

EFG Holding Company
(Egyptian Joint Stock Company)

Consolidated financial statements.

For the year ended 31 December 2025

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(Egyptian Joint Stock Company)
Consolidated financial statements
For the year ended 31 December 2025

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Independent Auditor's Report To the Shareholders of EFG Holding Company (Egyptian Joint Stock Company)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of EFG Holding Company (Egyptian Joint Stock Company) and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code") as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report
To the Shareholders of EFG Holding Company (Egyptian Joint Stock Company)

Report on the Audit of the Consolidated Financial Statements (continued)

Key Audit Matters (continued)

Description of Key Audit Matter	How the Matter was Addressed in Our Audit
Measurement of Expected Credit Loss ("ECL") on Loans and Advances to Customers	
<p>As disclosed in note 8 to the consolidated financial statements, the Group had loans and advances of EGP 78,128 million as at 31 December 2025 representing 34% of total assets. The expected credit loss ("ECL") allowance was EGP 3,008 million as at this date, which comprises of an allowance of EGP 1,487 million against Stage 1 and 2 exposures and an allowance of EGP 1,521 million against exposures classified under Stage 3.</p> <p>The Group calculates ECL on its loans and advances balance using model estimations by exercising significant judgments and making a number of assumptions to estimate probability of default ("PD"), loss given default ("LGD") and exposure at default ("EAD"), adjusted for forward-looking information, associated with the underlying financial assets.</p> <p>The Group's determination of impairment allowances for loans and advances to customers also requires management to make judgments over the staging of financial assets by assessing credit risk parameters, resulting in manual staging adjustments allowed as per the Group's policies where appropriate.</p> <p>Given the level of complexity, number of significant judgments and assumptions required to measure the ECL on loans and advances to customers, we have considered this as a Key Audit Matter.</p> <p>Note 3.16 of the Group's consolidated financial statements explains the accounting policies applied when determining the ECL and Note 34 provides the risk management disclosures related to ECL.</p>	<p>We performed the following audit procedures in respect of the measurement of ECL on loans and advances to customers as included in the Group's consolidated financial statements for the year ended 31 December 2025:</p> <ul style="list-style-type: none"> ➤ We obtained an understanding of the control environment associated with the process of estimation of ECL and assessed the design and implementation of the key controls in that process; ➤ Where relevant, we tested the operating effectiveness of key controls over the ECL calculation process; ➤ We have tested, on a sample basis, the completeness and accuracy of the data used in the calculation of ECL; ➤ We evaluated the model governance framework including model approval, ongoing monitoring, and validation process; ➤ We have involved our IFRS 9 - Financial Instruments experts to assess the following areas: <ul style="list-style-type: none"> • Conceptual framework used for developing the Group's impairment policy in the context of its compliance with the requirements of IFRS 9; • ECL modelling methodology and calculations used to compute the PD, LGD, and EAD including reasonableness of the assumptions; and • the appropriateness of the macro-economic variables, multiple economic scenarios chosen and scenario weightings; • Re-computation of ECL provision for a sample of corporate exposures to assess the mathematical accuracy of the ECL calculation. ➤ We assessed the appropriateness of the Group's staging of loans and advances by evaluating credit risk indicators and by testing a sample of exposures to assess whether they were appropriately classified between Stage 1, Stage 2 and Stage 3.

Independent Auditor's Report

To the Shareholders of EFG Holding Company (Egyptian Joint Stock Company)

Report on the Audit of the Consolidated Financial Statements (continued)

Key Audit Matters (continued)

	<ul style="list-style-type: none"> ➤ For the Stage 3 portfolio we have assessed the appropriateness of the provisioning assumptions for a sample of corporate exposures selected on the basis of risk and the significance of individual exposures; ➤ Assessed the appropriateness of significant assumptions and judgments used by management in applying ECL adjustments; and ➤ inspected the consolidated financial statements disclosures to assess compliance with IFRS 7 - Financial Instruments: Disclosures and IFRS 9 - Financial Instruments.
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Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by IASB, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 management either intends to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

**Independent Auditor's Report
To the Shareholders of EFG Holding Company (Egyptian Joint Stock Company)**

Report on the Audit of the Consolidated Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law and regulations precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

GRANT THORNTON UAE



**Dr. Osama El Bakry
Registration No. 935
Dubai, United Arab Emirates**



30 April 2026

EFG Holding Company
(Egyptian Joint Stock Company)
Consolidated statement of financial position
As at 31 December 2025

	Notes	2025 EGP Thousand	2024 EGP Thousand
Assets			
Cash and deposits	5	37,019,653	42,847,357
Balance with Central Bank	5.1	9,747,374	8,693,380
Loans and advances to customers	8	78,128,024	57,928,603
Accounts receivable	7	17,672,952	15,773,382
Investments at fair value through profit and loss	6	34,406,171	23,488,674
Investments at fair value through OCI	9	20,758,482	12,374,218
Investments at amortized cost	11	17,404,066	12,487,545
Assets held for sale		-	106,304
Equity accounted investees	10	348,710	804,867
Investment properties	12	84,681	90,283
Other assets	15	8,963,377	6,583,336
Goodwill and other intangible assets	14	1,903,301	2,490,920
Deferred tax assets	21	206,765	233,912
Property and equipment	13	4,003,498	2,975,630
Total assets		230,647,054	186,878,411
Liabilities			
Due to banks and financial institutions	16	34,586,591	22,762,916
Customer deposits	17	79,322,035	67,208,585
Loans and borrowings	23	15,104,080	11,489,567
Creditors and other credit balances	20	10,841,107	11,130,638
Accounts payable – customers credit balances FVTPL	18	13,987,720	7,901,466
Accounts payable – customers credit balances	18.1	23,136,225	20,566,943
Issued bonds	19	3,909,625	1,432,665
Provisions	22	1,984,757	1,913,277
Current tax liability	29.1	1,923,015	1,020,705
Deferred tax liabilities	21	893,918	2,083,684
Total liabilities		185,689,073	147,510,446
Equity			
Share capital	24	7,179,465	7,298,030
Legal reserve		993,689	993,689
Share premium		1,843,542	1,797,838
Other reserves		9,661,185	11,800,563
Retained earnings		15,744,718	12,568,681
Treasury shares	24.1	-	(399,975)
Equity attributable to owners of the Group		35,422,599	34,058,826
Non – controlling interests	25	9,535,382	5,309,139
Total equity		44,957,981	39,367,965
Total liabilities and equity		230,647,054	186,878,411

These consolidated financial statements were approved and authorised for issue on 30 April 2026 and signed by:


Mona Zulficar
Chairperson


Karim Awad
Group Chief Executive Officer

The accompanying notes 1 to 36 form an integral part of these consolidated financial statements.

EFG Holding Company
(Egyptian Joint Stock Company)
Consolidated statement of profit or loss
For the year ended 31 December 2025

	Notes	2025 EGP Thousand	2024 EGP Thousand
Interest income	31	26,981,276	22,319,642
Interest expense		(19,544,037)	(15,310,258)
Net interest income		7,437,239	7,009,384
Fee and commission income	31	14,009,331	11,452,386
Fee and commission expense		(2,349,074)	(1,357,101)
Net fee and commission income		11,660,257	10,095,285
Realized securities' gain/(loss)		661,111	(57,356)
Net changes in the fair value of investments at FVTPL	6	762,731	2,844,098
Dividend income	31	127,846	85,998
Other revenues	27	1,844,508	462,570
Net gains on derecognition of financial assets at amortized cost	31	2,508,493	960,692
Impairment loss on financial assets – net of recoveries	28	(950,925)	(773,002)
Foreign currencies exchange differences	31	594,928	2,907,706
Share of gain from equity accounted investees	31	72,682	48,853
		24,718,870	23,584,228
General and administrative expenses	30	(16,334,826)	(14,713,532)
Financial guarantee provision	22	(113,575)	(40,678)
Provisions	22	(333,083)	(738,908)
Depreciation and amortisation	30.2	(895,095)	(633,597)
Profit before tax		7,042,291	7,457,513
Income tax expense	29	(1,239,570)	(2,370,417)
Profit for the year		5,802,721	5,087,096
Attributable to:			
Shareholders of the Holding Company		3,753,339	4,098,933
Non-controlling interests		2,049,382	988,163
		5,802,721	5,087,096
Earnings per share:			
Basic earnings per share – EGP	33	2.61	2.84
Diluted earnings per share – EGP	33	2.61	2.84

The accompanying notes 1 to 36 form an integral part of these consolidated financial statements.

EFG Holding Company
(Egyptian Joint Stock Company)
Consolidated statement of comprehensive income
For the year ended 31 December 2025

	Notes	2025 EGP Thousand	2024 EGP Thousand
Profit for the year		5,802,721	5,087,096
Other comprehensive income items:			
<u>Items that may be reclassified to the consolidated statement of profit or loss</u>			
Foreign operations - foreign currency translation differences		(673,569)	7,055,262
Foreign currency translation differences - reclassified to profit or loss		(886,520)	(26,944)
Net gain on investments in debt instruments at FVOCI- net change in fair value		137,113	186,661
Investments at fair value through OCI-net change in fair value - reclassified to profit or loss		(17,468)	213,739
Tax relating to such items	21	(2,037)	(102,709)
		(1,442,481)	7,326,009
<u>Items that will not be reclassified to the consolidated statement of profit or loss</u>			
Investment at fair value through OCI - reclassified to retained earnings		(99,927)	555
Net (loss)/gain on investments in equity instruments designated at fair value through OCI - net change in fair value		(396,839)	20,241
Actuarial (loss)/gain on remeasurement of employees' benefits obligations	20.2	(21,483)	2,178
Share of other comprehensive income of equity accounted investees		12,491	4,672
Other comprehensive income, net of tax		(1,948,239)	7,353,655
Total comprehensive income for the year		3,854,482	12,440,751
Attributable to:			
Shareholders of the Holding Company		1,856,730	11,076,685
Non-controlling interests		1,997,752	1,364,066
		3,854,482	12,440,751

The accompanying notes 1 to 36 form an integral part of these consolidated financial statements.

EFG Holding Company
(Egyptian Joint Stock Company)
Consolidated statement of changes in equity
For the year ended 31 December 2025

2024 EGP Thousand	Attributable to owners of the Company											Non- controlling interests	Total equity
	Share capital	Legal reserve	Share premium	Other reserves				Operational risk reserve	Treasury shares	Retained earnings	Total		
				General reserve	Translation reserve	Fair value reserve	Employee stock ownership plan reserve						
Balance as at 31 December 2023, as previously reported	7,298,030	972,344	1,668,624	158	5,650,019	(1,285,459)	419,950	58,442	-	8,538,917	23,321,025	4,074,904	27,395,929
Impact of purchase price allocation on subsidiary	-	-	-	-	-	-	-	-	-	(4,461)	(4,461)	7,571	3,110
Restated balance as at 31 December 2023	7,298,030	972,344	1,668,624	158	5,650,019	(1,285,459)	419,950	58,442	-	8,534,456	23,316,564	4,082,475	27,399,039
Total comprehensive income													
Profit	-	-	-	-	-	-	-	-	-	4,098,933	4,098,933	988,163	5,087,096
Other comprehensive income	-	-	-	-	6,728,166	247,408	-	-	-	2,178	6,977,752	375,903	7,353,655
Total comprehensive income	-	-	-	-	6,728,166	247,408	-	-	-	4,101,111	11,076,685	1,364,066	12,440,751
Transactions with owners of the Group													
Contributions and distributions													
Dividends	-	-	-	-	-	-	-	-	-	(5,809)	(5,809)	(139,963)	(145,772)
Transferred to legal reserve	-	21,345	-	-	-	-	-	-	-	(21,345)	-	-	-
Transferred to share premium	-	-	129,214	-	-	-	(55,276)	-	-	-	73,938	-	73,938
Operational risk reserve	-	-	-	-	-	-	-	37,155	-	(37,155)	-	-	-
Purchasing of treasury shares	-	-	-	-	-	-	-	-	(399,975)	-	(399,975)	-	(399,975)
Sale of equity securities through OCI	-	-	-	-	-	-	-	-	-	2,975	2,975	1,296	4,271
Changes in ownership interests													
Changes in ownership interests without a change in control	-	-	-	-	-	-	-	-	-	(5,552)	(5,552)	1,265	(4,287)
Balance as at 31 December 2024	7,298,030	993,689	1,797,838	158	12,378,185	(1,038,051)	364,674	95,597	(399,975)	12,568,681	34,058,826	5,309,139	39,367,965

The accompanying notes 1 to 36 form an integral part of these consolidated financial statements.

