,107) | 328,769 | (258,662) | - |
| Transferred to stage 3 | (33,076) | (7,716) | 40,792 | - |
| Recoveries | - | - | 51,666 | 51,666 |
| Write off during the year | - | - | (2,236,815) | (2,236,815) |
| Cumulative foreign currencies translation differences | 63,679 | 2,474,565 | 2,142,956 | 4,681,200 |
| **Ending balance** | 4,410,307 | 14,882,887 | 7,701,248 | 26,994,442 |

| **Debt Instruments at Fair value through OCI** | **Stage 1** 12 months | **Stage 2** Life time | **Stage 3** Life time | **Total** |
|---|---|---|---|---|
| ECL on 1 January 2023 | 979,945 | - | - | 979,945 |
| Released/charged during the year | 1,886,423 | - | - | 1,886,423 |
| Transferred to stage 1 | - | - | - | - |
| Transferred to stage 2 | - | - | - | - |
| Transferred to stage 3 | - | - | - | - |
| Write off during the year | - | - | - | - |
| Cumulative foreign currencies translation differences | 1,903 | - | - | 1,903 |
| **Ending balance** | 2,868,271 | - | - | 2,868,271 |

| **Debt Instruments at amortized cost** | **Stage 1** 12 months | **Stage 2** Life time | **Stage 3** Life time | **Total** |
|---|---|---|---|---|
| ECL on 1 January 2023 | 78,837 | - | - | 78,837 |
| Released/charged during the year | 119,025 | - | - | 119,025 |
| Transferred to stage 1 | - | - | - | - |
| Transferred to stage 2 | - | - | - | - |
| Transferred to stage 3 | - | - | - | - |
| Write off during the year | - | - | - | - |
| Cumulative foreign currencies translation differences | 607 | - | - | 607 |
| **Ending balance** | 198,469 | - | - | 198,469 |

(All amounts are shown in EGP thousands)

## 17 . Derivative financial instruments

### 17.1 Derivatives

The Bank uses the following financial derivatives for hedging purposes and non hedging purposes.
Forward contracts represent commitments to buy foreign and local currencies including unexecuted spot transactions. Future contracts for foreign currencies and/or interest rates represent contractual commitments to receive or pay net on the basis of changes in foreign exchange rates or interest rates, and/or to buy/sell foreign currencies or financial instruments in a future date with a fixed contractual price under active financial market.

Credit risk is considered low, and future interest rate contract represents future exchange rate contracts negotiated for case by case, These contracts require financial settlements of any differences in contractual interest rates and prevailing market interest rates on future interest rates on future dates based on contractual amount (nominal value) pre agreed upon.

Foreign exchange and/or interest rate swap represents commitments to exchange cash flows, resulting from these contracts are exchange of currencies or interest (fixed rate versus variable rate for example) or both (meaning foreign exchange and interest rate contracts).

Contractual amounts are not exchanged except for some foreign exchange contracts.

Credit risk is represented in the expected cost of foreign exchange contracts that takes place if other parties default to fulfill their liabilities. This risk is monitored continuously through comparisons of fair value and contractual amount, and in order to control the outstanding credit risk, the Bank evaluates other parties using the same methods as in borrowing activities.

Options contracts in foreign currencies and/or interest rates represent contractual agreements for the buyer (issuer) to the seller (holders) as a right not an obligation whether to buy (buy option) or sell (sell option) at a certain day or within certain year for a predetermined amount in foreign currency or interest rate. Options contracts are either traded in the market or negotiated between The Bank and one of its clients (OTC). The Bank is exposed to credit risk for purchased options contracts only and in the line of its book cost which represent its fair value.

The contractual value for some derivatives options is considered a base to analyze the realized financial instruments on the balance sheet, but it doesn’t provide an indicator for the projected cash flows of the fair value for current instruments, and those amounts don’t reflects credit risk or interest rate risk.

Derivatives in the Bank's benefit that are classified as (assets) are conversely considered (liabilities) as a result of the changes in foreign exchange prices or interest rates related to these derivatives. Contractual / expected total amounts of financial derivatives can fluctuate from time to time as well as the range through which the financial derivatives can be in benefit for the Bank or conversely against its benefit and the total fair value of the financial derivatives in assets and liabilities. Hereunder are the fair values of the booked financial derivatives:

#### 17.1.1 For trading derivatives

| | Dec.31, 2024 | | | Dec.31, 2023 | | |
|---|---|---|---|---|---|---|
| | **Notional amount** | **Assets** | **Liabilities** | Notional amount | Assets | Liabilities |
| **Foreign currencies derivatives** | | | | | | |
| - Forward foreign exchange contracts | **2,504,361** | **25,118** | **24,029** | **4,491,601** | 578,528 | 37,765 |
| - Swap deals | **31,493,338** | **266** | **16,637** | **74,891,979** | 49,037 | 8,151 |
| **Total (1)** | | **25,384** | **40,666** | | 627,565 | 45,916 |
| **17.1.2 Fair value hedge** | | | | | | |
| -Interest rate derivatives | **28,215,534** | **111,707** | **59,905** | **15,446,550** | 40,482 | 95,018 |
| **Total (2)** | | **111,707** | **59,905** | | 40,482 | 95,018 |
| **17.1.3 Cash flow hedge** | | | | | | |
| Cash flow hedge | **21,567,522** | **682,620** | **-** | **3,089,310** | 437,101 | - |
| **Total (3)** | | **682,620** | **-** | | 437,101 | - |
| **Total financial derivatives (1+2+3)** | | **819,711** | **100,571** | | 1,105,148 | 140,934 |

## 18 . Issued debt instruments

| | Interest rate | Dec.31, 2024 | Dec.31, 2023 |
|---|---|---|---|
| **Fixed rate bonds with 5 years maturity** | | | |
| Green bonds (USD) | Fixed rate | **5,067,781** | 3,073,349 |
| **Total** | | **5,067,781** | 3,073,349 |
| Non current balances | | **5,067,781** | 3,073,349 |

(All amounts are shown in EGP thousands)

## 19. Financial Investments

**Dec. 31, 2024**

**The following tables provide analysis of financial investment balances by rating agencies at the end of the year:**

| | Stage 1: 12 month | Stage 2: Lifetime not credit impaired | Stage 3:Lifetime credit impaired | Total |
|---|---|---|---|---|
| **Debt investment securities at amortized cost** | | | | |
| AAA to AA+ | - | - | - | - |
| AA to AA- | - | - | - | - |
| A+ to A- | - | - | - | - |
| Less than A- | 168,118,219 | - | - | 168,118,219 |
| Not rated | - | - | - | - |
| **Total** | 168,118,219 | - | - | 168,118,219 |

| **Debt investment securities at FVOCI** | Stage 1: 12 months | Stage 2: Life time | Stage 3: Life time | Total |
|---|---|---|---|---|
| AAA to AA+ | 13,289,883 | - | - | 13,289,883 |
| AA to AA- | 1,898,512 | - | - | 1,898,512 |
| A+ to A- | 1,215,276 | - | - | 1,215,276 |
| Less than A- | 115,395,111 | 5,096,905 | - | 120,492,016 |
| Not rated | - | - | - | - |
| **Total** | 131,798,782 | 5,096,905 | - | 136,895,687 |

**The following table displays analysis of expected credit losses on financial investments by rating agencies at the end of the year:**

| | Stage 1: 12 month | Stage 2: Lifetime not credit impaired | Stage 3:Lifetime credit impaired | Total |
|---|---|---|---|---|
| **Debt investment securities at amortized cost** | | | | |
| AAA to AA+ | - | - | - | - |
| AA to AA- | - | - | - | - |
| A+ to A- | - | - | - | - |
| Less than A- | 466,982 | - | - | 466,982 |
| Not rated | - | - | - | - |
| **Total** | 466,982 | - | - | 466,982 |

| **Debt investment securities at FVOCI** | Stage 1: Expected credit losses over 12 months | Stage 2: Expected credit losses over a lifetime that is not creditworthy | Stage 3: Expected credit losses over a lifetime credit default | Total |
|---|---|---|---|---|
| AAA to AA+ | - | - | - | - |
| AA to AA- | - | - | - | - |
| A+ to A- | - | - | - | - |
| Less than A- | 3,790,195 | 15,025 | - | 3,805,220 |
| Not rated | - | - | - | - |
| **Total** | 3,790,195 | 15,025 | - | 3,805,220 |

(All amounts are shown in EGP thousands)

**The following tables provide analysis of financial investment balances by rating agencies at the end of the year:**

| Dec. 31, 2023 | Stage 1: 12 month | Stage 2: Lifetime not credit impaired | Stage 3:Lifetime credit impaired | Total |
|---|---|---|---|---|
| **Debt investment securities at amortized cost** | | | | |
| AAA to AA+ | - | - | - | - |
| AA to AA- | - | - | - | - |
| A+ to A- | - | - | - | - |
| Less than A- | 38,341,019 | - | - | **38,341,019** |
| Not rated | - | - | - | - |
| **Total** | **38,341,019** | **-** | **-** | **38,341,019** |
| **Debt investment securities at FVOCI** | | | | |
| AAA to AA+ | - | - | - | - |
| AA to AA- | - | - | - | - |
| A+ to A- | - | - | - | - |
| Less than A- | 232,167,606 | - | - | **232,167,606** |
| Not rated | - | - | - | - |
| **Total** | **232,167,606** | **-** | **-** | **232,167,606** |

**The following table displays analysis of expected credit losses on financial investments by rating agencies at the end of the year:**

| | Stage 1: 12 month | Stage 2: Lifetime not credit impaired | Stage 3:Lifetime credit impaired | Total |
|---|---|---|---|---|
| **Debt investment securities at amortized cost** | | | | |
| AAA to AA+ | - | - | - | - |
| AA to AA- | - | - | - | - |
| A+ to A- | - | - | - | - |
| Less than A- | 198,469 | - | - | **198,469** |
| Not rated | - | - | - | - |
| **Total** | **198,469** | **-** | **-** | **198,469** |
| **Debt investment securities at FVOCI** | | | | |
| AAA to AA+ | - | - | - | - |
| AA to AA- | - | - | - | - |
| A+ to A- | - | - | - | - |
| Less than A- | 2,868,271 | - | - | **2,868,271** |
| Not rated | - | - | - | - |
| **Total** | **2,868,271** | **-** | **-** | **2,868,271** |

## Movement of financial investment securities:

| | Financial Assets at fair value through OCI | Financial Assets at Amortized cost | Financial Assets at fair value through profit or loss |
|---|---|---|---|
| Beginning balance | 208,144,247 | 34,524,760 | 247,324 |
| Addition | 129,073,519 | 9,290,232 | - |
| Disposals | (102,763,650) | (6,125,452) | - |
| Profit (losses) from fair value difference | (5,814,834) | - | 59,051 |
| Exchange revaluation differences for foreign financial assets | 4,790,954 | 651,479 | - |
| **Ending Balance as of Dec.31, 2023** | 233,430,236 | 38,341,019 | 306,375 |

| | Financial Assets at fair value through OCI | Financial Assets at Amortized cost | Financial Assets at fair value through profit or loss |
|---|---|---|---|
| Beginning balance | 233,430,236 | 38,341,019 | 306,375 |
| Addition | 113,445,585 | 129,153,136 | - |
| Disposals | (140,381,225) | (2,028,180) | - |
| Profit (losses) from fair value difference | 9,826,570 | - | 74,394 |
| Exchange revaluation differences for foreign financial assets | 18,373,800 | 2,652,244 | - |
| **Ending Balance as of Dec.31, 2024** | **234,694,966** | **168,118,219** | **380,769** |

(All amounts are shown in EGP thousands)

## Financial Investment securities

| | Dec.31, 2024 | | | |
|---|---|---|---|---|
| **Investments listed in the market** | Financial Assets at fair value through profit or loss | Financial Assets at fair value through OCI | Financial Assets at Amortized cost | Total |
| Governmental bonds | - | 115,572,026 | 164,936,822 | 280,508,848 |
| Securitized and other bonds | - | 25,955,015 | 2,015,953 | 27,970,968 |
| Equity shares of other entities | - | 159,066 | - | 159,066 |
| Treasury bills | - | - | 56,047 | 56,047 |
| Sukuk | - | 1,693,833 | - | 1,693,833 |
| **Investments not listed in the market** | | | | |
| Treasury bills | - | 89,137,583 | - | 89,137,583 |
| Securitized bonds | - | 1,163,813 | 1,109,397 | 2,273,210 |
| Equity shares of other entities | - | 1,013,630 | - | 1,013,630 |
| Funds | 380,769 | - | - | 380,769 |
| **Total** | 380,769 | 234,694,966 | 168,118,219 | 403,193,954 |

| | Dec.31, 2023 | | | |
|---|---|---|---|---|
| | Financial Assets at fair value through profit or loss | Financial Assets at fair value through OCI | Financial Assets at Amortized cost | Total |
| **Listed** | | | | |
| Governmental bonds | - | 87,442,849 | 37,905,528 | 125,348,377 |
| Securitized and other bonds | - | 26,535,662 | 363,647 | 26,899,309 |
| Equity shares of other entities | - | 121,184 | - | 121,184 |
| Sukuk | - | 874,218 | - | 874,218 |
| **Unlisted** | | | | |
| Treasury bills and other governmental notes | - | 114,015,080 | - | 114,015,080 |
| Securitized bonds | - | 3,299,797 | 71,844 | 3,371,641 |
| Equity shares of other entities | - | 1,141,446 | - | 1,141,446 |
| Funds | 306,375 | - | - | 306,375 |
| **Total** | 306,375 | 233,430,236 | 38,341,019 | 272,077,630 |