EFG Holding Company
(Egyptian Joint Stock Company)
Consolidated statement of changes in equity (continued)
For the year ended 31 December 2025

	Attributable to owners of the Company												Non-controlling interests	Total equity
	Share capital	Legal reserve	Share premium	Other reserves					Treasury shares	Retained earnings	Total			
				General reserve	Translation reserve	Fair value reserve	Employee stock ownership plan reserve	Operational risk reserve						
2025														
EGP Thousand														
Balance as at 31 December 2024	7,298,030	993,689	1,797,838	158	12,378,185	(1,038,051)	364,674	95,597	(399,975)	12,568,681	34,058,826	5,309,139	39,367,965	
Total comprehensive income														
Profit	-	-	-	-	-	-	-	-	-	3,753,339	3,753,339	2,049,382	5,802,721	
Other comprehensive income	-	-	-	-	(1,453,852)	(421,274)	-	-	-	(21,483)	(1,896,609)	(51,630)	(1,948,239)	
Total comprehensive income	-	-	-	-	(1,453,852)	(421,274)	-	-	-	3,731,856	1,856,730	1,997,752	3,854,482	
Transactions with owners of the Group														
Contributions and distributions														
Dividends	-	-	-	-	-	-	-	-	-	(344,162)	(344,162)	(210,497)	(554,659)	
Transferred to share premium	-	-	327,114	-	-	-	(243,114)	-	-	-	84,000	-	84,000	
Operational risk reserve	-	-	-	-	-	-	-	(21,138)	-	21,138	-	-	-	
Writing off treasury shares	(118,565)	-	(281,410)	-	-	-	-	-	399,975	-	-	-	-	
Sale of equity securities through OCI	-	-	-	-	-	-	-	-	-	99,927	99,927	-	99,927	
Changes in ownership interests														
Changes in ownership interests without a change in control	-	-	-	-	-	-	-	-	-	(332,722)	(332,722)	381,869	49,147	
Share of NCI in the increase of subsidiaries' paid-up capital	-	-	-	-	-	-	-	-	-	-	-	2,057,119	2,057,119	
Balance as at 31 December 2025	7,179,465	993,689	1,843,542	158	10,924,333	(1,459,325)	121,560	74,459	-	15,744,718	35,422,599	9,535,382	44,957,981	

The accompanying notes 1 to 36 form an integral part of these consolidated financial statements.

EFG Holding Company
(Egyptian Joint Stock Company)
Consolidated statement of cash flows
For the year ended 31 December 2025

	Notes	2025 EGP Thousand	2024 EGP Thousand
Cash flows from operating activities			
Profit for the year before income tax		7,042,291	7,457,513
Adjustments for:			
Depreciation and amortisation	30.2	895,095	633,597
Changes in provisions	22	204,255	502,961
Gains on sale of property, plant and equipment	27	(16,414)	(22,882)
Gain from securitization		(2,508,493)	(960,692)
Gain on sale of investment property		-	(7,648)
Gain/(loss) on sale of investment held at FVOCI		(21,385)	203,295
Amortisation of premium / issue discount		(1,725,768)	(2,171,081)
Gain from assets acquired as settlement of debts		(41,593)	(17,398)
Gain on sale of other assets		(1,207,010)	-
Changes in the fair value of investments held at FVTPL		(762,731)	(2,844,098)
Share of gain from equity accounted investees	31	(72,682)	(48,853)
Impairment loss on assets	28	950,925	773,002
Share-based payment		83,890	73,938
Provision for employees' benefits	20.2	17,724	15,477
Foreign currency translation differences		(1,036,445)	6,395,850
Foreign currency exchange differences	31	(594,928)	(2,907,706)
Gain on selling of investments in subsidiaries and associates		(503,129)	(2,599)
Operating profit before changes in assets and liabilities		703,602	7,072,676
Changes in assets and liabilities:			
Other assets		(3,982,646)	(137,305)
Creditors and other credit balances		(1,125,801)	(2,800,194)
Accounts receivables		558,807	(3,869,228)
Accounts payable		1,201,269	(895,777)
Accounts payable - customers credit balance at FVTPL		6,086,255	7,221,146
Loans and facilities to customers		(28,245,740)	(20,424,633)
Due from banks		(1,880,784)	(4,699,056)
Due to banks		2,327,980	(3,196,040)
Customers deposits		13,065,583	9,102,583
Employees' benefits obligations paid	20.2	(1,995)	(37,828)
Investments at FVTPL		(10,636,605)	466,184
Income tax paid		(1,470,852)	(1,052,558)
Net cash used in operating activities		(23,400,927)	(13,250,030)
Cash flows from investing activities:			
Purchase of property, plant and equipment and other intangible assets		(930,532)	(1,241,297)
Proceeds from sale of property, plant and equipment		75,328	36,355
Proceeds from sale of assets held for sale		13,293	-
Proceeds from sale of investment property		-	9,579
Proceeds from sale of other assets		2,086,688	-
Proceeds from sale of investments at FVOCI		22,026,767	29,663,914
Purchase of investments at FVOCI		(33,983,879)	(26,353,791)
Payments to purchase investment in subsidiaries		(257,609)	(5,562)
Proceeds from sale of investment in subsidiaries		500,045	-
Purchase of equity accounted investees		(66,000)	(71,000)
Proceeds from sale of equity accounted investees		762,317	13,083
Dividends received		10,000	16,185
Net cash (used in)/generated from investing activities		(9,763,582)	2,067,466

The accompanying notes 1 to 36 form an integral part of these consolidated financial statements.

EFG Holding Company
(Egyptian Joint Stock Company)
Consolidated statement of cash flows (continued)
For the year ended 31 December 2025

	Notes	2025 EGP Thousand	2024 EGP Thousand
Cash flows from financing activities:			
Capital contributions from non-controlling interests in subsidiaries		2,057,119	-
Dividends paid		(366,290)	(621,494)
Proceeds from securitization		9,532,638	4,935,750
Proceeds from issued bonds		3,550,000	1,432,665
Payments for issued bonds		(1,073,040)	(749,003)
Proceeds from financial institutions		24,755,942	2,142,133
Payments to financial institutions		(16,670,447)	-
Proceeds from loans and borrowings		11,149,001	4,914,826
Payments for loans and borrowings		(7,602,922)	(1,752,246)
Purchase of treasury shares		-	(399,975)
Net cash generated from financing activities		25,332,001	9,902,656
Net change in cash and cash equivalents		(7,832,508)	(1,279,908)
Cash and cash equivalents at 1 January		24,541,976	20,295,762
Effect of exchange rate changes		(539,218)	5,526,122
Cash and cash equivalents at 31 December	5	16,170,250	24,541,976

The accompanying notes 1 to 36 form an integral part of these consolidated financial statements.

EFG Holding Company (Egyptian Joint Stock Company)

Notes to the consolidated financial statements for the year ended 31 December 2025

(In the notes all amounts are shown in EGP Thousands unless otherwise stated)

1 Incorporation and principal activities

1.1 Incorporation

- EFG Holding Company (Previously EFG Hermes Holding Company) (Egyptian Joint Stock Company) (the “Group” or “Holding Company”) is an Egyptian Joint Stock Company subject to the provisions of the Capital Market Law No.95 of 1992 and its executive regulations. The Group’s registered office is located in Smart Village building No. B129, phase 3, KM 28 Cairo / Alexandria Desert Road, 6 October 12577 Egypt.
- The name of the company has been changed to EFG Holding through the approval of the General Assembly dated May 24, 2023 and was reflected in the commercial register on June 14, 2023.
- EFG Holding shares are listed on the Egyptian Exchange (EGX) and the London Stock Exchange (LSE) in the form of USD-denominated Global Depository Receipts (“GDRs”).

1.2 Purpose of the Group

EFG Holding Company (Previously EFG Hermes Holding Company) is a premiere financial services corporation that offers diverse investment banking services including securities brokerage, investment banking, asset management and private equity. In addition, the Group also has non-bank finance products, which include leasing and micro-finance, instalment services, factoring, securitization, collection and tasquek. The purpose of the Group also includes participation in the establishment of companies which issue securities or in increasing their share capital, custody activities, margin trading and commercial bank activities.

2 Basis of preparation

Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards and interpretations issued by the IFRS Interpretations Committee (IFRIC) applicable to companies reporting under IFRS Accounting Standards. The consolidated financial statements comply with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis of measurement

These consolidated financial statements have been prepared under the historical cost basis, except for the following:

- Financial assets measured at fair value through profit or loss (FVTPL);
- Financial assets at fair value through other comprehensive income (FVOCI);
- Assets held for sale at fair value at the lower of their carrying amount and fair value less costs to sell; and
- Accounts payable – customers credit balance at fair value through profit and loss.

Functional and presentation currency

The Group’s consolidated financial statements are presented in Egyptian Pound (“EGP”) because the EGP forms the major currency in which the Group transacts and funds its business. The EGP is also the Group's functional currency because it is the most significant currency relevant to the underlying transactions, events and conditions of the Group and its subsidiaries, as well as representing a significant proportion of its funds generated from financing activities.

The Group has decided to present its consolidated statement of financial position in order of liquidity rather than bifurcating its assets and liabilities into a current/ non – current classification, as the banking subsidiary consolidated in these financial statements, which represents majority of the Group’s assets and liabilities, was presented in a liquidity order format.

EFG Holding Company

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Notes to the consolidated financial statements for the year ended 31 December 2025 - continued

(In the notes all amounts are shown in EGP Thousands unless otherwise stated)

2 Basis of preparation (continued)

Use of estimates and judgements

The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In applying the Group's accounting policies, IFRS Accounting Standards require management to select suitable accounting policies, apply them consistently and make judgements, estimates and assumptions that are reasonable and prudent and would result in relevant and reliable information. Management, based on guidance in IFRS Accounting Standards and the IASB's framework for the preparation and presentation of financial statements has made these estimates, judgements and assumptions. Listed below are those estimates and judgements which could have the most significant effect on the amounts recognised in the consolidated financial statements.

Estimates and underlying assumptions are reviewed on an ongoing basis and are based on historical experiences and other factors, including expectation of future events that may have a financial impact on the Group and considered to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

(a) Going concern

The Group's management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has resources to continue in business for the foreseeable future. In making this assessment, management has considered a wide range of information including projections of profitability, regulatory capital requirements and funding needs. The assessment also includes consideration of reasonably possible downside economic scenarios and their potential impacts on the profitability, capital and liquidity of the Group. In making this assessment, the Group has considered the impact of climate related matters on their going concern assessment.

Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the consolidated financial statements continue to be prepared on going concern basis.

(b) Impairment charge on financial assets

The measurement of impairment losses under IFRS 9 across all categories of financial assets requires assumptions, in particular, in the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Group's ECL calculations are outputs of multiple models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Group's internal credit grading model, which assigns PDs to the individual grades.
- The Group's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a lifetime ECL basis and the qualitative assessment.
- The segmentation of financial assets when their ECL is assessed on a collective basis.
- Development of ECL models, including the various formulas and the choice of inputs.
- Determination of impacts between economic inputs, such as gross domestic product and collateral values etc. on PDs, EADs and LGDs.
- Selection of forward looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

Group's policy is to regularly review its models in the context of actual loss experience and adjust when necessary.

Impairment losses are evaluated as described in Note 3.16.

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(In the notes all amounts are shown in EGP Thousands unless otherwise stated)

2 Basis of preparation (continued)

Use of estimates and judgements (continued)

(c) Impairment charge on property and equipment and investment properties

In determining the net realisable value, the Group uses the selling prices determined by external independent valuer companies, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The selling prices are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction.

Impairment losses are evaluated as described in Note 3.16.

(d) Valuation of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The valuation techniques of financial instruments may require certain unobservable inputs to be estimated by management.

(e) Defined benefit plan

The cost of end of service defined benefit and the present value of the related obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, withdrawal before normal retirement age and mortality rates. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Additional information on these assumptions is disclosed in Note 20.2.

(f) Financial asset and liability classification

The Group's accounting policies provide scope for the classification and assessment of the business model for financial assets and liabilities to be designated on inception into different accounting categories. The classification criteria are mentioned in policy Note 3.12.

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the periods presented.

(g) Operating segments

In preparation of the segment information disclosure, management has made certain assumptions to arrive at the segment reporting. These assumptions would be reassessed by management on a periodic basis. Operating segments are detailed in Note 31.

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2 Basis of preparation (continued)

Use of estimates and judgements (continued)

(h) Goodwill impairment testing

The Group estimates that reasonably possible changes in the assumptions used for the impairment would not cause the recoverable amount of either CGU to decline below the carrying amount. An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its recoverable amount. CGU is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the Group consolidated statement of profit or loss statement. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of other assets in the unit (group or units) on a pro rata basis.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(i) Tax

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. In determining the amount of current and deferred tax, the Group considers the impact of tax exposures, including whether additional taxes and interest maybe due. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities would impact tax expense in the period in which such a determination is made (refer Note 21).

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Notes to the consolidated financial statements for the year ended 31 December 2025 - continued

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3 Summary of material accounting policies

3.1 New or revised Standards or Interpretations

The Standards and amendments that are effective for the first time in 2025 and could be applicable to the Group are:

Standards and amendments	Effective date
Lack of exchangeability (Amendments to IAS 21)	1 January 2025

These amendments do not have a significant impact on these consolidated financial statements and therefore the disclosures have not been made.

Standards, amendments and Interpretations to existing Standards that are not yet effective and have not been adopted early by the Group.

Other Standards and amendments that are not yet effective and have not been adopted early by the Group include:

Standards and amendments	Effective date
Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	1 January 2026
Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)	1 January 2026
IFRS 18 'Presentation and Disclosure in Financial Statements'	1 January 2027
IFRS 19 'Subsidiaries without Public Accountability: Disclosures'	1 January 2027
Amendments to IFRS 19 'Subsidiaries without Public Accountability: Disclosures'	1 January 2027
Annual improvements to IFRS Accounting Standards – Volume 11	1 January 2026
Sale or contribution of assets between an investor and its associate or joint venture – Amendments to IFRS 10 and IAS 28	Effective date deferred indefinitely

These Standards and amendments are not expected to have a significant impact on the consolidated financial statements in the period of initial application and therefore no disclosures have been made. Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement.

3.2 Basis of consolidation

Business combination

The Group accounts for business combinations using the acquisition method when control is transferred to the Group.

The consideration transferred in the acquisition comprises of:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

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3 Summary of material accounting policies (continued)

3.2 Basis of consolidation (continued)

Business combination (continued)

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities in which case those instruments are recognized at fair value, net of transaction costs.

The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity and acquisition-date fair value of any previous equity interest in the acquired entity, over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

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Notes to the consolidated financial statements for the year ended 31 December 2025 - continued

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3 Summary of material accounting policies (continued)

3.2 Basis of consolidation (continued)

Subsidiaries (continued)

The consolidated financial statements for the year ended 31 December 2025 comprise the financial statements of the Group and those of its following subsidiaries:

Name of subsidiary	Direct ownership %	Indirect ownership %
EFG Hermes International Securities Brokerage	99.87	0.09
EFG Hermes Fund Management	88.51	11.49
Hermes Portfolio and Fund Management	78.81	21.19
Hermes Securities Brokerage	97.58	2.42
Hermes Corporate Finance	100	-
EFG - Hermes Advisory Inc.	100	-
EFG- Hermes Financial Management (Egypt) Ltd.	-	100
EFG - Hermes Promoting & Underwriting	99.88	-
Bayonne Enterprises Ltd.	100	-
EFG- Hermes Fixed Income	99	1
EFG Hermes for Digital solutions	96.3	3.7
EFG- Hermes Private Equity-BVI	-	100
EFG- Hermes UAE LLC.	-	100
Flemming CIIC Holding	100	-
Flemming Mansour Securities	-	99.33
Flemming CIIC Securities	-	96
Flemming CIIC Corporate Finance	-	74.92
EFG- Hermes UAE Ltd.	-	100
EFG- Hermes KSA	-	100
Mena Opportunities Management Limited	-	95
Mena (BVI) Holding Ltd.	-	95
EFG - Hermes Mena Securities Ltd.	-	100
Middle East North Africa Financial Investments W.L.L	-	100
EFG- Hermes Regional Investment Ltd.	-	100
Offset Holding KSC *	-	50
EFG- Hermes IFA Financial Brokerage	-	63.084
IDEAVELOPERS	-	81
EFG- Hermes CB Holding Limited	-	100
EFG- Hermes Global CB Holding Limited	100	-
Mena Long-Term Value Feeder Holdings Ltd. *	-	50
Mena Long-Term Value Master Holdings Ltd. *	-	45
Mena Long-Term Value Management Ltd. *	-	45
EFG - Hermes CL Holding SAL	-	100
EFG-Hermes IB Limited	100	-
EFG Hermes Securitization	100	-
EFG Hermes-Direct Investment Fund	64	-
Tanmeyah Micro Enterprise Services S.A.E	-	100
EFG – Hermes Brokerage Holdings Ltd	100	-
EFG – Hermes USA	100	-
EFG Capital Partners III	-	100
Health Management Company*	-	54.6875
EFG – Hermes Kenya Ltd.	-	100
EFG Finance Holding	99.82	0.18
EFG - Hermes UK Limited	-	100
OLT Investment International Company (B.S.C)	-	100
Frontier Investment Management Partners LTD *	-	50
EFG-Hermes SP limited	-	100
U Consumer Finance	-	67
EFG Corp – Solutions	-	100
Beaufort Asset Managers LTD	-	100
EFG Hermes Bangladesh Limited	-	100
EFG Hermes FI Limited	-	100
EFG Securitization	-	100

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Notes to the consolidated financial statements for the year ended 31 December 2025 -
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3 Summary of material accounting policies (continued)

3.2 Basis of consolidation (continued)

Subsidiaries (continued)

Name of subsidiary	Direct ownership %	Indirect ownership %
EFG International Treasury Management Ltd -(previously) EFG Hermes PE Holding LLC	100	-
Etkan for Inquiry and Collection and Business Processes	-	100
RX Healthcare Management*	-	54.6875
FIM Partners KSA*	-	50
Egypt Education Fund GP Limited	-	80
EFG Hermes Nigeria Limited	-	100
EFG-Hermes Int. Fin Corp	100	-
FIM Partners UK Ltd*	-	50
EFG Hermes Sukuk	90	10
Beaufort Holding LTD	-	100
Beaufort Management LTD	-	100
Vortex IV GP LTD	-	100
Beaufort SLP Holding	-	100
Beaufort Private Investment Holding LTD	-	100
RX Healthcare Management	-	100
Bank NXT	51	-
EFG VA Holdco Limited	-	100
EFG VA Investco Limited	-	100
Lighthouse Energy GP Limited	-	100
Beaufort SLP II Limited	-	100
Lighthouse Energy GP II	-	100
Beaufort Management Spain	-	100
EFG Singapore PTE LTD	-	100
Elevate Holdco B.V	-	-
-(Previously) Fatura Netherlands B.V	-	100
EFG Payment	-	100
FIM Partners Muscat SPC*	-	50
Noutah for electronic commerce	-	100
VA LTIP Holdco 1 limited	-	-
– (Previously) EFG National Holding Limited	-	100
VA LTIP Holdco 2 limited	-	-
-(Previously) EFG IB Holdco Limited	-	100
EFG For SME Financing	-	-
EFG Finance B.V	-	100
Valu for payments and Digital Solutions	-	100
Paynas BV	-	67
EFG Hermes PE Holdco Ltd	-	67
EFG Hermes IB Holding Ltd	-	100
WM Holdco Limited	-	100
Wolfram B.V	-	100

* Management has determined that the Group controls these entities even though the Holding Company may own 50% or less of the issued capital of those entities. This is because the Holding Company is exposed and has the right to the variable returns of these entities and is able to use its power over these entities to affect their returns.

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Notes to the consolidated financial statements for the year ended 31 December 2025 - continued

(In the notes all amounts are shown in EGP Thousands unless otherwise stated)

4 Summary of material accounting policies (continued)

3.3 Basis of consolidation (continued)

Subsidiaries (continued)

Following are the details of ownership held in subsidiaries at 31 December 2024:

Name of subsidiary	Direct ownership %	Indirect ownership %
EFG Hermes International Securities Brokerage	99.87	0.09
EFG Hermes Fund Management	88.51	11.49
Hermes Portfolio and Fund Management	78.81	21.19
Hermes Securities Brokerage	97.58	2.42
Hermes Corporate Finance	99.42	0.48
EFG - Hermes Advisory Inc.	100.00	-
EFG- Hermes Financial Management (Egypt) Ltd.	-	100
EFG - Hermes Promoting & Underwriting	99.88	-
Bayonne Enterprises Ltd.	100	-
EFG- Hermes Fixed Income	99.00	1
EFG Hermes for Digital solutions -(Previously)	96.30	3.70
EFG- Hermes Private Equity	-	100
EFG- Hermes Private Equity-BVI	-	100
EFG- Hermes UAE LLC.	100	-
Flemming CIIC Holding	100	-
Flemming Mansour Securities	-	99.33
Flemming CIIC Securities	-	96
Flemming CIIC Corporate Finance	-	74.92
EFG- Hermes UAE Ltd.	100	-
EFG- Hermes Holding – Lebanon	99	-
EFG- Hermes KSA	73.30	26.70
EFG- Hermes Lebanon	99	0.97
Mena Opportunities Management Limited	-	95
Mena (BVI) Holding Ltd.	-	95
EFG - Hermes Mena Securities Ltd.	-	100
Middle East North Africa Financial Investments W.L.L	-	100
EFG- Hermes Regional Investment Ltd.	-	100
Offset Holding KSC *	-	50
EFG- Hermes IFA Financial Brokerage	-	63.08
IDEAVELOPERS	-	81
EFG- Hermes CB Holding Limited	-	100
EFG- Hermes Global CB Holding Limited	100	-
Mena Long-Term Value Feeder Holdings Ltd. *	-	50
Mena Long-Term Value Master Holdings Ltd. *	-	45
Mena Long-Term Value Management Ltd. *	-	45
EFG - Hermes CL Holding SAL	-	100
EFG-Hermes IB Limited	100	-
EFG Hermes Securitization	100	-
EFG Hermes-Direct Investment Fund	64	-
Tanmeyah Micro Enterprise Services S.A.E	-	94.06
EFG – Hermes Brokerage Holdings Ltd	100	-
EFG – Hermes USA	100	-
EFG Capital Partners III	-	100
Health Management Company	-	52.50
EFG – Hermes Kenya Ltd.	-	100
EFG Finance Holding	99.82	0.18
EFG - Hermes UK Limited	-	100
OLT Investment International Company (B.S.C)	99.90	-
Frontier Investment Management Partners LTD *	-	50
EFG-Hermes SP limited	-	100
U Consumer Finance- Valu (previously)	-	94.96

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Notes to the consolidated financial statements for the year ended 31 December 2025 - continued

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3 Summary of material accounting policies (continued)

3.2 Basis of consolidation (continued)

Subsidiaries (continued)