**Disclosure and measurement of financial assets and financial liabilities:**

The following table shows the financial assets and the net financial commitments according to the business model classification:

| Dec.31, 2024 | Amortized cost | Debt financial Assets at Fair value through OCI | Equity financial Assets at Fair value through OCI | Financial Assets/Liabilities at Fair value through P&L | Total book value |
|---|---|---|---|---|---|
| Cash and balances with central bank | 136,531,020 | - | - | - | 136,531,020 |
| Due from banks | 270,829,834 | - | - | - | 270,829,834 |
| Treasury bills | 56,047 | 89,137,583 | - | - | 89,193,630 |
| Loans and advances to customers, net | 343,542,674 | - | - | - | 343,542,674 |
| Derivative financial instruments | - | - | - | 819,711 | 819,711 |
| Financial Assets at Fair value through OCI | - | 144,384,687 | 1,172,696 | - | 145,557,383 |
| Financial Assets at Amortized cost | 168,062,172 | - | - | - | 168,062,172 |
| Financial Assets at Fair value through P&L | - | - | - | 380,769 | 380,769 |
| **Total financial assets** | 919,021,747 | 233,522,270 | 1,172,696 | 1,200,480 | 1,154,917,193 |
| Due to banks | 2,034,885 | - | - | - | 2,034,885 |
| Due to customers | 972,595,958 | - | - | - | 972,595,958 |
| Derivative financial instruments | - | - | - | 100,571 | 100,571 |
| Other loans | 23,962,389 | - | - | - | 23,962,389 |
| Issued debt instruments | 5,067,781 | - | - | - | 5,067,781 |
| **Total financial liabilities** | 1,003,661,013 | - | - | 100,571 | 1,003,761,584 |

| Dec.31, 2023 | Amortized cost | Debt financial Assets at Fair value through OCI | Equity financial Assets at Fair value through OCI | Financial Assets/Liabilities at Fair value through P&L | Total book value |
|---|---|---|---|---|---|
| Cash and balances with central bank | 71,887,821 | - | - | - | 71,887,821 |
| Due from banks | 231,085,244 | - | - | - | 231,085,244 |
| Treasury bills and other governmental notes | - | 114,015,080 | - | - | 114,015,080 |
| Loans and advances to customers, net | 234,985,936 | - | - | - | 234,985,936 |
| Derivative financial instruments | - | - | - | 1,105,148 | 1,105,148 |
| Financial Assets at Fair value through OCI | - | 118,152,526 | 1,262,630 | - | 119,415,156 |
| Financial Assets at Amortized cost | 38,341,019 | - | - | - | 38,341,019 |
| Financial Assets at Fair value through P&L | - | - | - | 306,375 | 306,375 |
| **Total financial assets** | 576,300,020 | 232,167,606 | 1,262,630 | 1,411,523 | 811,141,779 |
| Due to banks | 12,458,003 | - | - | - | 12,458,003 |
| Due to customers | 677,237,479 | - | - | - | 677,237,479 |
| Derivative financial instruments | - | - | - | 140,934 | 140,934 |
| Other loans | 12,483,907 | - | - | - | 12,483,907 |
| Issued debt instruments | 3,073,349 | - | - | - | 3,073,349 |
| **Total financial liabilities** | 705,252,738 | - | - | 140,934 | 705,393,672 |

(All amounts are shown in EGP thousands)

## 20 . Gain on investments

| | Dec.31, 2024 | Dec.31, 2023 |
|---|---|---|
| Profit from selling FVOCI | 459,337 | 205,344 |
| Profit from selling shares of associates | - | 7,466 |
| Released (Impairment) for invesment in associates* | - | 9,000 |
| **Total** | 459,337 | 221,810 |

* Due to selling of the company (International Co. for Security and Services)

## 21 . Investments in associates

| **Dec.31, 2024** | **Business activity** | **Company's country** | **Company's current assets** | **Company's non current assets** | **Company's current liabilities** | **Company's non current liabilities** | **Company's revenues** | **Company's net profit (loss)** | **Investment book value** | **Stake %** |
|---|---|---|---|---|---|---|---|---|---|---|
| **Associates** | | | | | | | | | | |
| - TCA Properties | **Properties** | **Egypt** | **49,817** | **1,481,946** | **936,244** | **522,669** | **68,725** | **(72,560)** | **62,512** | **37.00** |
| - Al ahly computer | **Hardware & Software supplier** | **Egypt** | **83,747** | **4,078** | **45,680** | **2,181** | **124,562** | **10,502** | **35,681** | **39.33** |
| **Total** | | | **133,564** | **1,486,024** | **981,924** | **524,850** | **193,287** | **(62,058)** | **98,193** | |

| Dec.31, 2023 | Business activity | Company's country | Company's current assets | Company's non current assets | Company's current liabilities | Company's non current liabilities | Company's revenues | Company's net profit (loss) | Investment book value | Stake % |
|---|---|---|---|---|---|---|---|---|---|---|
| - TCA Properties | Properties | Egypt | 25,955 | 1,482,391 | 632,953 | 731,736 | 56,196 | (89,746) | 88,711 | 37.00 |
| - Al ahly computer | Hardware & Software supplier | Egypt | 20,437 | 9,594 | 30,620 | - | 48,038 | (20,097) | 27,268 | 39.33 |
| **Total** | | | 46,392 | 1,491,985 | 663,573 | 731,736 | 104,234 | (109,843) | 115,979 | |

## 22 . Other assets

| | Dec.31, 2024 | Dec.31, 2023 |
|---|---|---|
| Accrued revenues* | 35,151,259 | 13,018,038 |
| Prepaid expenses | 1,572,181 | 783,602 |
| Advances to purchase fixed assets | 5,367,781 | 1,906,547 |
| Accounts receivable and other assets (after deducting the provision)** | 2,150,743 | 3,044,238 |
| Assets acquired as settlement of debts | 40,809 | 49,019 |
| **Total** | 44,282,773 | 18,801,444 |

* Accrued revenues includes interest accrued on the loans and advances to customers amounting to EGP 4,593 million against EGP 2,479 million in 2023 , financial assets at amortised cost amounting to EGP 23,919 million against EGP 2,397 million in 2023, financial assets at fair value through OCI amounting to EGP 5,702 million against EGP 7,194 million in 2023.

** A provision of EGP 12 million has been released and A provision of EGP 50 million has been charged.

(All amounts are shown in EGP thousands)

## 23 . Property and equipment

| | Land | Premises | IT | Vehicles | Fitting -out | Machines and equipment | Furniture and furnishing | Total |
|---|---|---|---|---|---|---|---|---|
| **Cost at Jan 01, 2023 (1)** | 229,669 | 1,233,310 | 3,538,692 | 193,875 | 1,004,226 | 943,941 | 161,246 | **7,304,959** |
| Additions during the year | - | 3,727 | 1,054,355 | 31,313 | 14,023 | 14,677 | 3,772 | **1,121,867** |
| Disposals during the year | - | (4,650) | (18,978) | - | - | (18,557) | (2,450) | **(44,635)** |
| **Cost at end of the year (2)** | **229,669** | **1,232,387** | **4,574,069** | **225,188** | **1,018,249** | **940,061** | **162,568** | **8,382,191** |
| **Accumulated depreciation at beginning of the year (3)** | - | 564,587 | 2,628,760 | 81,470 | 815,287 | 689,216 | 120,205 | **4,899,525** |
| Current year depreciation | - | 32,217 | 573,020 | 10,610 | 100,507 | 59,744 | 12,111 | **788,209** |
| Disposals during the year | - | (4,650) | (18,978) | - | - | (18,557) | (2,450) | **(44,635)** |
| **Accumulated depreciation at end of the year (4)** | **-** | **592,154** | **3,182,802** | **92,080** | **915,794** | **730,403** | **129,866** | **5,643,099** |
| **Ending net assets (2-4)** | **229,669** | **640,233** | **1,391,267** | **133,108** | **102,455** | **209,658** | **32,702** | **2,739,092** |
| **Beginning net assets (1-3)** | **229,669** | **668,723** | **909,932** | **112,405** | **188,939** | **254,725** | **41,041** | **2,405,434** |

| | Land | Premises | IT | Vehicles | Fitting -out | Machines and equipment | Furniture and furnishing | Total |
|---|---|---|---|---|---|---|---|---|
| **Cost at Jan 01, 2024 (1)** | 229,669 | 1,232,387 | 4,574,069 | 225,188 | 1,018,249 | 940,061 | 162,568 | **8,382,191** |
| Additions during the year | - | 208,360 | 1,424,428 | 19,824 | 287,183 | 360,141 | 37,314 | **2,337,250** |
| Disposals during the year | - | (22,230) | (30,432) | - | (31,011) | (20,486) | (2,527) | **(106,686)** |
| **Cost at end of the year (2)** | **229,669** | **1,418,517** | **5,968,065** | **245,012** | **1,274,421** | **1,279,716** | **197,355** | **10,612,755** |
| **Accumulated depreciation at beginning of the year (3)** | - | 592,154 | 3,182,802 | 92,080 | 915,794 | 730,403 | 129,866 | **5,643,099** |
| Depreciation for the year | - | 58,226 | 774,418 | 758 | 97,761 | 129,990 | 17,260 | **1,078,413** |
| Disposals during the year | - | (22,230) | (30,432) | - | (31,011) | (20,486) | (2,527) | **(106,686)** |
| **Accumulated depreciation at end of the year (4)** | **-** | **628,150** | **3,926,788** | **92,838** | **982,544** | **839,907** | **144,599** | **6,614,826** |
| **Ending net assets (2-4)** | **229,669** | **790,367** | **2,041,277** | **152,174** | **291,877** | **439,809** | **52,756** | **3,997,929** |
| **Beginning net assets (1-3)** | **229,669** | **640,233** | **1,391,267** | **133,108** | **102,455** | **209,658** | **32,702** | **2,739,092** |

| Right of Use | Premises | Machines and equipment | Total |
|---|---|---|---|
| | | **Dec.31, 2024** | |
| **Balance as at Jan.1, 2024** | **708,407** | **21,416** | **729,823** |
| Net depreciation during the year | **(323,737)** | **(12,770)** | **(336,507)** |
| Net Additions (Disposals) | **898,897** | **9,637** | **908,534** |
| **Balance as at 31 December 2024** | **1,283,567** | **18,283** | **1,301,850** |
| | | **Dec.31, 2023** | |
| Balance as at 1 Jan 2023 | 1,132,429 | 593,653 | 1,726,082 |
| Net depreciation during the year | (217,185) | (20,102) | (237,287) |
| Net Additions (Disposals) | (206,837) | (552,135) | (758,972) |
| **Balance as at 31 December 2023** | **708,407** | **21,416** | **729,823** |

| Leases Liability | Dec.31, 2024 | Dec.31, 2023 |
|---|---|---|
| | Lease Liability | Lease Liability |
| Non current lease liability | 1,081,892 | 478,045 |
| Current lease liability | 343,712 | 196,372 |
| **Balances at the end of the year** | **1,425,604** | **674,417** |

**General Conditions:**

It is important to note that the Bank's two main leasing contracts include lease contracts for Machines and equipment and lease contracts for premises.

- The average contract period for the Machines and equipment that have been leased by the Bank as of 2024 is 5 years with a discount rate of 15.4%.
- As regards to the Banks leased premises, they have a contractual lifetime, which varies between 3 to 20 years, also with a discount rate of 15.4%.
- The discount rate is the Bank's borrowing rate.

(All amounts are shown in EGP thousands)

## 24 . Due to banks

| | Dec.31, 2024 | Dec.31, 2023 |
|---|---|---|
| Current accounts | **1,278,912** | 2,308,193 |
| Deposits | **755,973** | 10,149,810 |
| **Total** | **2,034,885** | 12,458,003 |
| Central banks | **714,368** | 618,597 |
| Local banks | **43,832** | 16,626 |
| Foreign banks | **1,276,685** | 11,822,780 |
| **Total** | **2,034,885** | 12,458,003 |
| Non-interest bearing balances | **1,278,912** | 1,976,181 |
| Floating bearing interest balances | **679,715** | 553,295 |
| Fixed interest bearing balances | **76,258** | 9,928,527 |
| **Total** | **2,034,885** | 12,458,003 |
| Current balances | **2,034,885** | 12,458,003 |

## 25 . Due to customers

| | Dec.31, 2024 | Dec.31, 2023 |
|---|---|---|
| Demand deposits | **368,893,515** | 255,597,422 |
| Time deposits | **195,085,589** | 117,608,870 |
| Certificates of deposit | **234,726,375** | 188,832,842 |
| Saving deposits | **164,587,739** | 107,598,758 |
| Other deposits | **9,302,740** | 7,599,587 |
| **Total** | **972,595,958** | 677,237,479 |
| Corporate deposits | **432,276,949** | 306,678,764 |
| Individual deposits | **540,319,009** | 370,558,715 |
| **Total** | **972,595,958** | 677,237,479 |
| Non-interest bearing balances | **162,580,633** | 121,939,696 |
| Floating interest bearing balances | **9,714,973** | 5,930,188 |
| Fixed interest bearing balances | **800,300,352** | 549,367,595 |
| **Total** | **972,595,958** | 677,237,479 |
| Current balances | **733,056,112** | 483,660,140 |
| Non-current balances | **239,539,846** | 193,577,339 |
| **Total** | **972,595,958** | 677,237,479 |

(All amounts are shown in EGP thousands)

## 26 . Other loans

| | Interest rate % | Loan duration | Maturing through next year | Balance on Dec.31, 2024 | Balance on Dec.31, 2023 |
|---|---|---|---|---|---|
| British International Investment subordinated loan | Floating rate | 10 years | - | **4,791,371** | 2,879,244 |
| European Bank for Reconstruction and Development (EBRD) | Floating rate | 5 years | - | **503,546** | - |
| International Finance Corporation (IFC) | Floating rate | 5 years | - | **2,501,995** | - |
| Environmental Compliance Project (ECO) | Fixed rate | 5 years | **210** | **210** | 525 |
| Agricultural Research and Development Fund (ARDF) | Fixed rate | 1-3 years | **150,201** | **197,827** | 200,619 |
| Egyptian Pollution Abatement Program (EPAP) | Floating / Fixed rate | 1-6 years | **238,365** | **847,345** | 224,793 |
| European Bank for Reconstruction and Development (EBRD) subordinated Loan | Floating rate | 10 years | - | **7,559,094** | 4,588,784 |
| International Finance Corporation (IFC) subordinated Loan | Floating rate | 10 years | - | **7,561,001** | 4,589,942 |
| **Total** | | | **388,776** | **23,962,389** | **12,483,907** |

Interest rates on variable-interest subordinated loans are determined in advance every 3 months.

## 27 . Other liabilities

| | Dec.31, 2024 | Dec.31, 2023 |
|---|---|---|
| Accrued interest payable* | **3,854,584** | 3,807,422 |
| Accrued expenses | **4,449,298** | 2,554,726 |
| Accounts payable | **18,550,315** | 14,426,645 |
| Repos** | **563,568** | 611,377 |
| Other credit balances | **307,804** | 537,282 |
| **Total** | **27,725,569** | **21,937,452** |

* Accrued interest payable includes interest accrued on the dues to customers amounting to EGP 3,427 million against EGP 3,454 million in 2023, other loans amounting to EGP 90 million against EGP 42 million in 2023.