Name of subsidiary	Direct ownership %	Indirect ownership %
EFG Corp – Solutions	-	100
Beaufort Asset Managers LTD	-	100
EFG Hermes Bangladesh Limited	-	100
EFG Hermes FI Limited	-	100
EFG Securitization	-	100
EFG International Treasury Management Ltd	100	-
-EFG Hermes PE Holding LLC	-	-
Etkan for Inquiry and Collection and Business Processes	-	100
RX Healthcare Management	-	52.50
FIM Partners KSA *	-	50
Egypt Education Fund GP Limited	-	80
EFG Hermes Nigeria Limited	-	100
EFG-Hermes Int. Fin Corp	100	--
FIM Partners UK Ltd	-	50
EFG Hermes Sukuk	90	10
Beaufort Holding LTD.	-	100
Beaufort Management LTD.	-	100
Vortex IV GP LTD.	-	100
Beaufort SLP Holding	-	100
Beaufort Private Investment Holding LTD.	-	100
Bank NXT- (Previously - Arab Investment Bank)	51	-
EFG VA Holdco Limited	-	100
EFG VA Investco Limited	-	100
Lighthouse Energy GP Limited	-	100
Beaufort SLP II Limited	-	100
Lighthouse Energy GP II	-	100
Beaufort Management Spain	-	100
EFG Singapore PTE LTD	-	100
Fatura Netherlands B.V	-	94.06
Fatura L.L.C	-	94.06
ASASY FOR DIGITAL CONTENT	-	94.06
EFG Payment	-	100
FIM Partners Muscat SPC*	-	50
Noutah for electronic commerce	-	94.06
EFG National Holding Limited-(Previously-VA ESOP Limited)	-	100
EFG RMBV National Investco Limited	-	100
EFG IB Holdco Limited	-	100
EFG IB Investco Limited	-	100
EFG For SME Financing	-	100
Beaufort Managers SLP Limited	-	100
EFG Finance B.V	-	100
Valu for payments and Digital Solutions	-	94.96
Paynas BV	-	94.96
EFG Hermes PE Holdco Ltd	-	100
EFG Hermes IB Holding Ltd.	100	-

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**Notes to the consolidated financial statements for the year ended 31 December 2025 -
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3 Summary of material accounting policies (continued)

3.2 Basis of consolidation (continued)

Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control

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

Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and joint ventures. Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, where by the Group has rights to the net assets of the arrangement. Rather than rights to its assets and obligations for its liabilities. Interests in associates and the joint venture are accounted for using the equity method. They are initially recognized at cost, which includes transaction costs.

Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity accounted investees, until the date on which significant influence or joint control ceases.

Transactions eliminated on consolidation

Intra-Group balances and transactions, and any unrealised income and expenses arising from intra-Group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.3 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are recognised in consolidated statement of profit or loss.

However, foreign currency differences arising from the translation of the following items are recognised in OCI:

- A financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- Qualifying cash flow hedges to the extent that the hedges are effective.

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3 Summary of material accounting policies (continued)

3.3 Foreign currency (continued)

Foreign currency transactions (continued)

Exchange differences on a monetary item that is part of a net investment in a foreign operation are recognised in other comprehensive income in consolidated accounts. On disposal of a foreign operation, exchange differences previously recognised in other comprehensive income are reclassified to the income statement as a reclassification adjustment.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated at the exchange rates at the reporting date. The income and expenses of foreign operations are translated at the exchange rates at the dates of the transactions.

Foreign currency differences are recognized in OCI and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI

When a foreign operation is disposed off in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

3.4 Discontinued operation

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group. Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale. When an operation is classified as a discontinued operation, the comparative statement of profit or loss and OCI is re-presented as if the operation had been discontinued from the start of the comparative period.

3.5 Revenue

Gain on sale of investments

Gain (loss) resulting from sale of investments are recognized on transaction date and measured by the difference between cost and selling price less selling commission and expenses.

In case of derecognition of investments in associates, the difference between the carrying amount and the sum of both the consideration received and cumulative gain or loss that had been recognized in shareholders' equity is recognized in the consolidated statement of profit or loss.

Dividend income

Dividend income is recognized when declared and the right to receive payment is established.

Custody fee

Custody fees are recognized when the service is provided. Assets held in a fiduciary capacity are not treated as assets of the Group as they are only held in trust where the Group acts as a custodian on customers' behalf. The Group has no liability or obligations towards the customer on these assets held in trust. Accordingly, these assets are not included in these consolidated financial statements.

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Notes to the consolidated financial statements for the year ended 31 December 2025 - continued

(In the notes all amounts are shown in EGP Thousands unless otherwise stated)

3 Summary of material accounting policies (continued)

3.5 Revenue (continued)

Interest income and expenses

Interest income and expense for all interest-bearing financial instruments, except for those classified as FVTPL or designated at fair value through profit or loss, are recognized within 'interest income' and 'interest expense' in the consolidated statement of profit or loss using the effective interest method. Interest income and expense are recognized in the consolidated statement of profit or loss using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortized cost of the financial liability.

When calculating the effective interest rate for financial instruments other than credit-impaired assets, the Groups estimate future cash flows considering all contractual terms of the financial instrument, but not expected credit losses.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

Presentation

Interest income and expense presented in the consolidated statement of profit or loss and OCI include:

Interest on financial assets and financial liabilities measured at amortized cost calculated on an effective interest basis; and

Interest on financial investment is measured at FVOCI calculated on an effective interest basis; Interest income and expense on other financial assets and financial liabilities at FVTPL are presented in net income from other financial instruments at FVTPL.

Amortized cost and gross carrying amount

The 'amortized cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance.

The gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any expected credit loss allowance.

For financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability.

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(In the notes all amounts are shown in EGP Thousands unless otherwise stated)

3 Summary of material accounting policies (continued)

3.5 Revenue (continued)

Fee and commission income

Fee and commission income and expense that are integral to the effective interest rate of a financial asset or liability are included in the measurement of the effective interest rate.

Other fee and commission income, including account servicing fees, placement fees and syndication fees, are recognised as the related services are performed.

A contract with a customer that results in a recognised financial instrument in the Group's financial statements may be partially in the scope of IFRS 9 and partially in the scope of IFRS 15. If this is the case, then the Group first applies IFRS 9 to separate and measure the part of the contract that is in the scope of IFRS 9 and then applies IFRS 15 to the residual.

Other fees and commission expenses relates mainly to transaction and service fees, which are expensed in the consolidated statement of profit or loss as the services are received.

Brokerage commission

Brokerage commission resulting from purchase of and sale of securities in favor of clients are recorded upon the execution of the transaction.

Management fee

Management fee is calculated as determined by the management contract of each investment fund and portfolio and recorded on accrual basis.

Incentive fee

Incentive fee is calculated based on certain percentages of the annual return realized by the fund and portfolio, however these incentive fee will not be recognized until revenue realization conditions are satisfied and there is adequate assurance of collection.

Investment property rental income

Rental income from investment property is recognized as revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease. Rental income from other property is recognized as other income.

Revenue from micro-finance services

- Revenue from micro-finance services is recognized based on time proportion taking into consideration the rate of return on asset. Revenue yield is recognized in the consolidated statement of profit or loss using the effective interest method for all financial instruments that carry a yield, the effective interest method is the method of measuring the amortized cost of a financial asset and distributing the revenue over the lifetime of the relevant instrument. The effective interest rate is the rate that discounts estimated future cash receipts during the expected life of the financial instrument to reach the book value of the financial asset.
- When classifying loans to customers as irregular, no income is recognized on its return, and it is recognized in marginal records outside the financial statements and are recognized as revenue in accordance with the cash basis when it is collected.
- The commission income is represented in the value of the difference between the yield of the financing granted micro-enterprises and the accruals of the Group's bank by deducting the services provided directly from the amounts collected from the entrepreneurs.
- The benefits and commissions resulting from the performance of the service are recognized, according to the accrual basis as soon as the service is provided to the client unless those revenues cover more of the financial period are recognized on a time proportion basis.
- The administrative commission of the loan granted to customers is collected on contracting in exchange for the issuance of the loan service and administrative commission revenue are proven in the consolidated statement of profit or loss upon the issuance of the loan to the client.

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Notes to the consolidated financial statements for the year ended 31 December 2025 -
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(In the notes all amounts are shown in EGP Thousands unless otherwise stated)

3 Summary of material accounting policies (continued)

3.5 Revenue (continued)

Revenue from micro-finance services (continued)

- A commission delay in payments of premiums is collected at rates agreed upon within the contracts and are recognized as soon as customers delayed payment on the basis of the extended delay.

Gains from securitization

Gains from securitization is measured as the difference between the fair value of the consideration received or is still due to the Group at the end of securitization process and the carrying amount of the securitization portfolios in the Group's books on the date of the transfer agreement.

3.6 Income tax

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends. Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognized for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption.

Deferred tax assets and liabilities are offset only if certain criteria are met.

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Notes to the consolidated financial statements for the year ended 31 December 2025 - continued

(In the notes all amounts are shown in EGP Thousands unless otherwise stated)

3 Summary of material accounting policies (continued)

3.7 Property and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognized in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated. The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

	Estimated useful life (years)
Buildings	20 - 50
Office furniture, equipment & electrical appliances	2 - 16.67
Computer equipment	3.33 – 5
Transportation means	3.33 – 5

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, it is reclassified to investment property

3.8 Projects under construction

Projects under construction are recognized initially at cost, the book value is amended by any impairment concerning the value of these projects. Cost includes all expenditures directly attributable to bringing the asset to a working condition for its intended use. Property and equipment under construction are transferred to property and equipment caption when they are completed and are ready for their intended use.

3.9 Intangible assets and goodwill

Goodwill

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred or is in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

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**Notes to the consolidated financial statements for the year ended 31 December 2025 -
continued**

(In the notes all amounts are shown in EGP Thousands unless otherwise stated)

3 Summary of material accounting policies (continued)

3.9 Intangible assets and goodwill (continued)

Goodwill (continued)

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units ("CGU") that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit 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 in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Research and development

Expenditure on research activities is recognized in profit or loss as incurred.

Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred.

Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

Other intangible assets

Other intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

3.10 Investment property

Investment properties are measured initially at cost, including transaction costs. Transaction costs include transfer taxes, professional fees for legal services and (only in case of investment property held under a lease) initial leasing commissions to bring the properties to the condition necessary for them to be capable of operating.

Subsequent to initial recognition investment property is measured at cost less accumulated depreciation and impairment loss, if any. Investment property is depreciated on a straight-line basis over its useful life. The estimated useful life of investment property is 33 years.

3.11 Assets held for sale

Non-current assets, or disposal Groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal Groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal Group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held-for-sale or held-for distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

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Notes to the consolidated financial statements for the year ended 31 December 2025 -
continued

(In the notes all amounts are shown in EGP Thousands unless otherwise stated)

3 Summary of material accounting policies (continued)

3.11 Assets held for sale (continued)

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortized or depreciated, and any equity-accounted investee is no longer equity accounted.

3.12 Financial instruments

Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an instrument-by-instrument basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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3 Summary of material accounting policies (continued)

3.12 Financial instruments (continued)

Classification and subsequent measurement (continued)

Financial assets (continued)

Financial assets – Business model assessment

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

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Group's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

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

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

- Contingent events that would change the amount or timing of cash flows;
- Terms that may adjust the contractual coupon rate, including variable rate- features;
- Prepayment and extension features; and
- Terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features)

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3 Summary of material accounting policies (continued)

3.12 Financial instruments (continued)

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest (continued)

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets – Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

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Notes to the consolidated financial statements for the year ended 31 December 2025 - continued

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3 Summary of material accounting policies (continued)

3.12 Financial instruments (continued)

Derecognition (continued)

Financial assets (continued)

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Offsetting

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

3.13 Fair value measurement

The fair value of financial instruments are determined based on the market value of the financial instrument or similar financial instruments at the date of the financial statements without deducting any estimated future selling costs.

3.14 Share capital

Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity. Income tax relating to transaction costs of an equity transaction are accounted for in accordance with IAS 12.

Repurchase and reissue of ordinary shares (treasury shares)

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs is recognized as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the treasury share reserve. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity and the resulting surplus or deficit on the transaction is presented within share premium.