** Treasury bills Repos: EGP 564 million against EGP 611 million in 2023.

## 28 . Provisions

| **Dec.31, 2024** | **Beginning balance** | **Net charged / released during the year** | **Exchange revaluation difference** | **Net utilized / recovered during the year** | **Ending balance** |
|---|---|---|---|---|---|
| **Provision for legal claims** | **7,246** | **108,738** | **3,596** | **(232)** | **119,348** |
| **ECL for off-balance sheet items** | **10,670,796** | **877,489** | **4,058,066** | **-** | **15,606,351** |
| **Provision for other claim** | **417,954** | **2,377,298** | **112,037** | **(9,354)** | **2,897,935** |
| **Total** | **11,095,996** | **3,363,525** | **4,173,699** | **(9,586)** | **18,623,634** |

| Dec.31, 2023 | Beginning balance | Net charged / released during the year | Exchange revaluation difference | Net utilized / recovered during the year | Ending balance |
|---|---|---|---|---|---|
| Provision for legal claims | 7,456 | 1,400 | 448 | (2,058) | 7,246 |
| ECL for off-balance sheet items | 6,675,942 | 2,817,520 | 1,179,846 | (2,512) | 10,670,796 |
| Provision for other claim | 384,201 | 2,221 | 32,812 | (1,280) | 417,954 |
| Total | 7,067,599 | 2,821,141 | 1,213,106 | (5,850) | 11,095,996 |

**Provision for legal claims:**are recognized when the Bank has present legal obligations as a result of past events; where it is more likely than not that a transfer of economic benefit will be necessary to settle the obligation, and it can be reliably estimated.
**ECL provision for off-balance sheet items:**This is a provision provided for withdrawn amounts of issued Letters of Credit (LCs) and Letters of Guarantee (LGs). The provisions provided are short-term and are rolled over every year.
This provision are recognized when the Bank has present contingent obligations as a result of past events; where it is more likely than not that a transfer of economic benefit will be necessary to settle the obligation, and it can be reliably estimated.
**Provision for other claim:**are recognized to face the potential risk of banking operations obligations as a result of past events; where it is more likely than not that a transfer of economic benefit will be necessary to settle the obligation, and it can be reliably estimated.

## 29 . Issued and paid in capital

| | **Dec.31, 2024** | Dec.31, 2023 |
|---|---|---|
| Authorized capital | 100,000,000 | 100,000,000 |
| Issued and Paid in Capital | 30,431,580 | 30,195,010 |
| Number of shares outstanding in Thousands | 3,043,158 | 3,019,501 |

| | **Dec.31, 2024** **EGP** | Dec.31, 2023 EGP |
|---|---|---|
| Par value per share | 10 | 10 |

- The authorized capital is EGP 100 billion according to the extraordinary general assembly decision on 20 March 2023.
- On June 6, 2024 issued and Paid in Capital increased by an amount of EGP 236,570 thousand to reach EGP 30,431,580 thousand, according to BOD Meeting decision on February 11, 2024, by issuance of 15th tranche for E.S.O.P program.
- On June 8, 2023 issued and Paid in Capital increased by an amount of EGP 204,447 thousand to reach EGP 30,195,010 thousand, according to BOD Meeting decision on January 24 ,2023, by issuance of 14th tranche for E.S.O.P program.
- On January 11, 2023 issued and Paid in Capital increased by an amount of EGP 165,429 thousand to reach EGP 29,990,563 thousand, according to BOD Meeting decision on September 28 ,2022, by issuance of 13th tranche for E.S.O.P program.

(All amounts are shown in EGP thousands)

## 30 . Reserves

| | Dec.31, 2024 | Dec.31, 2023 |
|---|---|---|
| Legal reserve | **6,208,674** | 4,770,354 |
| General reserve | **62,422,792** | 39,840,707 |
| Capital reserve | **22,818** | 21,155 |
| Reserve for transactions under common control | **(670,972)** | (670,972) |
| Cumulative foreign currencies translation differences | **1,137,720** | 148,353 |
| Reserve for financial assets at fair value through OCI | **(7,789,896)** | (17,313,043) |
| General risk reserve | **1,550,906** | 1,550,906 |
| Banking risks reserve | **17,924** | 15,230 |
| **Total** | **62,899,966** | 28,362,690 |

### 30.1 Legal reserve

As required by the Egyptian corporate law 159 of 1981 and the Articles of Association of the Egyptian companies of the Group, 5% of the net profits of the year is transferred to the legal reserve until this reserve reaches 50 % of the issued capital. As required by the Egyptian corporate law 159 of 1981, the reserve may be used upon a decision from the general assembly meeting based on the proposal of the board of directors.

| | Dec.31, 2024 | Dec.31, 2023 |
|---|---|---|
| Beginning balance | **4,770,354** | 3,963,946 |
| Transferred to legal reserve | **1,438,320** | 806,408 |
| **Ending balance** | **6,208,674** | 4,770,354 |

### 30.2 General reserve

As required by the Egyptian corporate law 159 of 1981, the reserve is used upon a decision from the general assembly meeting based on the proposal of the board of directors.

| | Dec.31, 2024 | Dec.31, 2023 |
|---|---|---|
| Beginning balance | **39,840,707** | 27,096,858 |
| Transferred to general reserve | **22,582,085** | 12,743,849 |
| **Ending balance** | **62,422,792** | 39,840,707 |

### 30.3 Capital reserve

Represents sales of Bank Obsolete assets.

| | Dec.31, 2024 | Dec.31, 2023 |
|---|---|---|
| Beginning balance | **21,155** | 18,947 |
| Transferred to capital reserve | **1,663** | 2,208 |
| **Ending balance** | **22,818** | 21,155 |

### 30.4 Cumulative foreign currencies translation differences

| | Dec.31, 2024 | Dec.31, 2023 |
|---|---|---|
| Beginning balance | **148,353** | 181,324 |
| Transferred to cumulative foreign currencies translation | **989,367** | (32,971) |
| **Ending balance** | **1,137,720** | 148,353 |

(All amounts are shown in EGP thousands)

### 30.5 Reserve for FVOCI investments revaluation difference

This reserve records fair value changes on FVOCI investments.

| | Dec.31, 2024 | Dec.31, 2023 |
|---|---|---|
| Beginning balance | **(17,313,043)** | (13,489,279) |
| Transferred to RE from financial assets at fair value through OCI | **(370,224)** | (95,308) |
| Net unrealised gain/(loss) on financial assets at fair value through OCI | **8,956,422** | (5,616,782) |
| Effect of ECL in fair value of debt instruments measured at fair value through OCI | **936,949** | 1,888,326 |
| **Ending balance** | **(7,789,896)** | (17,313,043) |

### 30.6 General risk reserve

Required reserve by Central bank of Egypt to face the impact of applying IFRS9.

| | Dec.31, 2024 | Dec.31, 2023 |
|---|---|---|
| Beginning balance | **1,550,906** | 1,550,906 |
| **Ending balance** | **1,550,906** | 1,550,906 |

### 30.7 Banking risks reserve

Represents 10% of valuation amount for assets acquired as settlement of debt not yet sold after 5 years of ownership.

| | Dec.31, 2024 | Dec.31, 2023 |
|---|---|---|
| Beginning balance | **15,230** | 11,981 |
| Transferred to banking risk reserve | **2,694** | 3,249 |
| **Ending balance** | **17,924** | 15,230 |

### 30.8 Retained earnings

| | Dec.31, 2024 | Dec.31, 2023 |
|---|---|---|
| Beginning balance | **27,334,229** | 15,144,290 |
| Transferred to reserves | **(22,923,057)** | (12,335,726) |
| Dividends paid | **(2,379,819)** | (2,016,159) |
| Net profit of the year | **49,558,744** | 26,541,824 |
| **Ending balance** | **51,590,097** | 27,334,229 |

### 30.9 Reserve for employee stock ownership plan

Represents cost of employees stock ownership plan (ESOP)

| | Dec.31, 2024 | Dec.31, 2023 |
|---|---|---|
| Beginning balance | **1,486,010** | 1,895,435 |
| Transferred to reserves | **(623,125)** | (1,164,242) |
| Cost of employees stock ownership plan (ESOP) | **1,005,350** | 754,817 |
| **Ending balance** | **1,868,235** | 1,486,010 |

### 30.10 Dividends

Dividends are not recognized prior to the approval of their distribution by shareholders at the Annual General Assembly meeting.
The Board of Directors proposes - according to the Bank's Articles of Association - to its shareholders attending the next Annual General Assembly to distribute the following amounts in 2024,
An amount of EGP 5,543 million to its staff in comparison to EGP 2,876 million in 2023
An amount of EGP 150 million to its board of directors compared to EGP 110 million in 2023
An amount of EGP 7,608 million cash dividends in comparison to EGP 1,661 million in 2023
An amount of EGP 831 million to CIB Foundation compared to EGP 431 million in 2023
Employees profit share and board members will be recognized in the statement of changes in shareholders' equity in 2024.
- An amount of EGP 554 million to Support and development of banking sector fund compared to EGP 288 million in 2023

## 31 . Cash and cash equivalent

| | Dec.31, 2024 | Dec.31, 2023 |
|---|---|---|
| Cash and balances at the central bank | **136,531,020** | 71,887,821 |
| Due from banks with maturities of 3 months or less | **203,103,430** | 217,156,599 |
| Treasury bills and other governmental notes with maturities of three months or less | **1,618,665** | 1,293,148 |
| Obligatory reserve balance with CBE | **(114,778,023)** | (64,396,185) |
| **Total** | **226,475,092** | 225,941,383 |

## 32 . Share-based payments

According to the extraordinary general assembly meeting on June 26, 2006, the Bank launched new Employees Share Ownership Plan (ESOP) scheme and issued equity-settled share-based payments. Eligible employees should complete a term of 3 years of service in The Bank to have the right in ordinary shares at face value (right to share) that will be issued on the vesting date,otherwise such grants will be forfeited. Equity-settled share-based payments are measured at fair value at the grant date, and expensed on a straight-line basis over the vesting year (3 years) with corresponding increase in equity based on estimated number of shares that will eventually vest. The fair value for such equity instruments is measured using the Black-Scholes pricing model.

**Details of the rights to share outstanding during the year are as follows:**

| | **Dec.31, 2024**<br>**No. of shares in Thousands** | Dec.31, 2023<br>No. of shares in Thousands |
|---|---|---|
| Outstanding at the beginning of the year | **80,013** | 92,551 |
| Granted during the year | **22,869** | 28,143 |
| Forfeited during the year | **(3,351)** | (3,693) |
| Exercised during the year | **(23,657)** | (36,988) |
| **Outstanding at the end of the year** | **75,874** | 80,013 |

**Details of the outstanding tranches are as follows:**

| | **31 December 2024** | | |
|---|---|---|---|
| **Maturity date** | EGP<br>**Exercise price** | EGP<br>**Fair value** | **No. of shares in thousand** |
| 2025 | 10.00 | 28.43 | 27,840 |
| 2026 | 10.00 | 34.09 | 26,000 |
| 2027 | 10.00 | 66.15 | 22,034 |
| **Total** | | | **75,874** |

**The fair value of granted shares is calculated using Black-Scholes pricing model with the following inputs into the model :**

| | **18th tranche** | **17th tranche** |
|---|---|---|
| Exercise price | 10 | 10 |
| Current share price | 72.65 | 41.48 |
| Expected life (years) | 3 | 3 |
| Risk free rate % | 23.99% | 18.00% |
| Dividend yield% | 0.80% | 1.30% |
| Volatility% | 36.79% | 34.75% |

Volatility is calculated based on the standard deviation of returns for the last five years.

| | **Dec.31, 2024** | Dec.31, 2023 |
|---|---|---|
| Expense arising from equity–settled share–based payment transactions | **1,005,350** | 754,817 |

| **Details of the outstanding tranches are as follows:** | **EGP**<br>**Exercise price** | **EGP**<br>**Average market value during the exercise date** |
|---|---|---|
| 2023 | 10.00 | 56.56 |
| 2024 | 10.00 | 80.60 |

## 33. Financial Risk Management

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

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

Risk management is carried out by the risk department under policies approved by the Board of Directors. Bank treasury identifies, evaluates and hedges financial risks in close co-operation with the Bank's operating units.

The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments. In addition, credit risk management is responsible for the independent review of risk management and the control environment.

### 33.1. Credit Risk

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

#### 33.1.1. Credit Risk Measurement

#### 33.1.1.1. Loans and Advances to Banks and Customers

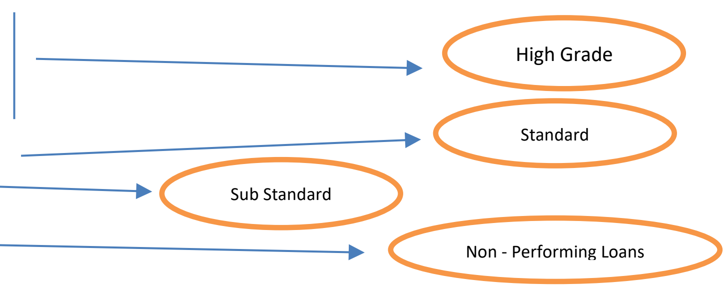
In measuring credit risk of loans and facilities to banks and customers at a counterparty level, the Bank reflects three components:

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

These credit risk measurements, which reflect expected loss (the 'incurred loss model') are required by the Basel committee on banking regulations and the supervisory practices (the Basel committee), and are embedded in the Bank's daily operational management.

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

| Bank's rating | Description of the rating |
|---|---|
| 1 | Low risk |
| 2 | Average risk |
| 3 | Satisfactory risk |
| 4 | Reasonable risk |
| 5 | Acceptable risk |
| 6 | Marginally acceptable risk |
| 7 | Watch list |
| 8 | Substandard |
| 9 | Doubtful |
| 10 | Bad debts |




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

#### 33.1.1.2. Debt Instruments, Treasury Bills and Other Governmental Notes

For debt instruments and bills, by external rating agencies are used for assessing of the credit risk exposures, and if this rating is not available, then other ways similar to those used with the credit customers are uses.

The investments in those securities and bills are viewed as a way to gain a better credit quality mapping and maintain a readily available source to meet the funding requirement at the same time.

### 33.1.2. Risk Limit Control and Mitigation Policies

The Bank manages, limits and controls concentrations of credit risk wherever they are identified − in particular, to individual counterparties and banks, and to industries and countries.

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

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

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

Some other specific control and mitigation measures are outlined below:

#### 33.1.2.1. Collateral

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

- Mortgages over residential properties.
- Mortgage business assets such as premises, and inventory.
- Mortgage financial instruments such as debt securities and equities.