3.15 Legal reserve

The Group's statutes provide for deduction of a sum equal to 5% of the annual net profit for formation of the legal reserve. Such deduction will be ceased when the total reserve reaches an amount equal to half of the Group's issued capital and when the reserve falls below this limit, it shall be necessary to resume.

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3 Summary of material accounting policies (continued)

3.16 Impairment

Non-derivative financial assets

Financial instruments and contract assets

The Group recognizes loss allowances for Expected Credit Loss (ECLs) on:

- Financial assets measured at amortized cost;
- Debt investments measured at FVOCI;
- Contract assets.

The Group also recognizes loss allowances for ECLs on loans receivables.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Debt securities that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, unless it can be rebutted.

The Group considers a financial asset to be in default when:

- The debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- The financial asset is more than 90 days past due unless it can be rebutted.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are an unbiased probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

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3 Summary of material accounting policies (continued)

3.16 Impairment (continued)

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the debtor;
- A breach of contract such as a default or being more than 90 days past due;
- The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- It is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognized in OCI.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Non-financial assets

- At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than, investment property, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.
- For impairment testing, assets are Grouped together into the smallest Group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or Groups of CGUs that are expected to benefit from the synergies of the combination.
- The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 or CGU.
- An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

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3 Summary of material accounting policies (continued)

3.16 Impairment (continued)

Non-financial assets (continued)

- Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.
- An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.17 Investments at fair value through profit or loss

These are securities that the Group acquire principally for the purpose of selling in the near term or holding as a part of portfolio that is managed together for short term profit or position taking. These assets are initially recognised at fair value and subsequently also measure at fair value in the consolidated statement of financial position. All changes in fair values are recognised as part of profit or loss.

3.18 Investments at fair value through other comprehensive income

Financial assets managed within a business model that is achieved by both collecting contractual cash flows and selling and which contain contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest are measured at FVOCI.

These comprise primarily debt securities. They are recognised on the trade date when the group enters into contractual arrangements to purchase and are generally derecognised when they are either sold or redeemed.

Investments in equity instruments at FVOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investment revaluation reserve. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the investments.

Investments in debt instruments at FVOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investment revaluation reserve. The cumulative gain or loss will be reclassified to profit or loss on disposal of the investments.

3.19 Financial instruments measured at amortised cost

Financial assets that are held to collect the contractual cash flows and which contain contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest are measured at amortised cost. Such financial assets include most loans and advances to banks and customers and some debt securities. In addition, most financial liabilities are measured at amortised cost. The group accounts for regular way amortised cost financial instruments using trade date accounting. The carrying value of these financial assets at initial recognition includes any directly attributable transactions costs.

3.20 Provisions

Provisions are recognized when the Group has a legal or constructive current obligation as a result of a past event and it is probable that a flow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability. Provisions are reviewed at the financial position date and amended (when necessary) to represent the best current estimate.

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Notes to the consolidated financial statements for the year ended 31 December 2025 - continued

(In the notes all amounts are shown in EGP Thousands unless otherwise stated)

3 Summary of material accounting policies (continued)

3.21 Trade, and notes receivables, debtors and other debit balances

Trade, notes receivables, debtors and other debit balances are stated at nominal value less impairment losses.

The Group's lessees and the leased assets are regularly classified & evaluated, and their obligations are reduced by the rent value paid in each financial period, and with the assurance of the availability of adequate guarantee to collect the client's rent values.

3.22 Cash and cash equivalents

For the purpose of preparing the statement of cash flows, cash and cash equivalents include the balances, whose maturity do not exceed three months from the date of acquisition, cash on hand, cheques under collection and due from banks and financial institutions.

3.23 Profit sharing to employees

The Holding Company pays 10% of its dividends as profit sharing to its employees provided that it will not exceed total employees' annual salaries and directly charged on the consolidated statement of profit or loss as per IFRS accounting standards.

3.24 Employees benefits

Share based payments

Equity settled transactions

For equity-settled share-based payment transactions, the Group measures the services received, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted. The fair value of those equity instruments is measured at grant date.

Vesting conditions, other than market conditions, are taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount so that, ultimately, the amount recognized for services received as consideration for the equity instruments granted are based on the number of equity instruments that eventually vest. Hence, on a cumulative basis, no amount is recognized for services received if the equity instruments granted do not vest because of failure to satisfy a vesting condition.

The Group recognizes an amount for the services received during the vesting period based on the best available estimate of the number of equity instruments expected to vest and revise that estimate, if necessary, if subsequent information indicates that the number of equity instruments expected to vest differs from previous estimates. On vesting date, the entity shall revise the estimate to equal the number of equity instruments that ultimately vested.

3.25 Micro-enterprises receivables

Credit policy

Funding Consideration

- Funding is granted to clients who have previous experience not less than one year in their current activity which is confirmed by the clients with adequate documentation and field inquiry.
- Funding is granted to the clients and instalments are suitable to their predictable which it's instalment is suitable according to his predictable income activity and this is done through analyzing clients' revenues and expenses and their foreseeable marginal income, and this is done by the specialists of the Group on the prepared form for this purpose (financial study form and credit decision).
- Before grant funding, a client activity field inquiry is done.
- Recording inquiries results about client and guarantor with inquiring forms of the Group which reveal client's activity (visit form & Inquiry form).

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3 Summary of material accounting policies (continued)

3.25 Micro-enterprises receivables(continued)

Credit policy (continued)

- The Group prohibit grant funding for new client unless the activity is existing with previous one year experience where the granted funds are within a minimum 1,000 EGP and maximum 30,000 EGP with loan duration of 12 months.
- Inquiries for clients are performed by I-Score Group before granting and in case of approval on granting. The credit limit of the client is considered when calculating the client's revenue and expenses.

Client's Life Insurance

The insurance process on the client is performed with the authorized companies from insurance supervisory authority.

Impairment loss of micro financed loans

The Group at the date of the financial statements estimates the impairment loss of micro financed loans, in the light of the basis and rules of granting credit and forming the provisions according to the Board of Directors decision of the Financial Supervisory Authority No. (173) issued on December 21, 2014, to deal with the impairment loss.

The accounting policies relating to micro-enterprises receivables are detailed under note 3.11.

3.26 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right of use asset is subsequently depreciated using the straight line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

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**Notes to the consolidated financial statements for the year ended 31 December 2025 -
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3 Summary of material accounting policies (continued)

3.26 Leases (continued)

As a lessee (continued)

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments; variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; amounts expected to be payable under a residual value guarantee; and the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension, or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognize right-of-use assets and lease liabilities for leases of low – value assets and short-term leases, including IT equipment. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand- alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for a major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

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**Notes to the consolidated financial statements for the year ended 31 December 2025 -
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(In the notes all amounts are shown in EGP Thousands unless otherwise stated)

3 Summary of material accounting policies (continued)

3.26 Leases (continued)

As a lessor (continued)

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements of IFRS 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease. The Group recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other revenue'.

Sale and leaseback transactions are tested under IFRS 15 at the date of the transaction, and if the transaction qualifies as a sale, the underlying asset is derecognised and a right-of-use asset with a corresponding liability is recognised equal to the retained interest in the asset. Any gain or loss is recognised immediately in the consolidated income statement for the interest in the asset transferred to the lessor. If the transaction does not qualify as a sale under IFRS 15, a financial liability equal to the sale value is recognised in the consolidated financial statements

3.27 Operating segment

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment) or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Group's primary format for segment reporting is based on business segment.

3.28 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

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4 Significant management judgements and estimates

The preparation of the financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation and uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are described below:

Impairment charge on financial assets

Impairment losses are evaluated as described in Note 3.16.

The measurement of impairment losses under IFRS 9 across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. The Group's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Group's internal credit grading model, which assigns PDs to the individual grades
- The Group's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a lifetime ECL basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels, GDP and inflation rate and the effect on PDs, EADs and LGDs
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models It is the Group's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

Fair value measurement

The Group's determination of fair value hierarchy of financial instruments is discussed in note 36.

The value of financial assets is determined by 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.

- In the absence of an active market to determine the fair value of financial instruments, the fair value is estimated using various valuation techniques, taking into consideration the prices of the transactions occurred recently, and guided by the current fair value of other similar tools substantially - discounted cash flow method - or any other evaluation method to get resulting values that can rely on.

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4 Significant management judgements and estimates (continued)

Fair value measurement (continued)

•When using the discounted cash flow method to evaluate, the future cash flows are estimated based on the best estimates of management. The discount rate used is determined in the light of the prevailing market price at the date of the consolidated financial statements that are similar in nature and conditions.

The fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Group determines fair values using other valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

Valuation of financial instruments

The valuation techniques of financial instruments may require certain unobservable inputs to be estimated by the management. These are discussed in detail in Note 35.

The Group measures fair values using the fair value hierarchy outlined in Note 35, which reflects the significance of the inputs used in making the measurements. The Group has an established control framework with respect to the measurement of fair values.

This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including level 3 fair values, and reports directly to the CFO. The valuation team regularly reviews significant unobservable inputs and valuation adjustments.

The Group recognizes transfers between levels of the fair value hierarchy at the end of reporting period during which the change has occurred. Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which market observable prices exist.

Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations. The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The Group uses widely recognized valuation models for determining the fair value of common and more simple financial instruments, like interest rate and currency swaps that use only observable market data and require little management judgment and estimation. Observable prices or model inputs are usually available in the market for listed debt and equity securities, exchange-traded derivatives and simple over the counter derivatives such as interest rate swaps. Availability of observable market prices and model inputs reduces the need for management judgment and estimation and also reduces the uncertainty associated with determining fair values.

Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

The Group does not hold any derivatives at the year-end.

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4 Significant management judgements and estimates (continued)

Determination of preliminary values of assets and liabilities acquired in business combinations

While the Group uses its best estimates and assumptions to accurately apply preliminary values to assets acquired and liabilities assumed at the acquisition date as well as contingent consideration, where applicable, these estimates are inherently uncertain and subject to refinement. As a result, during the measurement period, which may be up to one year from the acquisition date, the Group records adjustments to the assets acquired and liabilities assumed with the corresponding offset to goodwill. Upon the conclusion of the measurement period or final determination of the values of the assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded in the consolidated statements of operations. Accounting for business combinations requires management to make significant estimates and assumptions, especially at the acquisition date, including estimates for intangible assets, contractual obligations assumed, pre-acquisition contingencies, and contingent consideration, where applicable. Although the Company believes the assumptions and estimates it has made have been reasonable and appropriate, they are based in part on historical experience and information obtained from management of the acquired companies and are inherently uncertain. Critical estimates in valuing certain of the intangible assets acquired include; future expected cash flows, estimated market royalty rates, customer attrition rates, cost of developed technology and discount rates. Unanticipated events and circumstances may occur that may affect the accuracy or validity of such assumptions, estimates, or actual results. Acquisition-related expenses are recognized separately from the business combination and are expensed as incurred.

5 Cash and deposits

	31 December 2025	31 December 2024
Cash on hand	290,255	254,489
Cheques under collection	8,940	115
Banks - current accounts	24,359,814	20,795,151
Banks - time deposits	12,368,336	21,808,653
Balance	37,027,345	42,858,408
Allowance for expected credit losses	(7,692)	(11,051)
Total cash and time deposits (note 5.3)	37,019,653	42,847,357

5.1 Obligatory reserve balance with Central Bank of Egypt (CBE) amounted to EGP Thousand 9,747,374 as 31 December 2025 (2024: 8,693,380) and relates to balances with the CBE within the statutory reserve ratio. These deposits are subject to regulatory restrictions and are therefore not available for general use and not available for use in the Group's day-to-day operations. Accordingly, it is not included in cash and cash equivalents.

5.2 For the purposes of presenting the consolidated statement of cash flows, cash and cash equivalents include balances whose maturity dates do not exceed three months from the date of placement.