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

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

#### 33.1.2.2. Derivatives

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

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

#### 33.1.2.3. Credit Related Commitments

The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees and standby letters of credit carry the same credit risk as loans. Documentary and commercial letters of credit – which are written undertakings by the Bank on behalf of a customer authorizing a third party to draw drafts on the Bank up to a stipulated amount under specific terms and conditions – are collateralized by the underlying shipments of goods to which they relate and therefore carry less risk than a direct loan.

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

### 33.1.3. Impairment and Provisioning Policies

The internal rating system focus on the credit-quality mapping from the lending and investment activities perspective. Conversely, for only financial reporting purposes impairment losses are recognized for that has been incurred at the balance sheet date when there is objective evidence of impairment. The impairment provision reported in balance sheet at the end of the period is derived from each of the four internal credit risk ratings. However, the majority of the impairment provision is usually driven by the last two rating degrees. The following table illustrates the proportional distribution of loans and advances reported in the balance sheet for each of the four internal credit risk ratings of the Bank and their relevant impairment losses

**Amounts in EGP millions**

| | 31-Dec-24 | | |
|---|---|---|---|
| **Bank's rating** | **Loans and advances** | **Impairment provision** | **Net Loans and advances** |
| 1-High Grade | **342,675** | **24,907** | **367,582** |
| 2-Standard | **43,394** | **11,087** | **54,481** |
| 3-Sub Standard | **2,975** | **2,724** | **5,700** |
| 4-Non-Performing Loans | **13,202** | **10,429** | **23,632** |
| **Total** | **402,246** | **49,148** | **451,394** |

| | 31-Dec-23 | | |
|---|---|---|---|
| **Bank's rating** | **Loans and advances** | **Impairment provision** | **Net Loans and advances** |
| 1-High Grade | **218,752** | **11,753** | **206,999** |
| 2-Standard | **37,349** | **10,710** | **26,639** |
| 3-Sub Standard | **1,558** | **757** | **801** |
| 4-Non-Performing Loans | **9,541** | **8,171** | **1,370** |
| **Total** | **267,200** | **31,391** | **235,809** |

The Bank's internal rating and PD estimation process continued

### Consumer Lending and Retail Mortgages

Consumer lending comprises unsecured personal loans, credit cards and overdrafts. These products along with retail mortgages and some of the less complex small business lending are rated by an automated scorecard tool primarily driven by days past due. Other key inputs into the models are:

• Consumer lending products: use of limits and volatility thereof, GDP growth, unemployment rates, changes in personal income/salary level based on records of current accounts, personal indebtedness and expected interest repricing.

• Retail mortgages: GDP growth, unemployment rates, changes in personal income/salary levels based on records of current accounts, personal indebtedness and expected interest repricing.

### Non-performing

The internal rating tools assists management to determine whether objective evidence of impairment exists, based on the following criteria set by the Bank:

- Cash flow difficulties experienced by the borrower or debtor
- Breach of loan covenants or conditions
- Initiation of bankruptcy proceedings
- Deterioration of the borrower's competitive position
- Bank granted concessions may not be approved under normal circumstances due to economic, legal reasons and financial difficulties facing the borrower
- Deterioration of the collateral value
- Deterioration of the credit situation

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

(All amounts are shown in EGP thousands)

### 33.1.4. Maximum exposure to credit risk before collateral held

| | Dec. 31, 2024 | Dec. 31, 2023 |
|---|---|---|
| **In balance sheet items exposed to credit risk** | | |
| Due from banks | **270,833,659** | 231,087,402 |
| Less: ECL | **(3,825)** | (2,158) |
| Gross loans and advances to banks | **9,863,221** | 823,739 |
| Unamortized bills discount | **(174,320)** | - |
| Less: ECL | **(133,491)** | (1,291) |
| **Gross loans and advances to customers** | | |
| **Individual:** | | |
| - Overdraft | **3,731,857** | 2,927,620 |
| - Credit cards | **15,027,813** | 10,297,598 |
| - Personal loans | **54,941,264** | 42,552,132 |
| - Mortgages | **5,794,632** | 4,348,982 |
| **Corporate:** | | |
| - Overdraft | **87,461,400** | 55,047,153 |
| - Direct loans | **144,428,805** | 99,455,837 |
| - Syndicated loans | **79,963,890** | 51,311,552 |
| - Other loans | **1,033,383** | 434,524 |
| Unamortized bills discount | **(238,286)** | (509,523) |
| Unamortized syndicated loans discount | **(84,093)** | (145,003) |
| ECL | **(45,481,562)** | (29,237,737) |
| Suspended credit account | **(3,036,429)** | (1,497,199) |
| Derivative financial instruments | **819,711** | 1,105,148 |
| **Financial investments:** | | |
| -Debt instruments | **401,640,489** | 270,508,625 |
| Other assets (Accrued revenues) | **35,151,259** | 13,018,038 |
| **Total** | **1,061,539,377** | 751,525,439 |
| | | |
| **Off balance sheet items exposed to credit risk** | | |
| Financial guarantees | **7,052,997** | 8,021,170 |
| Customers acceptances and other contingent liabilities | **11,932,613** | 4,800,405 |
| Letters of credit (import and export) | **19,179,770** | 9,075,124 |
| Letter of guarantee | **257,993,539** | 160,776,153 |
| **Total** | **296,158,919** | 182,672,852 |

**December 2024**

The above table represents the Bank Maximum exposure to credit risk on December 31, 2024 , before taking account of any held collateral.

The above table represents the Bank's Maximum exposure to credit risk on December 31, 2024, before taking into account any held collateral.

As shown above 33.26% of the total maximum exposure is derived from loans and advances to banks and customers while investments in debt instruments represents 37.84%.

Management is confident in its ability to continue to control and sustain minimal exposure of credit risk resulting from both its loans and advances portfolio and debt instruments based on the following:

- 95.98% of the loans and advances are concentrated in the top two grades of the internal credit risk rating system.
- Loans and advances assessed individually are valued EGP 13,254,953.
- The Bank has implemented more prudent processes when granting loans and advances during the financial year ended on December 31, 2024.
- 86.94% of the investments in debt Instruments are Egyptian sovereign instruments.

**December 2023**

The above table represents the Bank Maximum exposure to credit risk on December 31, 2023 , before taking account of any held collateral.

The above table represents the Bank's Maximum exposure to credit risk on December 31, 2023, before taking into account any held collateral.

As shown above 31.38% of the total maximum exposure is derived from loans and advances to banks and customers while investments in debt instruments represents 35.99%.

Management is confident in its ability to continue to control and sustain minimal exposure of credit risk resulting from both its loans and advances portfolio and debt instruments based on the following:

- 95.85% of the loans and advances are concentrated in the top two grades of the internal credit risk rating system.

- Loans and advances assessed individually are valued EGP 9,587,536.
- The Bank has implemented more prudent processes when granting loans and advances during the financial year ended on December 31, 2023.
- 88.41% of the investments in debt Instruments are Egyptian sovereign instruments.

(All amounts are shown in EGP thousands)

### 33.1.5. Loans and advances restructured

Restructuring activities include rescheduling arrangements, obligatory management programs, modification and deferral of payments. The application of restructuring policies are based on indicators or criteria of credit performance of the borrower that is based on the personal judgment of the management, indicate that payment will most likely continue. Restructuring is commonly applied to term loans, specially customer loans. Renegotiated loans totaled at the end of the year

| | **Dec.31, 2024** | Dec.31, 2023 |
|---|---|---|
| **Corporate** | | |
| - Loans and advances to customers | **24,528,840** | 18,472,670 |
| **Total** | **24,528,840** | 18,472,670 |

#### 33.1.6. Concentration of risks of financial assets with credit risk exposure

#### 33.1.6.1. Geographical analysis

The following table is a breakdown of the Bank's main credit exposure at their book values categorized by geographical region at the end of the year.

**The Bank has allocated exposures to regions based on domicile of its counterparties.**

| **Dec.31, 2024** | **Greater Cairo** | **Alex, Delta and Sinai** | **Upper Egypt** | **Outside Egypt** | **Total** |
|---|---|---|---|---|---|
| Gross due from banks | 201,412,533 | - | - | 69,421,126 | **270,833,659** |
| Less: ECL | - | - | - | (3,825) | **(3,825)** |
| Gross loans and advances to banks | 3,558,716 | - | - | 6,304,505 | **9,863,221** |
| Less: ECL | (6,245) | - | - | (127,246) | **(133,491)** |
| Unamortized bills discount | (57,131) | - | - | (117,189) | **(174,320)** |
| **Gross loans and advances to customers** | | | | | |
| **Individual:** | | | | | |
| - Overdrafts | 2,609,592 | 812,452 | 269,030 | 40,783 | **3,731,857** |
| - Credit cards | 12,008,842 | 2,522,141 | 496,830 | - | **15,027,813** |
| - Personal loans | 39,020,961 | 12,567,869 | 3,289,287 | 63,147 | **54,941,264** |
| - Mortgages | 5,558,112 | 185,198 | 30,006 | 21,316 | **5,794,632** |
| **Corporate:** | | | | | |
| - Overdrafts | 77,164,832 | 6,879,654 | 2,832,639 | 584,275 | **87,461,400** |
| - Direct loans | 93,270,978 | 38,577,326 | 10,759,882 | 1,820,619 | **144,428,805** |
| - Syndicated loans | 77,801,024 | 2,162,866 | - | - | **79,963,890** |
| - Other loans | 478,683 | 554,700 | - | - | **1,033,383** |
| Unamortized bills discount | (231,463) | (6,823) | - | - | **(238,286)** |
| Unamortized syndicated loans discount | (84,093) | - | - | - | **(84,093)** |
| ECL | (35,483,422) | (5,495,566) | (4,294,283) | (208,291) | **(45,481,562)** |
| Suspended credit account | (3,020,028) | (336) | (16,065) | - | **(3,036,429)** |
| Derivative financial instruments | - | - | - | 819,711 | **819,711** |
| **Financial investments:** | | | | | |
| -Debt instruments | 378,088,477 | - | - | 23,552,012 | **401,640,489** |
| **Total** | **852,090,368** | **58,759,481** | **13,367,326** | **102,170,943** | **1,026,388,118** |

| **Dec.31, 2023** | **Greater Cairo** | **Alex, Delta and Sinai** | **Upper Egypt** | **Outside Egypt** | **Total** |
|---|---|---|---|---|---|
| Due from banks | 205,442,591 | - | - | 25,644,811 | **231,087,402** |
| Less:Impairment provision | - | - | - | (2,158) | **(2,158)** |
| Gross loans and advances to banks | 823,739 | - | - | - | **823,739** |
| Less:Impairment provision | (1,291) | - | - | - | **(1,291)** |
| **Gross loans and advances to customers** | | | | | |
| **Individual:** | | | | | |
| - Overdrafts | 2,170,271 | 593,886 | 158,004 | 5,459 | **2,927,620** |
| - Credit cards | 8,169,218 | 1,823,675 | 304,705 | - | **10,297,598** |
| - Personal loans | 30,168,288 | 10,055,677 | 2,284,529 | 43,638 | **42,552,132** |
| - Mortgages | 4,111,504 | 195,951 | 29,176 | 12,351 | **4,348,982** |
| **Corporate:** | | | | | |
| - Overdrafts | 48,947,119 | 4,454,786 | 1,422,155 | 223,093 | **55,047,153** |
| - Direct loans | 64,287,140 | 26,635,089 | 7,546,425 | 987,183 | **99,455,837** |
| - Syndicated loans | 48,285,122 | 3,026,430 | - | - | **51,311,552** |
| - Other loans | 208,060 | 226,464 | - | - | **434,524** |
| Unamortized bills discount | (479,204) | (30,319) | - | - | **(509,523)** |
| Unamortized syndicated loans discount | (145,003) | - | - | - | **(145,003)** |
| ECL | (22,385,965) | (4,175,424) | (2,565,815) | (110,533) | **(29,237,737)** |
| Suspended credit account | (1,496,706) | (336) | (157) | - | **(1,497,199)** |
| Derivative financial instruments | 623,034 | - | - | 482,114 | **1,105,148** |
| **Financial investments:** | | | | | |
| -Debt instruments | 269,401,971 | - | - | 1,106,654 | **270,508,625** |
| **Total** | **658,129,888** | **42,805,879** | **9,179,022** | **28,392,612** | **738,507,401** |

(All amounts are shown in EGP thousands)

### 33.1.6.2. Industry analysis

**The following table analyses the Banks's main credit exposure at their book value categorized by the Bank's customers activities.**

| Dec.31, 2024 | Financial institutions | Manufacturing | Real estate | Wholesale and retail trade | Government sector | Other activities | Individual | Total |
|---|---|---|---|---|---|---|---|---|
| Due from banks | 270,833,659 | - | - | - | - | - | - | **270,833,659** |
| ECL | (3,825) | - | - | - | - | - | - | **(3,825)** |
| Gross loans and advances to banks | 9,863,221 | - | - | - | - | - | - | **9,863,221** |
| ECL | (133,491) | - | - | - | - | - | - | **(133,491)** |
| Unamortized bills discount | (174,320) | - | - | - | - | - | - | **(174,320)** |
| **Gross loans and advances to customers** | | | | | | | | |
| **Individual:** | | | | | | | | |
| - Overdrafts | - | - | - | - | - | - | 3,731,857 | **3,731,857** |
| - Credit cards | - | - | - | - | - | - | 15,027,813 | **15,027,813** |
| - Personal loans | - | - | - | - | - | - | 54,941,264 | **54,941,264** |
| - Mortgages | - | - | - | - | - | - | 5,794,632 | **5,794,632** |
| **Corporate:** | | | | | | | | |
| - Overdrafts | 8,676,197 | 38,500,994 | 10,055,382 | 4,037,651 | 8,030,733 | 18,160,443 | - | **87,461,400** |
| - Direct loans | 6,531,052 | 72,560,603 | 3,505,866 | 3,203,755 | 13,912,149 | 44,715,380 | - | **144,428,805** |
| - Syndicated loans | 485,356 | 7,554,193 | 5,592,613 | - | 61,869,100 | 4,462,628 | - | **79,963,890** |
| - Other loans | - | 1,028,383 | - | 5,000 | - | - | - | **1,033,383** |
| Unamortized bills discount | - | (7,677) | (160,872) | - | - | (69,707) | (30) | **(238,286)** |
| Unamortized syndicated loans discount | - | - | (84,093) | - | - | - | - | **(84,093)** |
| ECL | (692,496) | (11,011,238) | (1,723,064) | (501,574) | (8,942,096) | (18,785,826) | (3,825,268) | **(45,481,562)** |
| Suspended credit account | - | (481,425) | - | (979) | - | (2,554,025) | - | **(3,036,429)** |
| Derivative financial instruments | 819,711 | - | - | - | - | - | - | **819,711** |
| **Financial investments:** | | | | | | | | |
| -Debt instruments | 31,938,011 | - | - | - | 369,702,478 | - | - | **401,640,489** |
| **Total** | **328,143,075** | **108,143,833** | **17,185,832** | **6,743,853** | **444,572,364** | **45,928,893** | **75,670,268** | **1,026,388,118** |