5.3 The above figures reconcile to the amount of cash and cash equivalents shown in the consolidated statement of cash flows at the end of the financial year as follows:

	31 December 2025	31 December 2024
Cash and time deposits as above	37,019,653	42,847,357
Allowance for expected credit losses	7,692	11,051
Time deposits maturing in more than 90 days	(881,035)	(54,245)
Bank overdraft	(20,916,540)	(19,297,065)
Treasury bills maturing in less than 90 days from date of purchase	940,480	1,034,878
Cash and cash equivalents	16,170,250	24,541,976

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6 Investments at fair value through profit or loss

	<u>31 December 2025</u>	<u>31 December 2024</u>
Mutual fund certificates	12,322,103	12,031,837
Equity securities	92,504	179,333
Debt securities	6,184,413	3,376,038
Treasury bills	1,819,431	-
Structured notes	13,987,720	7,901,466
	<u>34,406,171</u>	<u>23,488,674</u>
	<u>31 December 2025</u>	<u>31 December 2024</u>
Listed	6,234,686	3,512,743
Unlisted	28,171,485	19,975,931
	<u>34,406,171</u>	<u>23,488,674</u>

Amounts recognized in profit or loss

Net change in the fair value of investments at FVPL as at 31 December 2025 amounted to EGP Thousands 762,731 (year ended 31 December 2024: EGP Thousands 2,844,098) being EGP Thousands 762,731 (31 December 2024: EGP Thousands 2,855,028) gains and no losses (31 December 2024: EGP Thousands 10,930). Those are recognized under changes in the fair value of the investment at fair value through profit and loss in the consolidated statement of profit or loss.

7 Accounts receivable

	<u>31 December 2025</u>	<u>31 December 2024</u>
Accounts receivable	16,655,456	15,260,511
Other brokerage companies	1,441,209	1,001,976
	18,096,665	16,262,487
Allowance for expected credit losses*	(423,713)	(489,105)
	<u>17,672,952</u>	<u>15,773,382</u>

***Allowance for expected credit losses**

	<u>31 December 2025</u>	<u>31 December 2024</u>
Balance at the beginning of the year	489,105	459,251
Impairment during the year	(14,803)	(49,764)
Write off during the year	(37,189)	(1,920)
Effect of foreign currency translation	(13,400)	81,538
Balance at the end of the year	<u>423,713</u>	<u>489,105</u>

8 Loans and advances to customers

	<u>31 December 2025</u>	<u>31 December 2024</u>
Banking loans and facilities (Bank NXT) (8.1)	48,315,986	30,093,577
Other loans and advances to customers (8.2)	29,812,038	27,835,026
	<u>78,128,024</u>	<u>57,928,603</u>

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8 Loans and advances to customers (continued)

8.1 Banking loans and facilities (Bank NXT)

	31 December 2025	31 December 2024
Retail		
Overdraft	48,737	62,409
Credit cards	1,029,995	392,631
Personal loans	13,763,361	8,061,791
Mortgage loans	3,085,375	1,804,463
	<u>17,927,468</u>	<u>10,321,294</u>
Corporate loans including small loans for economic activities		
Debit current accounts	1,274,568	267,268
Direct loans	25,304,128	16,141,445
Syndicated loans	6,821,061	5,782,660
	<u>33,399,757</u>	<u>22,191,373</u>
Gross loans and facilities to customers	51,327,225	32,512,667
Less:		
Allowance for expected credit losses*	(2,304,220)	(2,246,959)
Suspended interest	(643)	(643)
Interest payable	(706,376)	(171,488)
	<u>(3,011,239)</u>	<u>(2,419,090)</u>
Banking loans and facilities (Bank NXT) – net	48,315,986	30,093,577

	31 December 2025	31 December 2024
*Allowance for expected credit losses		
Balance at the beginning of the year	2,246,959	1,622,463
Impairment during the year	300,730	303,774
Write off during the year	(231,438)	(196,095)
Recoveries	35,556	169,258
Effect of foreign currency translation	(47,587)	347,559
Balance at the end of the year	<u>2,304,220</u>	<u>2,246,959</u>

8.2 Other loans and advances to customers

	31 December 2025	31 December 2024
Micro finance	6,063,580	6,511,264
Finance lease	8,476,718	14,419,802
Consumer finance	13,985,674	11,115,123
Factoring	5,839,134	4,619,596
SME lending	226,789	39,462
Other loans	2,582,842	2,599,774
Unearned interest	(6,658,732)	(10,711,693)
Balance	<u>30,516,005</u>	<u>28,593,328</u>
*Allowance for expected credit losses	(703,967)	(758,302)
	<u>29,812,038</u>	<u>27,835,026</u>
*Allowance for expected credit losses		
Balance at the beginning of the year	758,302	507,116
Impairment during the year	552,933	379,249
Write off during the year	(607,268)	(151,961)
Recoveries	-	-
Effect of foreign currency translation	-	23,898
Balance at the end of the year	<u>703,967</u>	<u>758,302</u>

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9 Investments at fair value through OCI

	31 December 2025	31 December 2024
Equity securities	1,205,839	301,995
Mutual fund certificates	137,412	301,572
Debt instruments	19,415,231	11,770,651
	20,758,482	12,374,218
	31 December 2025	31 December 2024
Listed	8,155,467	4,222,540
Unlisted	12,603,015	8,151,678
	20,758,482	12,374,218

Financial assets at fair value through other comprehensive income (FVOCI) comprise:

- Equity securities and mutual funds certificates not held for trading and which the Group has irrevocably elected at initial recognition to recognise in this category. These are strategic investments, and the Group considers this classification to be more relevant.
- Debt securities where the contractual cash flows are solely principal, and interest and the objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets.

10 Equity accounted investees

31 December 2025

	Location	Assets	Liabilities	Net gain (losses)	Gross profit (losses)	Ownership %	Value
Interest in Joint Ventures							
Bedaya Mortgage Finance Co	Egypt	1,282,320	835,856	143,423	213,547	33.34	157,454
EFG-EV Fintech	Egypt	54,127	807	(1,420)	311	50	29,245
Interest in Associates							
Kaf Life Insurance takaful	Egypt	1,538,793	467,882	(43,855)	(44,244)	37.5	161,458
Prime for investment fund management *	Egypt	2,845	79	(259)	(540)	20	553
Falcon Partners GP Limited	UAE	18,965	22,772	(4,619)	--	25	--
Total							348,710

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10 Equity accounted investees (continued)

31 December 2024

	Location	Assets	Liabilities	Net gain (losses)	Gross profit (losses)	Ownership %	Value
Interest in Joint							
Ventures							
Bedaya Mortgage Finance Co	Egypt	2,636,704	2,381,476	3,550	43,861	33.34	90,478
EFG-EV Fintech	Egypt	34,991	1,140	(712)	1,213	50	19,511
Interest in							
Associates							
Kaf Life Insurance takaful	Egypt	511,682	332,023	7,830	38,904	37.5	115,655
Zahraa Elmaadi Company *	Egypt	2,668,051	798,153	343,780	451,075	20.33	380,225
Prime for investment fund management *	Egypt	3,042	209	534	354	20	503
Paytech 3100 BV	Netherlands	486,877	1,404	(563)	-	40.66	197,860
Falcon Partners GP Limited	UAE	2,195	1,435	(1,585)	-	25	635
Total							804,867

* Equity accounted investees acquired through Bank NXT.

-During the year, The Group sold its shareholding in Zahraa El Maadi Company, realizing a gain on sale amounting to EGP thousand 270,261.

-As part of the restructuring of U Consumer Finance, and based on the Board of Directors' resolution dated 18 March 2025, EFG Finance Holding and U Consumer Finance (subsidiaries) sold their direct shareholding in Paytech 3100 B.V. The transaction was executed at carrying amount.

11 Investments at amortized cost

	31 December 2025	31 December 2024
Debt instruments – Listed	11,853,420	7,051,166
Debt instruments - Un-listed	5,623,977	5,499,413
	17,477,397	12,550,579
Allowance for expected credit losses*	(73,331)	(63,034)
Total	17,404,066	12,487,545

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12 Investment properties

	<u>31 December</u> <u>2025</u>	<u>31 December</u> <u>2024</u>
<u>Cost</u>		
As at 1 January	145,437	149,337
Disposal for the year	-	(3,900)
As at 31 December	<u>145,437</u>	<u>145,437</u>
<u>Accumulated depreciations</u>		
As at 1 January	55,154	50,636
Disposal for the year	-	(1,185)
Depreciation charge for the year (Note 30.2)	5,602	5,703
As at 31 December	<u>60,756</u>	<u>55,154</u>
Net carrying amount as at 31 December	<u>84,681</u>	<u>90,283</u>

Investment property net carrying amounted to EGP Thousands 84,681 as of 31 December 2025, representing the following: -

-EGP Thousands 82,462 the book value of the area owned by EFG Holding Company in Nile City building, and with a fair value of EGP Thousands 796,080.

-EGP Thousands 2,219 the book value of the area owned by Hermes Securities Brokerage, one of the subsidiaries, in Elharam branch and with a fair value of EGP Thousands 24,322.

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(In the notes all amounts are shown in EGP Thousands unless otherwise stated)

13 Property and equipment

	Land & Buildings	Leasehold improvements	Office furniture, equipment & electrical appliances	Computer Equipment	Vehicles	Right of use assets	Total
Cost							
Balance as at 1 January 2024	1,393,899	433,335	677,507	845,226	81,469	659,899	4,091,335
Additions	113,296	76,168	208,674	364,148	153,043	252,148	1,167,477
Disposals	(1,137)	(83)	(6,497)	(31,571)	(19,654)	(28,799)	(87,741)
Foreign currency translation differences	272	12,448	162,620	128,551	13,200	233,636	550,727
Total cost as at 31 December 2024	1,506,330	521,868	1,042,304	1,306,354	228,058	1,116,884	5,721,798
Balance as at 1 January 2025	1,506,330	521,868	1,042,304	1,306,354	228,058	1,116,884	5,721,798
Additions	5	269,479	161,090	355,108	48,186	975,679	1,809,547
Disposals	(15,025)	(6,656)	(33,720)	(92,218)	(15,276)	(134,261)	(297,156)
Adjustment	(83,346)	83,328	18	(9,369)	-	-	(9,369)
Foreign currency translation differences	-	(1,815)	(29,273)	(21,176)	(2,213)	(42,663)	(97,140)
Total cost as at 31 December 2025	1,407,964	866,204	1,140,419	1,538,699	258,755	1,915,639	7,127,680

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13 Property and equipment (continued)

	Land & Buildings	Leasehold improvements	Office furniture, equipment & electrical appliances	Computer Equipment	Vehicles	Right of use assets	Total
Accumulated depreciation							
Balance as at 1 January 2024	249,819	256,331	433,011	593,290	42,708	338,387	1,913,546
Depreciation for the year (Note 30.2)	51,685	45,096	66,570	126,971	25,353	132,604	448,279
Accumulated depreciation - Disposals	(893)	(83)	(4,362)	(27,373)	(12,205)	(24,783)	(69,699)
Foreign currency translation differences	168	5,546	157,443	116,196	7,654	167,035	454,042
Balance as at 31 December 2024	300,779	306,890	652,662	809,084	63,510	613,243	2,746,168
Balance as at 1 January 2025	300,779	306,890	652,662	809,084	63,510	613,243	2,746,168
Depreciation for the year (Note 30.2)	50,220	59,809	102,576	189,601	45,850	229,498	677,554
Accumulated depreciation - Disposals	(2,753)	(4,687)	(31,322)	(56,890)	(8,317)	(114,583)	(218,552)
Adjustments	-	(19)	19	-	-	-	-
Foreign currency translation differences	-	(1,167)	(25,419)	(19,777)	(1,342)	(33,283)	(80,988)
Balance as at 31 December 2025	348,246	360,826	698,516	922,018	99,701	694,875	3,124,182
Carrying amount							
As at 31 December 2024	1,205,551	214,978	389,642	497,270	164,548	503,641	2,975,630
As at 31 December 2025	1,059,718	505,378	441,903	616,681	159,054	1,220,764	4,003,498

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continued

(In the notes all amounts are shown in EGP Thousands unless otherwise stated)

14 Goodwill and other intangible assets

	31 December 2025	31 December 2024
Goodwill (Notes 14.1 & 14.2)	1,183,174	1,556,872
Customer relationships (note 14.1)	54,291	320,477
Retailer list (note 14.1)	-	33,962
Licenses (note 14.1)	15,038	20,088
Brand name (note 14.1)	-	34,704
Software (note 14.1)	650,798	524,817
	<u>1,903,301</u>	<u>2,490,920</u>

14.1 Movement of goodwill and other intangible assets during the year is as follows:

<u>2024</u>	Goodwill	Customer relationships	Retailer list	Licenses	Brand name	Software	Total
Balance as at 1 January as previously reported	1,704,024	346,387	41,651	14,029	34,704	174,818	2,315,613
Adjustment	(147,152)	17,823	-	-	-	132,439	3,110
Balance as at 1 January	<u>1,556,872</u>	<u>364,210</u>	<u>41,651</u>	<u>14,029</u>	<u>34,704</u>	<u>307,257</u>	<u>2,318,723</u>
Additions	-	-	-	-	-	295,505	295,505
Disposals	-	-	-	(652)	-	(1,595)	(2,247)
Amortisation during the year	-	(81,399)	(7,689)	(3,642)	-	(86,885)	(179,615)
Disposals	-	-	-	652	-	935	1,587
Foreign currency translation differences	-	37,666	-	9,701	-	9,600	56,967
Balances as at 31 December	<u>1,556,872</u>	<u>320,477</u>	<u>33,962</u>	<u>20,088</u>	<u>34,704</u>	<u>524,817</u>	<u>2,490,920</u>
<u>2025</u>							
Balance as at 1 January	<u>1,556,872</u>	<u>320,477</u>	<u>33,962</u>	<u>20,088</u>	<u>34,704</u>	<u>524,817</u>	<u>2,490,920</u>
Additions	-	-	-	-	-	333,712	333,712
Disposals	(373,698)	(218,240)	(32,039)	-	(34,704)	(55,274)	(713,955)
Amortisation during the year (Note 30.2)	-	(44,236)	(1,923)	(3,966)	-	(161,814)	(211,939)
Adjustment	-	-	-	-	-	9,369	9,369
Foreign currency translation differences	-	(3,710)	-	(1,084)	-	(12)	(4,806)
Balance as at 31 December	<u>1,183,174</u>	<u>54,291</u>	<u>-</u>	<u>15,038</u>	<u>-</u>	<u>650,798</u>	<u>1,903,301</u>

14.2 Goodwill relates to the acquisitions of the below subsidiaries:

	31 December 2025	31 December 2024
EFG- Hermes IFA Financial Brokerage Company Kuwait –KSC	179,148	179,148
Tanmeyah Micro Enterprise Services S.A.E	365,399	365,399
Frontier Investment Management Partners LTD	325,801	325,801
Fatura LLC	--	373,698
Paynas BV	312,826	312,826
	<u>1,183,174</u>	<u>1,556,872</u>

- During the year, EFG Finance B.V. (a subsidiary) entered into a Share Swap Agreement with MaxAB–Wasoko, a leading e-commerce and supply chain platform, whereby the Group transferred its ownership in Fatura (a subsidiary), a B2B e-commerce marketplace in Egypt, in addition to a cash payment of USD 5 million, in exchange for a 6.32% equity stake in MaxAB–Wasoko.

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14 Goodwill and other intangible assets (continued)

14.2.1 Goodwill – Test for impairment

The Group assesses goodwill for impairment at least annually. This involves estimating the recoverable amount of the relevant subsidiaries, being the cash-generating units (CGUs). As of the reporting date, the estimated recoverable amounts of the CGUs exceeded their respective carrying values.

The recoverable amounts were determined using the value-in-use approach, applying the Discounted Cash Flow (DCF) method. Cash flow projections were based on a five-year business plan approved by management. The key assumptions used reflect management's expectations of market and industry trends and are supported by historical data sourced from both internal and external sources.

Discount rates were derived from observable market benchmarks, including government bond yields, equity risk premiums, and industry-specific beta factors. Terminal growth rates were aligned with long-term macroeconomic forecasts, including those published by the International Monetary Fund (IMF). A capital structure assumption of 100% equity was applied across all valuations.

In certain cases, the Dividend Discount Model (DDM) was applied where appropriate, using the same valuation principles.

Hence, the Weighted Average Cost of Capital (WACC) was computed using growth rates ranging from 2% to 5%, while the Equity Risk Premium ranged from 4% to 7%, resulting in WACC rates between 8% and 29%, depending on the entity being assessed and subject to market and country conditions.

The Group has performed an analysis by varying these input factors by a reasonably possible margin and assessing whether the change in input factors result in any of the goodwill allocated to appropriate cash generating units being impaired. Based on the above analysis, management has not recognized an impairment for the year ended 31 December 2025 in relation to goodwill.

15 Other assets

	31 December 2025	31 December 2024
Deposits with others (Note 15.1)	292,628	382,767
Down payments to suppliers	182,737	166,987
Prepaid expenses	686,511	486,118
Employees' advances	244,930	218,347
Accrued revenues (Note 15.2)	3,820,979	2,470,694
Taxes withheld by others	60,660	74,310
Payments for investments	348,771	5
Settlement guarantee fund	536,446	38,536
Due from Egypt Gulf Bank- Tanmeyah clients	29,622	15,133
Receivables-sale of investments	109,130	1,364
Due from custodian	63,204	63,593
Due from payment channels	155,873	127,492
Securitization surplus	678,763	491,978
Sundry debtors	428,796	398,039
Assets acquired as settlement of debts (Note 15.3)	448,910	442,567
Advance Payments for the Acquisition of PPE and Intangible Assets (Note 15.4)	994,026	1,281,857
Total	9,081,986	6,659,787
Deduct: Allowance for expected credit losses	(118,609)	(76,451)
Balance	8,963,377	6,583,336

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15.1 Deposits with others

- Deposits with others include an amount of EGP Thousands 21,507 in the name of the subsidiaries, EFG-Hermes International Securities Brokerage and Hermes Securities Brokerage Company which represent blocked deposits for same day trading operations settlements which take place in the Egyptian Stock Exchange. Both companies are not entitled to use these amounts without prior approval from Misr Clearance Company.
- Deposits with others include an amount of EGP Thousands 168,762 in the name of the subsidiary, EFG- Hermes KSA. This represents margin deposited with the General Clearing Member (GCM) as required by the Clearing House (Muqassa).

15.2 Accrued Revenue

- Accrued revenues includes management fees and interest accrued on Loans and advances to banks, Loans and advances to customers and investment.

15.3 Assets acquired as settlement of debts

- Assets acquired presented in other assets that have been acquired by Bank NXT in exchange for debt account receivables and the assets acquired are mainly land and buildings.

15.4 Advance Payments for the Acquisition of PPE and Intangible Assets

- Down payments to suppliers mainly related to subsidiaries, Bank NXT, EFG Hermes KSA and U Consumer Finance

16 Due to banks and financial institutions

	31 December 2025	31 December 2024
Financial institutions	10,771,170	2,923,742
Bank overdraft *	20,916,540	19,297,065
Deposits**	2,645,342	10,577
Due to Central Bank**	3,212	--
Current account**	250,327	531,532
	<u>34,586,591</u>	<u>22,762,916</u>

* Bank overdraft comprise facilities granted by the banks which include a pledged governmental bond contract to secure a credit facility amounting to EGP Thousands 1,066,264 as of 31 December, 2025.

** Relate to Bank NXT.

17 Customer Deposits (Bank NXT)

	31 December 2025	31 December 2024
Call deposits	39,536,889	27,739,336
Term deposits	16,194,881	28,332,022
Saving and deposit certificates	22,639,765	10,074,913
Other deposits	950,500	1,062,314
Balance	<u>79,322,035</u>	<u>67,208,585</u>
Corporate deposits	44,860,335	45,754,381
Retail	34,461,700	21,454,204
Balance	<u>79,322,035</u>	<u>67,208,585</u>

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18 Accounts payable - customers credit balance at fair value through profit and loss

This amount represents payable to customers against the structured notes issued by one of the Group companies. These financial liabilities are linked to assets/structured notes, where assets have been purchased on behalf of customers and accordingly a liability equivalent to the fair value of the assets is resided in this entity. These structured notes are linked mainly to treasury bills and quoted equity securities.

18.1 Accounts payable - customers credit balance

Accounts payable balances are mainly represented in the advances made by clients to buy shares in the activity of brokerage. Coupons collected and proceeds from the sale of shares for the benefit of clients are also being added to these accounts.

19 Issued bonds

The details of the EGP Thousand 3,909,625 issued bonds are as follows:

Issuer	Series	Issuance date	Maturity date	Face value	Type
EFG Corp Solutions	1st Program 2nd Issuance	October 2024	October 2029	360,000	Tradeable - Non-Convertible
EFG Corp Solutions	2nd Issuance	May 2025	June 2026	2,650,000	Tradeable - Non-Convertible
Hermes Securities Brokerage	3rd Program 1st Issuance	May 2025	May 2026	900,000	Tradeable - Non-Convertible
				3,910,000	

20 Creditors and other credit balances

	31 December 2025	31 December 2024
Accrued expenses	6,267,250	8,010,373
Dividends payable (prior years)	5,993	154,092
Deferred revenues	93,477	145,647
Suppliers	1,119,338	725,083
Clients' coupons - custody activity	258,114	204,017
Tax authority	248,507	135,312
Social Insurance Association	18,770	16,981
Payables- purchase of investments	109,023	-
Medical takaful insurance tax	59,581	51,462
Deposits due to others –finance lease contracts	10,296	10,296
Pre-collected instalments	753,562	601,304
Sundry creditors	461,558	425,972
Lease liabilities (20.1)	1,314,765	560,583
Employees' benefits obligations (20.2)	120,873	89,516
Balance	10,841,107	11,130,638

20.1 Lease Liabilities

	31 December 2025	31 December 2024
Balance at the beginning of the year	560,583	419,140
Additions	942,790	246,312
Disposals	(2,041)	(9,481)
Accretion of interest	197,603	70,179
Paid during the year	(369,592)	(245,847)
Effect of foreign currency translation	(14,578)	80,280
Balance at the end of the year	1,314,765	560,583

EFG Holding Company**(Egyptian Joint Stock Company)****Notes to the consolidated financial statements for the year ended 31 December 2025 - continued****(In the notes all amounts are shown in EGP Thousands unless otherwise stated)****20 Creditors and other credit balances (continued)****20.2 Employees' benefits obligations**

A- Movements in the net liabilities recognized in the consolidated statement of financial position and their components are as follows:

	31 December 2025	31 December 2024
Balance at the beginning of the year	89,516	68,459
Charge for the year	17,724	15,477
Actuarial (loss)/gain on re-measurement of employees' benefit obligations	21,483	(2,178)
Paid during the year	(105)	(37,828)
Foreign currency translation difference	(5,855)	45,586
Transferred to related parties	(1,890)	-
Balance at the end of the year	120,873	89,516

B- Amounts recognized included in consolidated statement of profit or loss:

	31 December 2025	31 December 2024
Current service cost	12,365	10,623
Interests on defined benefit obligation	5,359	4,854
Balance	17,724	15,477

C- The significant assumptions used in determining end-of-service benefit obligations for the Group's plans are shown below:

	As at 31 December 2025	As at 31 December 2024
Discount rate	5.31%	6.25%
Future salary increase rate	5.00%	5.00%

D- A quantitative sensitivity analysis for significant assumptions on the defined benefit obligation are shown below:

	<u>As at 31 December 2025</u>		<u>As at 31 December 2024</u>	
	<u>Increase (1%)</u>	<u>Decrease (1%)</u>	<u>Increase (1%)</u>	<u>Decrease (1%)</u>
Discount rate	108,110	136,123	82,030	98,796
Future salary increase rate	135,498	108,378	98,521	82,128

The sensitivity analysis above has been determined based on a method that extrapolates the impact on the defined employees' benefits obligation as a result of reasonable changes in key assumptions occurring at the end of reporting period.