(All amounts are shown in EGP thousands)

**The following table analysis the Group's main credit exposure at their book value categorized by the Bank customers activities as of 31 Dec 2023.**

| Dec.31, 2023 | Financial institutions | Manufacturing | Real estate | Wholesale and retail trade | Government sector | Other activities | Individual | Total |
|---|---|---|---|---|---|---|---|---|
| Due from banks | 231,087,402 | - | - | - | - | - | - | **231,087,402** |
| ECL | (2,158) | | | | | | | **(2,158)** |
| Gross loans and advances to banks | 823,739 | - | - | - | - | - | - | **823,739** |
| ECL | (1,291) | - | - | - | - | - | - | **(1,291)** |
| **Gross loans and advances to customers** | | | | | | | | |
| **Individual:** | | | | | | | | |
| - Overdrafts | - | - | - | - | - | - | 2,927,620 | **2,927,620** |
| - Credit cards | - | - | - | - | - | - | 10,297,598 | **10,297,598** |
| - Personal loans | - | - | - | - | - | - | 42,552,132 | **42,552,132** |
| - Mortgages | - | - | - | - | - | - | 4,348,982 | **4,348,982** |
| **Corporate:** | | | | | | | | |
| - Overdrafts | 6,749,096 | 21,553,328 | 6,533,287 | 3,206,340 | 2,516,833 | 14,488,269 | - | **55,047,153** |
| - Direct loans | 5,109,807 | 43,484,367 | 6,364,089 | 2,837,764 | 11,447,055 | 30,212,755 | - | **99,455,837** |
| - Syndicated loans | 501,230 | 4,457,019 | 3,203,020 | - | 40,557,812 | 2,592,471 | - | **51,311,552** |
| - Other loans | - | 434,524 | - | - | - | - | - | **434,524** |
| Unamortized bills discount | (8,625) | (8,964) | - | - | - | (491,934) | - | **(509,523)** |
| Unamortized syndicated loans discount | - | - | - | - | - | (145,003) | - | **(145,003)** |
| ECL | (332,265) | (8,211,025) | (29,537) | (372,369) | (3,119,621) | (14,929,594) | (2,243,326) | **(29,237,737)** |
| Suspended credit account | - | (194,186) | - | (46,091) | - | (1,256,922) | - | **(1,497,199)** |
| Derivative financial instruments | 1,105,148 | - | - | - | - | - | - | **1,105,148** |
| **Financial investments:** | | | | | | | | |
| -Debt instruments | 31,145,168 | - | - | - | 239,363,457 | - | - | **270,508,625** |
| **Total** | **276,177,251** | **61,515,063** | **16,070,859** | **5,625,644** | **290,765,536** | **30,470,042** | **57,883,006** | **738,507,401** |

## 33.2. Market risk

Market Risks represent the potential losses resulting from unfavorable movements in market prices that may negatively affect the values of the bank's investment positions linked to the bank's balance sheet as a whole, which in turn affects the bank's profitability and its capital base. These investments are represented in debt instruments, stocks, or investment funds, in addition to the currency exchange rate risks. Market risk results from open positions of the rate of return, currencies, and equity products, as each of them is exposed to general and specific risks in the market and changes in the level of sensitivity to market rates or to prices such as interest rates, exchange rates and prices of equity instruments.

The bank distinguishes between the trading book portfolio and the banking book portfolio in measuring market risks, as the trading portfolio includes instruments held for the purpose of resale or taken by the bank to benefit in the short term from the actual or expected difference between the buying and selling prices or benefiting from any changes that may occur in the return rates and any other prices that affect the trading portfolio, in addition to the financial derivative positions used for the purpose of hedging

The banking book portfolio for non-trading purposes includes instruments acquired that are salable or held until settlement dates and managing the return rate of assets and liabilities.

As part of market risk management, the bank performs several hedging strategies, as well as entering into interest rate swap contracts in order to balance the risk associated with debt instruments and long-term loans. Periodic reports on market risks are submitted to the Board of Directors and the members of the Assets and Liabilities Committee (ALCO).

(All amounts are shown in EGP thousands)

### 33.2.1 Value at Risk

The Bank applies a "Value at Risk" methodology (VaR) to its trading and non-trading portfolios, to estimate the market risk of positions held and the maximum losses expected under normal market conditions, based upon a number of assumptions for various changes in market conditions.

VaR is a statistically based estimate of the potential loss on the current portfolio from adverse market movements. It expresses the 'maximum' amount the Bank might lose , but only to a certain level of confidence (99%). There is therefore a specified statistical probability (1%) that actual loss could be greater than the VaR estimate. The VaR model assumes a certain 'holding period' until positions can be closed ( 1 Day). The Bank assesses the historical movements in the market prices based on volatilities and correlations. The use of this approach does not prevent losses outside of these limits in the event of more significant market movements.

As VaR constitutes an integral part of the Bank's market risk control regime, the Market Risk Management set VaR Limits, for the trading book, which have been approved by the board, and are monitored and reported on a daily basis to the Senior Management.In addition, monthly limits compliance is reported to the ALCO.

The Bank is calculating the Market Risk Capital Requirements by applying Basel II "Standardised Measurement Method", according to the Central Bank of Egypt regulatory requirements.

### 33.2.2 Stress tests

Stress tests provide an indication of the potential size of losses that could arise under extreme market conditions. Therefore, the bank computes on a daily basis trading Stressed VaR, combined with the trading VaR, to capture the abnormal movements in financial markets and to give more comprehensive picture of risk. The results of the stress tests are reviewed by the ALCO on a monthly basis and the board risk committee on a quarterly basis.

### 33.2.3 Value at risk (VaR) Summary

| | **Last 12 months ended 31/12/2024** | | | Last 12 months ended 31/12/2023 | | |
|---|---|---|---|---|---|---|
| | **Medium** | **High** | **Low** | Medium | High | Low |
| Foreign exchange risk | **36,295** | **100,953** | **656** | 16,184 | 103,290 | 228 |
| Interest rate risk | **371,110** | **767,629** | **170,967** | 257,479 | 502,517 | 139,481 |
| **Total VaR** | **318,479** | **508,111** | **164,078** | 135,847 | 309,967 | 58,224 |

The three previous outcomes of the VAR were calculated independently from the positions involved and historical market movements. The aggregate value at risk for trading and non-trading is not the Bank's risk value because of the correlation between types of risks.

(All amounts are shown in EGP thousands)

### 33.2.4. Foreign exchange risk

The Bank's financial position and cash flows are exposed to fluctuations in foreign currency exchange rates. The Board sets limits on the level of exposure by currency and in aggregate for both overnight and intra-day positions, which are monitored daily. The table below summarizes the Bank’s exposure to foreign exchange rate risk and financial instruments at carrying amounts, categorized by currency.

| Dec.31, 2024 | EGP | USD | EUR | GBP | Other | Total |
|---|---|---|---|---|---|---|
| **Financial assets** | | | | | | |
| Cash and balances at the central bank | 120,536,667 | 10,117,737 | 3,736,591 | 347,889 | 1,792,136 | **136,531,020** |
| Gross due from banks | 60,000,010 | 178,453,499 | 28,718,601 | 2,911,143 | 750,406 | **270,833,659** |
| Gross loans and advances to banks | - | 9,863,221 | - | - | - | **9,863,221** |
| Gross loans and advances to customers | 281,873,581 | 100,924,708 | 7,458,984 | 15,653 | 2,110,118 | **392,383,044** |
| Derivative financial instruments | 25,383 | 794,328 | - | - | - | **819,711** |
| **Financial investments** | | | | | | |
| Gross financial investment securities | 286,342,315 | 108,558,196 | 6,268,029 | 630,363 | 1,862,033 | **403,660,936** |
| Investments in associates | 98,193 | - | - | - | - | **98,193** |
| **Total financial assets** | **748,876,149** | **408,711,689** | **46,182,205** | **3,905,048** | **6,514,693** | **1,214,189,784** |
| | | | | | | |
| **Financial liabilities** | | | | | | |
| Due to banks | 606,118 | 1,381,489 | 39,245 | 8,033 | - | **2,034,885** |
| Due to customers | 562,424,161 | 362,687,629 | 37,340,640 | 3,881,674 | 6,261,854 | **972,595,958** |
| Derivative financial instruments | 40,666 | 59,905 | - | - | - | **100,571** |
| Issued debt instruments | - | 5,067,781 | - | - | - | **5,067,781** |
| Other loans | 166,073 | 22,917,007 | 879,309 | - | - | **23,962,389** |
| **Total financial liabilities** | **563,237,018** | **392,113,811** | **38,259,194** | **3,889,707** | **6,261,854** | **1,003,761,584** |
| | | | | | | |
| **Net on-balance sheet financial position** | **185,639,131** | **16,597,878** | **7,923,011** | **15,341** | **252,839** | **210,428,200** |

(All amounts are shown in EGP thousands)

| Dec.31, 2023 | EGP | USD | EUR | GBP | Other | Total |
|---|---|---|---|---|---|---|
| **Financial assets** | | | | | | |
| Cash and balances with Central Bank | 68,287,770 | 2,203,511 | 771,722 | 116,742 | 508,076 | **71,887,821** |
| Gross due from banks | 175,148,470 | 52,502,950 | 1,361,594 | 1,950,328 | 124,060 | **231,087,402** |
| Gross loans and advances to banks | 34,558 | 789,181 | - | - | - | **823,739** |
| Gross loans and advances to customers | 191,787,867 | 67,423,771 | 6,003,208 | 4,847 | 1,155,705 | **266,375,398** |
| Derivative financial instruments | 624,313 | 477,583 | - | - | 3,252 | **1,105,148** |
| **Financial investments** | | | | | | |
| Financial investment securities | 219,027,219 | 48,616,170 | 3,748,758 | - | 883,952 | **272,276,099** |
| Investments in associates | 115,979 | - | - | - | - | **115,979** |
| **Total financial assets** | **655,026,176** | **172,013,166** | **11,885,282** | **2,071,917** | **2,675,045** | **843,671,586** |
| | | | | | | |
| **Financial liabilities** | | | | | | |
| Due to banks | 531,455 | 11,335,981 | 545,424 | 9,961 | 35,182 | **12,458,003** |
| Due to customers | 463,338,470 | 187,718,800 | 21,960,477 | 1,992,672 | 2,227,060 | **677,237,479** |
| Derivative financial instruments | 45,916 | 95,018 | - | - | - | **140,934** |
| Issued debt instruments | - | 3,073,349 | - | - | - | **3,073,349** |
| Other loans | 226,917 | 12,086,470 | 170,520 | - | - | **12,483,907** |
| **Total financial liabilities** | **464,142,758** | **214,309,618** | **22,676,421** | **2,002,633** | **2,262,242** | **705,393,672** |
| | | | | | | |
| **Net on-balance sheet financial position** | **190,883,418** | **(42,296,452)** | **(10,791,139)** | **69,284** | **412,803** | **138,277,914** |

(All amounts are shown in EGP thousands)

## Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and EUR exchange rates, with all other variables held constant.
The impact on the Bank's profit before tax is due to changes in the fair value of monetary assets and liabilities.
The Bank's exposure to foreign currency changes for all other currencies is not material.

| | Change in USD rate | Effect on profit before tax |
|---|---|---|
| **2024** | +10% | 1,659,788 |
| | -10% | (1,659,788) |
| 2023 | +10% | (4,229,645) |
| | -10% | 4,229,645 |

| | Change in EUR rate | Effect on profit before tax |
|---|---|---|
| **2024** | +10% | 792,301 |
| | -10% | (792,301) |
| 2023 | +10% | (1,079,114) |
| | -10% | 1,079,114 |

(All amounts are shown in EGP thousands)

### 33.2.5. Interest rate risk

The Bank addresses exposure to the effects of fluctuations in the prevailing levels of market interest rates that arises from the re-pricing maturity structure of interest-sensitive assets and liabilities. It is assessed for both the earnings and economic value perspectives. The Board sets limits on the interest rate repricing gaps that may be undertaken, which is monitored by the bank's Risk Management Department.

| Dec.31, 2024 | Up to1 Month | 1-3 Months | 3-12 Months | 1-5 years | Over 5 years | Non- Interest Bearing | Total |
|---|---|---|---|---|---|---|---|
| **Financial assets** | | | | | | | |
| Cash and balances at the central bank | - | - | - | - | - | 136,531,020 | **136,531,020** |
| Gross due from banks | 202,094,616 | 58,448,384 | 8,134,208 | - | - | 2,156,451 | **270,833,659** |
| Gross loans and advances to banks | 865,924 | 1,499,745 | 5,972,388 | 1,525,164 | - | - | **9,863,221** |
| Gross loans and advances to customers | 279,572,830 | 38,999,154 | 27,654,182 | 36,427,355 | 9,729,523 | - | **392,383,044** |
| Derivatives financial instruments | 22,278 | 3,106 | - | 111,707 | 682,620 | - | **819,711** |
| **Financial investments** | | | | | | | |
| Gross financial investment securities | 68,934,335 | 40,232,961 | 107,601,111 | 155,241,888 | 30,686,376 | 964,265 | **403,660,936** |
| Investments in associates | - | - | - | - | - | 98,193 | **98,193** |
| **Total financial assets** | **551,489,983** | **139,183,350** | **149,361,889** | **193,306,114** | **41,098,519** | **139,749,929** | **1,214,189,784** |
| **Financial liabilities** | | | | | | | |
| Due to banks | 755,973 | - | - | - | - | 1,278,912 | **2,034,885** |
| Due to customers | 424,433,749 | 102,410,795 | 91,272,609 | 191,347,017 | 551,155 | 162,580,633 | **972,595,958** |
| Derivatives financial instruments | 37,684 | 2,982 | 59,905 | - | - | - | **100,571** |
| Issued debt instruments | - | - | - | 5,067,781 | - | - | **5,067,781** |
| Other loans | 36,823 | 14,817,798 | 8,451,161 | 656,607 | - | - | **23,962,389** |
| **Total financial liabilities** | **425,264,229** | **117,231,575** | **99,783,675** | **197,071,405** | **551,155** | **163,859,545** | **1,003,761,584** |
| **Total interest re-pricing gap** | **126,225,754** | **21,951,775** | **49,578,214** | **(3,765,291)** | **40,547,364** | **(24,109,616)** | **210,428,200** |

(All amounts are shown in EGP thousands)

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

| Dec.31, 2023 | Up to1 Month | 1-3 Months | 3-12 Months | 1-5 years | Over 5 years | Non- Interest Bearing | Total |
|---|---|---|---|---|---|---|---|
| **Financial assets** | | | | | | | |
| Cash and balances with Central Bank | - | - | - | - | - | 71,887,821 | **71,887,821** |
| Gross due from banks | 202,400,864 | 21,252,299 | 308,931 | 4,633,965 | - | 2,491,343 | **231,087,402** |
| Gross loans and advances to banks | 171,319 | 652,420 | - | - | - | - | **823,739** |
| Gross loans and advances to customers | 177,524,994 | 28,835,218 | 20,841,660 | 31,299,932 | 7,873,594 | - | **266,375,398** |
| Derivatives financial instruments | 107,866 | 111,047 | 405,399 | 480,836 | - | - | **1,105,148** |
| **Financial investments** | | | | | | | |
| Gross financial investment securities | 79,759,112 | 29,028,568 | 74,543,284 | 62,529,010 | 25,370,841 | 1,045,284 | **272,276,099** |
| Investments in associates | - | - | - | - | - | 115,979 | **115,979** |
| **Total financial assets** | **459,964,155** | **79,879,552** | **96,099,274** | **98,943,743** | **33,244,435** | **75,540,427** | **843,671,586** |
| **Financial liabilities** | | | | | | | |
| Due to banks | 9,896,311 | 64,381 | 521,130 | - | - | 1,976,181 | **12,458,003** |
| Due to customers | 276,798,801 | 69,358,398 | 55,497,147 | 152,834,754 | 808,683 | 121,939,696 | **677,237,479** |
| Derivatives financial instruments | 66,854 | 18,717 | 6,895 | 48,468 | - | - | **140,934** |
| Issued debt instruments | - | - | - | 3,073,349 | - | - | **3,073,349** |
| Other loans | 40,807 | 7,463,123 | 4,792,479 | 187,498 | - | - | **12,483,907** |
| **Total financial liabilities** | **286,802,773** | **76,904,619** | **60,817,651** | **156,144,069** | **808,683** | **123,915,877** | **705,393,672** |
| **Total interest re-pricing gap** | **173,161,382** | **2,974,933** | **35,281,623** | **(57,200,326)** | **32,435,752** | **(48,375,450)** | **138,277,914** |

(All amounts are shown in EGP thousands)

### Interest rate sensitivity

Sensitivity Analysis extends Gap Analysis by focusing on changes in the bank's earnings, due to changes in Interest Rates and Balance Sheet Interest Sensitive items composition.

Defined as the impact on the bank's consolidated Net Income over the following 12 months, based on adverse changes in Interest Rates.

| | Increase / decrease in basis points | Effect on P&L |
|---|---|---|
| **2024** | | |
| EGP | + 100 bps | 630,420 |
| USD | + 100 bps | 651,609 |
| EUR | + 100 bps | 161,895 |
| EGP | - 100 bps | (630,420) |
| USD | - 100 bps | (651,609) |
| EUR | - 100 bps | (161,895) |
| **2023** | | |
| EGP | + 100 bps | 1,141,020 |
| USD | + 100 bps | 451,330 |
| EUR | + 100 bps | 120,932 |
| EGP | - 100 bps | (1,141,020) |
| USD | - 100 bps | (451,330) |
| EUR | - 100 bps | (120,932) |

(All amounts are shown in EGP thousands)

### 33.3. Liquidity risk

Liquidity risk specifies the Bank's inability to replace withdrawn funds and meet consequential payment obligations due to the fall of financial liabilities.
The consequence may be the failure to meet obligations to repay depositors and fulfill commitments to lend.

#### 33.3.1 Liquidity risk management process

The Bank's liquidity management process is carried by the Assets and Liabilities Management Department and monitored independently by the Risk Management Department, and includes projecting cash flows by major currency under various stress scenarios and considering the level of liquid assets necessary in relation thereto:
-Maintaining an active presence in global money markets to enable this to happen.
-Maintaining a diverse range of funding sources with back-up facilities
-Monitoring balance sheet liquidity and advances to core funding ratios against internal and CBE regulations.
-Managing the concentration and profile of debt maturities.
Monitoring and reporting takes the form of cash flow measurement and projections for the next day, week and month respectively, as these are key periods for liquidity management. The starting point for those projections is an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets.

#### 33.3.2. Funding approach

Sources of liquidity are regularly reviewed jointly by the bank's Assets & Liabilities Management Department and Consumer Banking to maintain a wide diversification by currency, provider, product and term.

#### 33.3.3. Non-derivative cash flows

The table below presents the cash flows payable by the Bank under non-derivative financial liabilities by remaining contractual maturities and the maturities assumption for non contractual products on the basis of their behaviour studies, at balance sheet date.

| Dec.31, 2024 | Up to 1 month | One to three months | Three months to one year | One year to five years | Over five years | Total |
|---|---|---|---|---|---|---|
| **Financial liabilities** | | | | | | |
| **Due to banks** | 2,441,383 | - | - | - | - | 2,441,383 |
| **Due to customers** | 103,351,017 | 111,496,713 | 303,775,991 | 563,348,559 | 18,359,616 | 1,100,331,896 |
| **Other loans** | 39,963 | 400,705 | 2,567,007 | 19,128,652 | 14,367,883 | 36,504,210 |
| **Issued Debt Instruments** | 16,767 | 31,911 | 148,739 | 5,172,710 | - | 5,370,127 |
| **Total liabilities (contractual and non contractual maturity dates)** | **105,849,130** | **111,929,329** | **306,491,737** | **587,649,921** | **32,727,499** | **1,144,647,616** |
| **Cash & Cash Item** | 21,637,855 | - | - | - | - | 21,637,855 |
| **Due From CBE** | 61,743,929 | 38,492,383 | - | 91,610,576 | 22,902,624 | 214,749,512 |
| **Due From Local Banks** | 101,896,627 | - | - | - | - | 101,896,627 |
| **Due From Foreign Banks** | 41,022,615 | 19,899,298 | 8,251,065 | - | - | 69,172,978 |
| **Financial Investment securities** | 7,038,979 | 20,925,093 | 76,571,465 | 342,517,037 | 46,822,480 | 493,875,054 |
| **Loans & Overdraft** | 65,354,160 | 59,742,314 | 151,444,076 | 165,058,891 | 57,362,158 | 498,961,599 |
| **Total financial assets (contractual and non contractual maturity dates)** | **298,694,165** | **139,059,088** | **236,266,606** | **599,186,504** | **127,087,262** | **1,400,293,625** |

The disclosed figures cannot be compared with the corresponding items in the financial statements, as they include the principal amount and their related interest.

(All amounts are shown in EGP thousands)

| Dec.31, 2023 | Up to 1 month | One to three months | Three months to one year | One year to five years | Over five years | Total |
|---|---|---|---|---|---|---|
| **Financial liabilities** | | | | | | |
| Due to banks | 12,296,040 | 65,462 | 552,098 | - | - | 12,913,600 |
| Due to customers | 61,646,285 | 77,872,527 | 194,550,897 | 414,913,382 | 12,533,110 | 761,516,201 |
| Other loans | 137,513 | 215,330 | 658,073 | 5,372,219 | 12,080,624 | 18,463,759 |
| Issued Debt Instruments | 10,189 | 19,720 | 90,384 | 3,257,074 | - | 3,377,367 |
| **Total liabilities (contractual and non contractual maturity dates)** | **74,090,027** | **78,173,039** | **195,851,452** | **423,542,675** | **24,613,734** | **796,270,927** |
| Cash & Cash Item | 7,463,707 | - | - | - | - | 7,463,707 |
| Due From CBE | 178,683,735 | 21,037,758 | - | 51,426,917 | 12,856,719 | 264,005,129 |
| Due From Local Banks | 7,426,160 | - | - | - | - | 7,426,160 |
| Due From Foreign Banks | 20,366,197 | - | 324,666 | 4,758,890 | - | 25,449,753 |
| Financial investments securities | 21,038,069 | 18,209,790 | 125,736,348 | 157,044,417 | 53,127,036 | 375,155,660 |
| Loans & Overdraft | 41,271,497 | 35,946,932 | 83,877,474 | 107,849,548 | 50,068,672 | 319,014,123 |
| **Total financial assets (contractual and non contractual maturity dates)** | **276,249,365** | **75,194,480** | **209,938,488** | **321,079,772** | **116,052,427** | **998,514,532** |

Assets available to meet all of the liabilities and to cover outstanding loan commitments include cash, due from CBE and due from banks, treasury bills, other government notes , loans and advances to banks and customers.

In the normal course of business, a proportion of customer loans contractually repayable within one year will be extended. In addition, debt instrument and treasury bills and other governmental notes have been pledged to secure liabilities. The Bank would also be able to meet unexpected net cash outflows by selling securities and accessing additional funding sources such as asset-backed markets.

### 33.3.4. Derivative cash flows

The Bank's derivatives include:

Foreign exchange derivatives: exchange traded options and over-the-counter (OTC) ,exchange traded forwards currency options that will be settled on a gross basis.

Interest rate derivatives: interest rate swaps, forward rate agreements, OTC and exchange traded interest rate options, other interest rate contracts futures.

The table below analyses the Bank's derivative undiscounted financial liabilities into maturity groupings based on the remaining period of the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows:

**Other financial liabilities**

| **Dec.31, 2024** | **Up to 1 month** | **One to three months** | **Three months to one year** | **One year to five years** | **Over five years** | **Total** |
|---|---|---|---|---|---|---|
| **Liabilities** | | | | | | |
| **Derivatives financial instruments** | | | | | | |
| Inflows | **22,278** | **3,106** | **-** | **111,707** | **682,620** | **819,711** |
| Outflows | **(37,684)** | **(2,982)** | **(59,905)** | **-** | **-** | **(100,571)** |
| **Net** | **(15,406)** | **124** | **(59,905)** | **111,707** | **682,620** | **719,140** |

| Dec.31, 2023 | Up to 1 month | One to three months | Three months to one year | One year to five years | Over five years | **Total** |
|---|---|---|---|---|---|---|
| **Liabilities** | | | | | | |
| **Derivatives financial instruments** | | | | | | |
| Inflows | 107,868 | 111,047 | 405,398 | 480,835 | - | **1,105,148** |
| Outflows | (22,199) | (16,822) | (6,895) | (95,018) | - | **(140,934)** |
| **Net** | **85,669** | **94,225** | **398,503** | **385,817** | **-** | **964,214** |

**Letters of credit, guarantees and other commitments**

| | **Up to 1 year** | **1-5 years** | **Over 5 years** | **Total** |
|---|---|---|---|---|
| **Dec.31, 2024** | 170,432,493 | 88,422,355 | 30,251,074 | 289,105,922 |
| Dec.31, 2023 | 112,655,172 | 48,169,918 | 13,826,592 | 174,651,682 |

| **Dec.31, 2024** | **Up to 1 year** | **1-5 years** | **Total** |
|---|---|---|---|
| Credit facilities commitments | 4,663,262 | 1,957,876 | **6,621,138** |
| **Total** | **4,663,262** | **1,957,876** | **6,621,138** |

(All amounts are shown in EGP thousands)

### 33.3.5. Balance sheet by maturity

| Dec. 31, 2024 | 1 year | One year to five years | Over five years | Total |
|---|---|---|---|---|
| **Financial liabilities** | | | | |
| Due to banks | 2,034,885 | - | - | 2,034,885 |
| Due to customers | 618,117,153 | 191,347,017 | 163,131,788 | 972,595,958 |
| Other loans | 23,305,782 | 656,607 | - | 23,962,389 |
| Issued Debt Instruments | - | 5,067,781 | - | 5,067,781 |
| **Total liabilities** | **643,457,820** | **197,071,405** | **163,131,788** | **1,003,661,013** |
| Cash & Cash Item | 21,752,997 | - | - | 21,752,997 |
| Due From CBE | 99,901,893 | 91,610,577 | 22,902,625 | 214,415,095 |
| Due From Local Banks | 101,775,461 | - | - | 101,775,461 |
| Due From Foreign Banks | 69,417,301 | - | - | 69,417,301 |
| Financial Investment securities | 216,864,993 | 155,241,888 | 31,087,073 | 403,193,954 |
| Loans & Overdraft | 346,226,166 | 36,427,355 | 9,729,523 | 392,383,044 |
| **Total financial assets** | **855,938,811** | **283,279,820** | **63,719,221** | **1,202,937,852** |

| Dec. 31, 2023 | 1 year | One year to five years | Over five years | Total |
|---|---|---|---|---|
| **Financial liabilities** | | | | |
| Due to banks | 12,458,003 | - | - | 12,458,003 |
| Due to customers | 401,654,346 | 152,834,754 | 122,748,379 | 677,237,479 |
| Other loans | 12,296,409 | 187,498 | - | 12,483,907 |
| Issued Debt Instruments | - | 3,073,349 | - | 3,073,349 |
| **Total liabilities** | **426,408,758** | **156,095,601** | **122,748,379** | **705,252,738** |
| Cash & Cash Item | 7,491,636 | - | - | 7,491,636 |
| Due From CBE | 198,242,068 | 51,426,917 | 12,856,719 | 262,525,704 |
| Due From Local Banks | 7,418,937 | - | - | 7,418,937 |
| Due From Foreign Banks | 20,777,898 | 4,758,890 | - | 25,536,788 |
| Financial Investments securities | 61,906,177 | 157,044,417 | 53,127,036 | 272,077,630 |
| Loans & Overdraft | 227,201,872 | 31,299,932 | 7,873,594 | 266,375,398 |
| **Total financial assets** | **523,038,588** | **244,530,156** | **73,857,349** | **841,426,093** |

(All amounts are shown in EGP thousands)

## 33.4. Fair value of financial assets and liabilities

### 33.4.1. Financial instruments not measured at fair value

The table below summarizes the book value and fair value of those financial assets and liabilities not presented on the Bank's balance sheet at their fair value.

| | Book value | | Fair value | |
|---|---|---|---|---|
| | **Dec.31, 2024** | Dec.31, 2023 | **Dec.31, 2024** | Dec.31, 2023 |
| **Financial assets** | | | | |
| Cash and balances at the central bank | **136,531,020** | 71,887,821 | **136,531,020** | 71,887,821 |
| Due from banks | **270,829,834** | 231,085,244 | **271,686,961** | 231,713,694 |
| Gross loans and advances to banks | **9,863,221** | 823,739 | **9,697,155** | 815,060 |
| Gross loans and advances to customers | **392,383,044** | 266,375,398 | **393,639,159** | 268,482,495 |
| **Financial investments** | | | | |
| Financial Assets at amortized cost | **168,118,219** | 38,341,019 | **167,909,234** | 36,709,182 |
| **Total financial assets** | **977,725,338** | 608,513,221 | **979,463,529** | 604,138,684 |
| **Financial liabilities** | | | | |
| Due to banks | **2,034,885** | 12,458,003 | **2,034,931** | 12,783,893 |
| Due to customers | **972,595,958** | 677,237,479 | **976,291,471** | 681,407,303 |
| Issued debt instruments | **5,067,781** | 3,073,349 | **5,076,291** | 3,074,203 |
| Other loans | **23,962,389** | 12,483,907 | **24,242,886** | 12,613,487 |
| **Total financial liabilities** | **1,003,661,013** | 705,252,738 | **1,007,645,579** | 709,878,886 |

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

(All amounts are shown in EGP thousands)

### 33.4.2 Fair values of financial instruments

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

**Quantitative disclosures fair value measurement hierarchy for assets as at 31 December 2024:**

According to IFRS 13, There are 3 levels:
Level 1 - Quoted prices in active markets for the same instrument (i.e. without modification or repacking);
Level 2 - Quoted prices in active markets for similar assets and liabilities or other valuation techniques for which all significant inputs are based on observable market data; and

Level 3 - Valuation techniques for which any significant input is not based on observable market data.
The cash flows in relation to loans and advances to customers and Due to customers are discounted at the effective interest rate.

| Dec.31, 2024 | Quoted prices in active markets (Level 1) | Significant observable inputs (level 2) | Valuation techniques (level 3) | Total |
|---|---|---|---|---|
| **Measured at fair value:** | | | | |
| **Financial assets** | | | | |
| Financial Assets at Fair Value through P&L | - | 380,769 | - | 380,769 |
| Financial Assets at Fair value through OCI (debt) | 143,220,874 | 90,301,396 | | 233,522,270 |
| Financial Assets at Fair value through OCI (equity) | 159,066 | 1,013,630 | - | 1,172,696 |
| **Total** | **143,379,940** | **91,695,795** | **-** | **235,075,735** |
| **Derivative financial instruments** | | | | |
| Financial assets | - | - | 819,711 | 819,711 |
| Financial liabilities | - | - | 100,571 | 100,571 |
| **Financial assets not measured at fair value:** | | | | |
| Financial Assets at amortized cost | 167,909,234 | - | - | 167,909,234 |
| Loans and advances to banks | - | - | 9,697,155 | 9,697,155 |
| Due from banks | - | - | 271,686,961 | 271,686,961 |
| Loans and advances to customers | - | - | 393,639,159 | 393,639,159 |
| **Total** | **167,909,234** | **-** | **675,023,275** | **842,932,509** |
| **Financial Liabilities not measured at fair value:** | | | | |
| Other loans | - | 24,242,886 | - | 24,242,886 |
| Issued debt instruments | - | 5,076,291 | - | 5,076,291 |
| Due to banks | - | - | 2,034,931 | 2,034,931 |
| Due to customers | - | - | 976,291,471 | 976,291,471 |
| **Total** | **-** | **29,319,177** | **978,326,402** | **1,007,645,579** |

| Dec.31, 2023 | Quoted prices in active markets (Level 1) | Significant observable inputs (level 2) | Valuation techniques (level 3) | Total |
|---|---|---|---|---|
| **Measured at fair value:** | | | | |
| **Financial assets** | | | | |
| Financial Assets at Fair Value through P&L | - | 306,375 | - | 306,375 |
| Financial Assets at Fair value through OCI (debt) | 114,852,729 | 117,314,877 | - | 232,167,606 |
| Financial Assets at Fair value through OCI (equity) | 121,184 | 1,141,446 | - | 1,262,630 |
| **Total** | **114,973,913** | **118,762,698** | **-** | **233,736,611** |
| **Derivative financial instruments** | | | | |
| Financial assets | - | - | 1,105,148 | 1,105,148 |
| Financial liabilities | - | - | 140,934 | 140,934 |
| **Financial assets not measured at fair value:** | | | | |
| Financial Assets at amortized cost | - | 36,709,182 | - | 36,709,182 |
| Loans and advances to banks | - | - | 815,060 | 815,060 |
| Due from banks | - | - | 231,713,694 | 231,713,694 |
| Loans and advances to customers | - | - | 268,482,495 | 268,482,495 |
| **Total** | **-** | **36,709,182** | **501,011,249** | **537,720,431** |
| **Financial Liabilities not measured at fair value:** | | | | |
| Other loans | - | 12,613,487 | - | 12,613,487 |
| Issued debt instruments | - | 3,074,203 | - | 3,074,203 |
| Due to banks | - | - | 12,783,893 | 12,783,893 |
| Due to customers | - | - | 681,407,303 | 681,407,303 |
| **Total** | **-** | **15,687,690** | **694,191,196** | **709,878,886** |

There have been no transfers between level 1 and 2.
The fair values of on-balance sheet financial instruments, except for other investments held at amortised cost and financial investment at amortized cost which are carried at amortised cost, are not significantly different from the carrying values included in the consolidated financial statements. The fair values of loans and advances, commission bearing customers' deposits, due from and due to banks and other financial institutions which are carried at amortized cost, are not significantly different from the carrying values included in the consolidated financial statements, since the current market commission rates for similar financial instruments are not significantly different from the contracted rates, and for the short duration of due from and due to banks.
The estimated fair values of investments held at amortised cost are based on quoted market prices when available or pricing models when used in the case of certain fixed rate bonds respectively. The fair values of these investments are also disclosed in note 33.4.2.
The value obtained from the relevant valuation model may differ, with the transaction price of a financial instrument. The difference between the transaction price and the model value is commonly referred to as 'day-one profit or loss'. It is either amortized over the life of the transaction, deferred until the instrument's fair value can be determined using market observable data, or realized through disposal. Subsequent changes in fair value are recognized immediately in the statement of consolidated income without reversal of deferred day-one profits or losses.
The valuation of each publicly traded investment is based upon the closing market price of that stock as of the valuation date, less a discount if the security is restricted.
Unrealized private investments are valued at each reporting date using a combination of three methods:
(i) a comparable public market valuation ;
(ii) a comparable acquisition valuation;
(iii) a discounted cash flow analysis.
The relative weightings applied to each valuation method reflect the manager's judgment as to the relative applicability and strength of each valuation approach to the specific unrealized investment. Differences under the methods are reconciled through a variety of quantitative analysis and qualitative factors, as required.

### 33.5 Capital Management

For capital management purposes, the Bank's capital includes total equity as reported in the balance sheet plus some other elements that are managed as capital. The Bank manages its capital to ensure that the following objectives are achieved:
- Complying with the legally imposed capital requirements in Egypt.
- Protecting the Bank's ability to continue as a going concern and enabling the generation of yield for shareholders and other parties dealing with the bank.
- Maintaining a strong capital base to enhance growth of the Bank's operations.

Capital adequacy and the use of regulatory capital are monitored by the Bank's management, employing techniques based on the guidelines developed by the Basel Committee as implemented by the banking supervision unit in the Central Bank of Egypt.
The required data is submitted to the Central Bank of Egypt on a monthly basis.

**Central Bank of Egypt requires the following:**

- Maintaining EGP 5 billion as a minimum requirement for the issued and paid-in capital, noting that at the reporting date the issued and paid up capital has reached EGP 30.4 billion.

- Maintaining a minimum level of capital adequacy ratio of 12.75%, calculated as the ratio between total value of the capital elements, and the risk-weighted assets and contingent liabilities of the Bank (credit risk, market risk and opertional risk). While taking into consideration the conservation buffer, and D-SIBs required by CBE.

**The numerator of the capital adequacy ratio consists of the following two segments:**

**Tier one:**

Tier one comprises of paid-in capital, retained earnings and reserves resulting from the distribution of profits (except the banking risk reserve), interim profits, fair value through other comprehensive income reserve and deducting some items such as previously recognized goodwill, any retained losses and deferred tax assets

**Tier two:**

Tier two consists of stage one of Expected Credit Loss (ECL) for debt instrument, loans and credit facilities capped by 1.25% risk weighted assets and contingent liabilities ,subordinated loans\deposits (amortizing 20% of its carrying amount in each year of the remaining five years to maturity) and 45% of the increase in fair value than book value for the investments in subsidiaries and associates.
When calculating the numerator of capital adequacy ratio, total amount of subordinated loans (deposits) should not exceed 50 % of Tier 1.
Assets risk weight scale ranging from zero to 400% is based on the counterparty risk to reflect the related credit risk scheme, taking into considration the cash collatrals and guarantees according to CBE regulations. Similar criteria are used for off balance sheet items after applying conversion factors to reflect the nature of contingency and the potential loss of those amounts. The Bank has complied with all local capital adequacy requirements for the current year.

(All amounts are shown in EGP thousands)

**The tables below summarize the compositions of capital base , capital adequacy ratio and leverage ratio .**

| **33.5.1 Capital Adequacy Ratio** | **Dec.31, 2024** | Dec.31, 2023 |
|---|---|---|
| **Tier 1 capital** | | |
| Issued and Paid-in Capital | **30,431,580** | 30,195,010 |
| Reserves | **64,928,142** | 30,800,441 |
| Retained Earnings (Losses) | **1,549,380** | 332,888 |
| Total deductions from common equity tier 1 capital | **(2,849,288)** | (1,829,068) |
| Net profit for the year | **40,451,671** | 24,254,227 |
| **Total qualifying tier 1 capital** | **134,511,485** | 83,753,498 |
| **Tier 2 capital** | | |
| Subordinated Loans | **19,911,465** | 12,057,970 |
| *Expected Credit Losses for loans , Credit facilities, contingent liabilities and debt instruments - stage 1 | **7,413,006** | 4,281,122 |
| **Total qualifying tier 2 capital** | **27,324,471** | 16,339,092 |
| **Total qualifying capital base** | **161,835,956** | 100,092,590 |
| **Risk weighted assets and contingent liabilities** | | |
| Total credit risk | **593,351,983** | 343,408,395 |
| Total market risk | **14,158,820** | - |
| Total operational risk | **63,467,763** | 36,038,665 |
| Cross border over limit | **-** | 2,060,413 |
| **Total** | **670,978,566** | 381,507,473 |
| ****Capital adequacy ratio (%)** | **24.1%** | 26.2% |

** Not more than 1.25% of total assets and contingent liabilities weighted by credit risk weights.*

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

**33.5.2 Leverage ratio**

| | **Dec.31, 2024** | Dec.31, 2023 |
|---|---|---|
| **Total qualifying tier 1 capital** | **134,511,485** | 83,753,498 |
| **On-balance sheet items and derivatives** | **1,226,683,110** | 856,118,571 |
| **Off-balance sheet items** | **172,364,998** | 106,722,210 |
| **Total exposures** | **1,399,048,108** | 962,840,781 |
| **Leverage ratio*** | **9.6%** | 8.7% |

**Based on consolidated financial statement figures and in accordance with Centeral Bank of Egypt regulation issued on 14 July 2015.*

For December 2024 NSFR ratio record 238% (LCY 239% and FCY 236%), and LCR ratio record 1037% (LCY 1709% and FCY 403%).
For December 2023 NSFR ratio record 253% (LCY 264% and FCY 229%), and LCR ratio record 1342% (LCY 2250% and FCY 175%).

## 33.6 Critical accounting estimates and judgments

The Bank makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances and available information. Uncertainty about these assumptions and estimates could result in outcomes that require adjustments to the carrying amount of assets or liabilities affected in future periods.

## 33.7 Fair value of derivatives

The fair value of financial instruments that are not quoted in active markets are determined by using valuation techniques. these valuation techniques (as models) are validated and periodically reviewed by qualified personnel independent of the area that created them.
All models are certified before they are used, and models are calibrated to ensure that outputs reflect actual data and comparative market prices. For practicality purposes, models use only observable data; however, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect reported fair value of financial instruments.

(All amounts are shown in EGP thousands)

## 34. Segment analysis

### 34.1. By business segment

The Bank is divided into the following business segments:

- Corporate banking & SME's: This includes current account activities, deposits, overdrafts, loans, credit facilities, and financial derivatives to large, medium, and small entities, currency and derivative products.
- Investment : Incorporating financial instruments, structured financing, corporate leasing, merger and acquisitions information.
- Retail banking: incorporating private banking services, private customer current accounts, savings, deposits, investment savings products, custody, credit and debit cards, consumer loans and mortgages.

| **Dec.31, 2024** | **Corporate banking** | **SME's** | **Investment banking** | **Retail banking** | **Total** |
|---|---|---|---|---|---|
| **Net interest income** | **54,590,414** | **7,278,722** | **10,918,083** | **18,196,805** | **90,984,024** |
| **Net fee and commission income** | **4,251,132** | **566,818** | **850,226** | **1,417,044** | **7,085,220** |
| **Net trading income** | **12,282,138** | **1,637,618** | **2,456,428** | **4,094,046** | **20,470,230** |
| **Other revenue** | **381,958** | **50,928** | **76,392** | **127,320** | **636,598** |
| **Total segment revenue** | **71,505,642** | **9,534,086** | **14,301,129** | **23,835,215** | **119,176,072** |
| **Impairment charges for credit losses** | **(2,157,242)** | **(922,041)** | **243,947** | **(1,688,483)** | **(4,523,819)** |
| **Reportable segment profit before tax** | **32,706,099** | **6,903,774** | **18,423,485** | **13,464,670** | **71,498,028** |
| **Tax** | **(10,874,363)** | **(1,959,882)** | **(5,189,025)** | **(3,855,676)** | **(21,878,946)** |
| **Reportable segment assets** | **724,775,722** | **11,740,156** | **402,804,692** | **77,518,108** | **1,216,838,678** |
| **Reportable segment liabilities** | **438,569,906** | **91,318,692** | **-** | **539,977,158** | **1,069,865,756** |
| **Letters of guarantee** | **245,768,953** | **12,224,586** | **-** | **-** | **257,993,539** |
| **Letters of credit** | **18,964,727** | **215,043** | **-** | **-** | **19,179,770** |
| **Customers acceptances** | **11,798,825** | **133,788** | **-** | **-** | **11,932,613** |
| **Total contingent liabilities and commitments** | **276,532,505** | **12,573,417** | **-** | **-** | **289,105,922** |

| **Dec.31, 2023** | **Corporate banking** | **SME's** | **Investment banking** | **Retail banking** | **Total** |
|---|---|---|---|---|---|
| Net interest income | 26,685,315 | 5,851,583 | 6,582,388 | 13,766,405 | **52,885,691** |
| Net fee and commission income | 2,740,682 | 602,468 | 677,711 | 1,417,364 | **5,438,225** |
| Net trading income | 1,979,675 | 452,755 | 509,300 | 1,065,150 | **4,006,880** |
| Other revenue | 201,504 | 44,296 | 49,828 | 104,209 | **399,837** |
| **Total segment revenue** | **31,607,176** | **6,951,102** | **7,819,227** | **16,353,128** | **62,730,633** |
| Impairment charge for credit losses | (629,334) | (870,325) | (2,005,448) | (764,974) | **(4,270,081)** |
| Reportable segment profit before tax | 16,834,177 | 5,039,554 | 5,530,710 | 11,156,214 | **38,560,655** |
| Tax | (5,547,993) | (1,462,052) | (1,678,066) | (3,254,295) | **(11,942,406)** |
| Reportable segment assets | 498,293,156 | 8,211,322 | 271,690,860 | 57,840,618 | **836,035,956** |
| Reportable segment liabilities | 318,936,155 | 60,305,027 | - | 369,256,762 | **748,497,944** |
| Letters of guarantee | 153,159,849 | 7,616,304 | - | - | **160,776,153** |
| Letters of credit | 8,973,374 | 101,750 | - | - | **9,075,124** |
| Customers acceptances | 4,746,583 | 53,822 | - | - | **4,800,405** |
| **Total contingent liabilities and commitments** | **166,879,806** | **7,771,876** | **-** | **-** | **174,651,682** |

(All amounts are shown in EGP thousands)

### 34.2 . By geographical segment

| Dec.31, 2024 | Greater Cairo | Alex, Delta & Sinai | Upper Egypt | Outside Egypt (CIB Kenya)* | Total |
|---|---|---|---|---|---|
| **Revenue according to geographical segment** | **103,235,024** | **11,407,670** | **3,846,253** | **687,125** | **119,176,072** |
| **Expenses according to geographical segment** | **(42,109,377)** | **(2,957,601)** | **(1,572,442)** | **(1,038,624)** | **(47,678,044)** |
| **Profit before tax** | **61,125,647** | **8,450,069** | **2,273,811** | **(351,499)** | **71,498,028** |
| **Tax** | **(18,931,679)** | **(2,398,852)** | **(645,502)** | **97,087** | **(21,878,946)** |
| **Profit for the year** | **42,193,968** | **6,051,217** | **1,628,309** | **(254,412)** | **49,619,082** |
| **Total assets** | **1,129,726,955** | **64,483,232** | **15,907,339** | **6,721,152** | **1,216,838,678** |

* CIB considers CIB Kenya bank as a whole is cash generating unit

| Dec.31, 2023 | Greater Cairo | Alex, Delta & Sinai | Upper Egypt | Outside Egypt (CIB Kenya)* | Total |
|---|---|---|---|---|---|
| Revenue according to geographical segment | 52,376,037 | 8,531,843 | 1,435,796 | 386,957 | **62,730,633** |
| Expenses according to geographical segment | (21,580,451) | (2,115,141) | (25,997) | (448,389) | **(24,169,978)** |
| Profit before tax | 30,795,586 | 6,416,702 | 1,409,799 | (61,432) | **38,560,655** |
| Tax | (9,741,043) | (1,861,583) | (409,004) | 69,224 | **(11,942,406)** |
| Profit for the year | 21,054,543 | 4,555,119 | 1,000,795 | 7,792 | **26,618,249** |
| Total assets | 777,762,920 | 45,036,445 | 9,773,559 | 3,463,032 | **836,035,956** |

## 35 . Contingent liabilities and commitments

### 35.1 . Legal claims

Litigation is a common occurrence in the Banking industry due to the nature of the business undertaken.
The Bank has formal controls and policies for managing legal claims. Once professional advice has been obtained and the amount of loss reasonably estimated, the Bank makes adjustments to account for any adverse effects which the claims may have on its financial standing. At year-end, the Bank had several unresolved legal claims.

- There is a number of existing cases against the bank on December 31, 2024 for which no provisions are made as the bank doesn't expect to incur losses from it.
- A provision for legal cases that are expected to generate losses has been created.

### 35.2 . Capital commitments

### 35.2.1 . Financial investments

The capital commitments for the financial investments reached on the date of financial position EGP 3,177 thousand as follows:

| Financial Assets at fair value through OCI | Investments value | Paid | Remaining |
|---|---|---|---|
| **Dec.31, 2024** | **508,388** | **505,211** | **3,177** |
| Dec.31, 2023 | 308,931 | 307,000 | 1,931 |

### 35.2.2 . Fixed assets and branches constructions

The value of commitments for the purchase of fixed assets contracts and branches constructions that have not been implemented till the date of financial statement amount to :

| | Dec.31, 2024 | Dec.31, 2023 |
|---|---|---|
| | **439,730** | 396,683 |

### 35.3 . Letters of credit, guarantees and other commitments

| | Dec.31, 2024 | Dec.31, 2023 |
|---|---|---|
| Letters of guarantee | **257,993,539** | 160,776,153 |
| Letters of credit (import and export) | **19,179,770** | 9,075,124 |
| Customers acceptances and other contingent liabilities | **11,932,613** | 4,800,405 |
| **Total** | **289,105,922** | 174,651,682 |

| | Dec.31, 2024 | Dec.31, 2023 |
|---|---|---|
| Credit facilities commitments | **6,621,138** | 5,375,921 |

(All amounts are shown in EGP thousands)

## 36 . Related party disclosures

### 36.1 . Compensation of key management personnel of the Bank

In accordance to the equity settled share based payment program approved by the extraordinary general assembly meeting of the bank in April 2016 with the same conditions previously approved by the extraordinary general assembly meeting of the bank in June 2006, these shares are vested after 3 years (in 2024) and should not be exercised until the beneficiaries pay its full par value of EGP 10 per share.

| | **Dec.31, 2024** | | Dec.31, 2023 | |
|---|---|---|---|---|
| | **Outstanding balance** | **Income (expense)** | Outstanding balance | Income (expense) |
| Loans and advances | **18,193** | **2,526** | 326 | 282 |
| Deposits | **204,714** | **(21,168)** | 66,774 | (6,792) |

### 36.2 . Transactions with associates

| | **Dec.31, 2024** | | | |
|---|---|---|---|---|
| | **Fees & Interest from** | **Fees & Interest to** | **Amounts owed by** | **Amounts owed to** |
| Al ahly computer | **31** | **4** | **-** | **1,026** |
| TCA | **137,457** | **-** | **731,737** | **36,521** |

| | **Dec.31, 2023** | | | |
|---|---|---|---|---|
| | **Fees & Interest from** | **Fees & Interest to** | **Amounts owed by** | **Amounts owed to** |
| Al ahly computer | **22** | **103** | **-** | **16,373** |
| TCA | **151,493** | **-** | **940,804** | **12,263** |

**Terms and conditions of transactions with related parties**

The above-mentioned outstanding balances arose from the ordinary course of business. The interest rates charged to and by related parties are at normal commercial rates. Outstanding balances at the year-end are unsecured. There have been no guarantees provided or received for any related party receivables or payables.

(All amounts are shown in EGP thousands)

## 37 . Tax status

**Corporate income tax**

- Settlement of corporate income tax since the start of activity till 2021
- 2022-2023 under finalizing inspection & settlement
- The yearly income tax return submitted in legal dates

**Salary tax**

- Settlement of salary tax since the start of activity till 2022

**Stamp duty tax**

- The period since the start of activity till 31/07/2006 was examined & paid
- Settlement the period from 01/08/2006 till 31/12/2022 in accordance with the protocol signed between the Federation of Egyptian Banks & the Egyptian Tax Authority

## 38 . Non-Controlling Interest

| | Dec.31, 2024 | Dec.31, 2023 |
|---|---|---|
| Damietta Shipping | **182,938** | 160,018 |
| CIFC | **95** | 45 |
| C-Ventures | **11** | 10 |
| **Total** | **183,044** | 160,073 |

## 39 . Significant events during the year

On the 1st of February 2024, the Monetary Policy Committee (MPC) decided to raise the Central Bank of Egypt’s (CBE) overnight deposit rate, overnight lending rate, and the rate of the main operation by 200 basis points to 21.25 percent, 22.25 percent, and 21.75 percent, respectively. The discount rate was also raised by 200 basis points to 21.75 percent , which may affect the bank's policies in pricing current and future banking products.

On the 6th of March 2024, the Monetary Policy Committee (MPC) decided to raise the Central Bank of Egypt’s (CBE) overnight deposit rate, overnight lending rate, and the rate of the main operation by 600 basis points to 27.25 percent, 28.25 percent, and 27.75 percent, respectively. The discount rate was also raised by 600 basis points to 27.75 percent , which may affect the bank's policies in pricing current and future banking products.

Based on the change in the US dollar exchange rate during the month of March from 31 pounds per dollar to 47 pounds per dollar, the values of assets and liabilities of monetary nature in foreign currencies, as well as the income statement, were affected by the results of evaluating the existing currency positions at the date of the financial position. For more details, refer to notes (9 & 11)

In the last quarter of 2024, Egyptian Accounting Standard 51 "Financial Statements in the Economics of Hyperinflation" was issued by Prime Minister  No. 3527 of 2024 with the aim of helping to revalue the assets and liabilities of the financial statements in a way that reflects the actual purchasing power assessed by the impact of inflation. CIB's management is following up the impact of the application of this standard to study the extent of its impact on the financial statements, and no instructions have been issued to apply this standard until the date of issuance of the bank's financial statements.

## 40 . Main currencies positions

| | Dec.31, 2024 | Dec.31, 2023 |
|---|---|---|
| Egyptian pound | **(14,226,881)** | 204,337 |
| US dollar | **13,411,452** | 677,736 |
| Sterling pound | **21,656** | 11,418 |
| Japanese yen | **(2,178)** | (101) |
| Swiss franc | **672** | 1,471 |
| Euro | **725,040** | (278,430) |

Main currencies positions above represents what is recognized in the balance sheet position of the Central Bank of Egypt.

## 41 . Mutual funds

### Osoul fund

- The bank established CIB investment monetary fund with an accumulated return -Osoul in accordance with the provisions of the Capital Market Law 95 of 1992 under license no.331 regulatory authority on issued from financial February 22, 2005. CI Assets Management Co.- Egyptian joint stock co - manages the fund.
- The number of certificates issued reached 6,299,776 with redeemed value of EGP 5,044,168 thousands.
- The market value per certificate reached EGP 800.69 on December 31, 2024.
- The Bank's portion is 237,112 certificates with a redeemed value of EGP 189,853 thousands.

### Istethmar fund

- The bank established CIB investment fund the second with accumulated return in accordance with the provisions of the Capital Market Law 95 of 1992 under license no.344 issued from financial regulatory authority on February 26, 2006. CI Assets Management Co.- Egyptian joint stock co - manages the fund.
- The number of certificates issued reached 364,124 with redeemed value of EGP 203,549 thousands
- The market value per certificate reached EGP 559.01 on December 31, 2024
- The Bank's portion is 50,000 certificates with a redeemed value of EGP 27,951 thousands.

### Aman fund (CIB and Faisal Islamic Bank Mutual Fund)

- CIB and Faisal Islamic Bank established an accumulated return mutual in accordance with the provisions of the Capital Market Law 95 of 1992 fund under license no.365 issued from financial regulatory authority on July 30, 2006. CI Assets Management Co.- Egyptian joint stock co - manages the fund.
- The number of certificates issued reached 307,753 with redeemed value of EGP 84,167 thousands.
- The market value per certificate reached EGP 273.49 on December 31, 2024.
- The Bank's portion is 32,596 certificates with a redeemed value of EGP 8,915 thousands.

### Hemaya fund

- The bank established CIB investment fund the forth -Hemaya with accumulated return in accordance with the provisions of the Capital Market Law 95 of 1992 under license no.585 issued from financial regulatory authority on June 23, 2010. CI Assets Management Co.- Egyptian joint stock co - manages the fund.
- The number of certificates issued reached 81,416 with redeemed value of EGP 42,965 thousands.
- The market value per certificate reached EGP 527.72 on December 31, 2024.
- The Bank's portion is 50,000 certificates with a redeemed value of EGP 26,386 thousands.

### Thabat fund

- The bank established CIB quarterly return fund for investing in debt insturments -Thabat in accordance with the provisions of the Capital Market Law 95 of 1992 under license no.613 issued from financial regulatory authority on December 28, 2010. CI Assets Management Co.- Egyptian joint stock co - manages the fund.
- The number of certificates issued reached 184,167 with redeemed value of EGP 91,780 thousands.
- The market value per certificate reached EGP 498.35 on December 31, 2024.
- The Bank's portion is 50,000 certificates with a redeemed value of EGP 24,918 thousands.

### Takamol fund

- The bank established CIB accumulated fund -Takamol in accordance with the provisions of the Capital Market Law 95 of 1992 under license no.706 issued from financial regulatory authority on May 26, 2015. CI Assets Management Co.- Egyptian joint stock co - manages the fund.
- The number of certificates issued reached 118,017 with redeemed value of EGP 58,755 thousands.
- The market value per certificate reached EGP 497.85 on December 31, 2024.
- The Bank's portion is 50,000 certificates with a redeemed value of EGP 24,893 thousands.

(All amounts are shown in EGP thousands)

**The following tables represent the summarize Financial information of (CVenture) subsidiary under liquidation.**

## 42 . Non current assets held for sale

| | Dec.31, 2024 | Dec.31, 2023 |
|---|---|---|
| Financial Assets at Fair Value through OCI | - | 79 |
| Other assets | - | 2 |
| Property and equipment | - | 80 |
| **Total** | **-** | 161 |

## 43 . Non current liabilities held for sale

| | Dec.31, 2024 | Dec.31, 2023 |
|---|---|---|
| Other liabilities | **1,079** | 680 |
| Other provisions | **318** | 193 |
| **Total** | **1,397** | 873 |

## 44 . Profit (loss) from discontinued operations

| | Dec.31, 2024 | Dec.31, 2023 |
|---|---|---|
| Net interest income | - | 3,983 |
| Net fee and commission income | - | 136 |
| Net trading income | - | (311) |
| Profit (loss) from selling treasury bonds and shares | - | (44,182) |
| Administrative expenses | - | (2,255) |
| Other operating income (expenses) | - | (632) |
| Impairment release (charges) for credit losses | - | 1,151 |
| Taxes | - | 8 |
| **Net profit (loss) from discontinued operations** | **-** | (42,102) |

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