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21 Deferred tax assets/(liabilities)

<u>2025</u>	Balance as at 1 January	Recognized in profit or loss *	Recognized in equity	Disposals	Foreign currency differences	Net	31 December Deferred tax assets	Deferred tax liabilities
Fixed assets depreciation	(203,745)	(16,575)	-	(875)	(54)	(221,249)	-	(221,249)
Claims provision	65,519	5,070	-	-	(3)	70,586	70,586	-
Impairment loss on assets	2,267	321	-	-	(43)	2,545	2,545	-
Prior year losses carried forward	151,392	(96,758)	-	-	(133)	54,501	54,501	-
Investment at fair value	(1,504,043)	861,709	(2,037)	-	-	(644,371)	-	(644,371)
Foreign currency translation differences	(336,807)	403,627	-	-	-	66,820	66,820	-
Revaluation of investment property	1,867	--	-	-	-	1,867	1,867	-
Investment in associates	(10,743)	10,709	-	-	-	(34)	-	(34)
ESOP deferred	12,867	(2,421)	-	-	-	10,446	10,446	-
Securitization surplus Revaluation	(28,346)	82	-	-	-	(28,264)	-	(28,264)
	(1,849,772)	1,165,764	(2,037)	(875)	(233)	(687,153)	206,765	(893,918)

<u>2024</u>	Balance as at 1 January	Recognized in profit or loss * (note 30)	Recognised in equity		Foreign currency differences	Net	31 December Deferred tax assets	Deferred tax liabilities
Fixed assets depreciation	(145,513)	(58,802)	-		570	(203,745)	-	(203,745)
Claims provision	40,997	23,915	-		607	65,519	65,519	-
Impairment loss on assets	1,417	799	-		51	2,267	2,267	-
Prior year losses carried forward	68,998	37,725	-		44,669	151,392	151,392	-
Investment at fair value	(745,611)	(655,723)	(102,709)		-	(1,504,043)	-	(1,504,043)
Foreign currency translation differences	(74,260)	(261,438)	-		(1,109)	(336,807)	-	(336,807)
Revaluation of investment property	1,867	-	-		-	1,867	1,867	-
Investment in associates	(11,592)	849	-		-	(10,743)	-	(10,743)
ESOP deferred	13,132	(265)	-		-	12,867	12,867	-
Securitization surplus Revaluation	(10,460)	(17,886)	-		-	(28,346)	-	(28,346)
	(861,025)	(930,826)	(102,709)		44,788	(1,849,772)	233,912	(2,083,684)

*The amounts recognized in profit or loss are related to only those components where taxable temporary differences/deductible temporary differences arise.

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22 Provisions

	31 December 2025	31 December 2024
Claims provision	1,058,200	928,441
ECL on unfunded exposure (Bank NXT)	89,414	142,187
End of service benefits	759,071	801,766
Financial guarantee for contingent liabilities	78,072	40,883
	<u>1,984,757</u>	<u>1,913,277</u>

<u>2025</u>	Claims provision	End of service benefits*	Financial guarantee for contingent liabilities	ECL on unfunded exposure (Bank NXT)	Total
Balance as at 1 January	928,441	801,766	40,883	142,187	1,913,277
Charged during the year	218,879	114,204	113,575	-	446,658
Foreign currency differences	(4,402)	(51,229)	-	(758)	(56,389)
Used during the year	(23,227)	(105,670)	-	-	(128,897)
Bad debt	-	-	(76,386)	-	(76,386)
Released (Note 27)	(61,491)	-	-	(52,015)	(113,506)
Balance as at 31 December	<u>1,058,200</u>	<u>759,071</u>	<u>78,072</u>	<u>89,414</u>	<u>1,984,757</u>

<u>2024</u>	Claims provision	End of service benefits*	Financial guarantee for contingent liabilities	ECL on unfunded exposure (Bank NXT)	Total
Balance as at 1 January	532,632	467,663	32,698	66,278	1,099,271
Charged during the year	588,952	75,927	40,678	74,029	779,586
Foreign currency differences	31,954	309,704	-	1,880	343,538
Used during the year	(184,085)	(47,310)	-	-	(231,395)
Bad debt	-	-	(32,493)	-	(32,493)
Released (Note 27)	(41,012)	(4,218)	-	-	(45,230)
Balance as at 31 December	<u>928,441</u>	<u>801,766</u>	<u>40,883</u>	<u>142,187</u>	<u>1,913,277</u>

* Related to Group entities outside Egypt.

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23 Loans and borrowings

<u>Borrowers</u>	<u>Borrowing limits</u>	<u>Contract dates</u>	<u>Maturity dates</u>	<u>31 December 2025</u>	<u>31 December 2024</u>
EFG Corp-Solutions *	900 million	27/05/2024	27/05/2031	83,103	618,713
”	201.7 million	20/05/2025	20/05/2032	174,119	5,015
”	967.5 million	4/8/2025	4/8/2032	107,784	440,681
”	500 million	2/9/2025	2/9/2032	455,100	456,449
”	2 billion	21/04/2024	21/04/2031	86,077	347,529
”	1.450 billion	24/06/2025	24/06/2032	788,158	548,415
”	13.4 million	29/08/2022	31/10/2028	13,400	18,494
”	3.55 million	21/06/2023	13/07/2027	199,150	--
”	393 million	1/7/2024	21/08/2025	105,849	318,665
”	100 million	25/06/2023	25/06/2030	--	7,033
”	400 million	12/12/2023	12/12/2028	160,516	92,259
”	120.6 million	20/10/2024	20/10/2031	120,565	174,830
”	8 million	19/10/2017	3/3/2027	381,600	609,960
”	107.5 million	24/06/2025	24/06/2032	107,432	124,342
”	--	7/2/2018	7/2/2025	--	3,349
”	1 billion	4/3/2025	4/3/2032	450,204	6,161
”	900 million	11/6/2025	11/6/2032	--	488,264
”	560 million	26/10/2025	26/10/2032	231,634	494,321
”	4.783 million	26/11/2020	26/11/2027	4,784	13,006
”	--	15/07/2025	15/07/2032	--	70,689
”	200 million	10/8/2024	10/8/2029	158,361	41,396
”	500 million	6/7/2025	6/7/2032	380,370	--
				<u>4,008,206</u>	<u>4,879,571</u>
Tanmeyah Micro Enterprise Services S.A.E	220 million	25/01/2025	24/12/2026	148,134	204,768
”	600 million	28/07/2025	29/07/2026	313,315	166,805
”	200 million	5/3/2024	4/3/2026	--	143,740
”	250 million	1/11/2025	14/09/2026	297,221	238,154
”	175 million	1/11/2025	31/10/2026	164,401	--
				<u>923,071</u>	<u>753,467</u>
U Consumer finance	700 million	18/09/2025	22/07/2026	688,053	598,438
”	350 million	3/12/2024	2/12/2025	122,454	253,876
”	325 million	5/2/2024	4/2/2025	167,589	324,264
”	500 million	17/04/2025	16/04/2026	355,672	298,630
”	50 million	12/11/2024	11/11/2025	18,167	49,394
”	800 million	28/09/2025	31/08/2026	715,120	600,000
”	400 million	15/12/2024	14/12/2025	305,989	392,361
”	300 million	15/05/2025	14/05/2026	251,171	187,323
”	1.244 billion	4/2/2025	31/12/2025	1,162,232	338,530
”	4.700 billion	9/7/2024	8/7/2026	2,162,154	950,871
”	750 million	2/5/2024	26/03/2025	--	473,800
”	200 million	21/09/2025	31/08/2026	59,319	110,000
”	1.100 billion	18/09/2025	20/08/2026	1,098,860	499,967
”	170 million	21/01/2025	20/01/2026	171,963	--
”	250 million	16/02/2025	15/02/2026	50,147	--
”	150 million	14/12/2025	16/08/2026	149,685	--
”	600 million	6/2/2025	5/2/2026	261,994	--
				<u>7,740,569</u>	<u>5,077,454</u>
EFG Finance Holding	115 million	26/10/2025	26/10/2032	--	105,887
”	--	24/06/2025	24/06/2032	--	166,001
”	400 million	6/8/2025	5/8/2032	81,694	380,538
				<u>81,694</u>	<u>652,426</u>
EFG For SME	150 million	29/07/2024	28/07/2025	131,998	5,475
”	150 million	18/11/2024	15/09/2025	2,554	1,501
				<u>134,552</u>	<u>6,976</u>
Bank NXT	120 million	18/08/2014	1/4/2040	110,683	119,673
Lease liabilities**				2,105,305	--
Balance				15,104,080	11,489,567
Distributed as follows:					
Current				10,595,592	6,160,149
Non-current				4,508,488	5,329,418
				<u>15,104,080</u>	<u>11,489,567</u>

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23 Loans and borrowings (continued)

- Most interest rates on loans and credit facilities are based on SOFR, LIBOR, or the borrowing rate announced by the Central Bank of Egypt (Corridor), plus a margin.
- *EFG Corp Solutions (wholly owned subsidiary) is committed to settle the credit granted by waiving the rental value of the finance lease contracts to the banks within the credit amount. However, the Group does not have the intention to settle it on the net basis.
- **Lease liabilities amount of EGP Thousands 2,105,305 in the name of EFG Holding Company that represents sale and lease back agreement for the entire land and buildings located in Smart Village and the owned area by the company in Nile City building.
- * Note no. (12 &13).

24 Share capital

	31 December 2025 EGP Thousands	31 December 2024 EGP Thousands
Authorized capital	30,000,000	30,000,000
Issued and paid up capital	7,179,465	7,298,030
Number of shares outstanding in Thousands	1,435,893	1,459,606
	31 December 2025 EGP	31 December 2024 EGP
Par value per share	5	5

- The company's Extraordinary General Assembly approved in its session held on September 20, 2025 to decrease the company's issued capital from EGP Thousands 7,298,030 to EGP Thousands 7,179,465 distributed on 1,435,893,008 shares with an decrease amounting to EGP Thousands 118,565 through writing off 23,713,000 treasury shares with par value EGP 5 per share, which had been held for more than one year, while charging the price difference between the acquisition cost of the treasury shares and their par value, amounting to EGP Thousands 281,410 to the Share Premium account. All written-off shares were originally issued for cash consideration. The required procedures were completed, and the reduction was recorded in the company's Commercial Register.

24.1 Treasury shares

- The Holding Company's board of directors approved in its session held on May 22, 2024 to purchase a number of 25 million shares of the Holding Company's shares and the Holding Company has purchased a number of 23,713,000 shares from Egyptian stock exchange market at cost of EGP thousand 399,975.
- -The company's Extraordinary General Assembly approved in its session held on September 20, 2025 to write off the 23,713,000 treasury shares with par value EGP 5 per share, which had been purchased for more than one year.

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25 Non - controlling interests (“NCIs”)

	31 December 2025	31 December 2024
Non-controlling interests	<u>9,535,382</u>	<u>5,309,139</u>

Movement in NCIs during the year was as follows

Balance as at 1 January	5,309,139	4,082,475
Comprehensive income for the year	1,997,752	1,364,066
Dividends during the year	(210,497)	(139,963)
Sale of equity securities through OCI	-	1,296
Changes in ownership interests without change in control	381,869	1,265
Share of NCI in the increase of subsidiaries paid up capital	2,057,119	-
Balance as at 31 December	<u>9,535,382</u>	<u>5,309,139</u>

25 Non - controlling interests (“NCIs”) (continued)

The Group considers the Bank NXT as a subsidiary that has material non-controlling interests to the Group. The principal place of business of Bank NXT is the Arab Republic of Egypt. The proportion of ownership interests and voting rights held by non-controlling interests in Bank NXT represents 48.979% as of 31 December 2025 (31 December 2024: 48.979%). Summarized financial information of Bank NXT is disclosed under Note 31 under the Commercial bank (Bank NXT) business segment.

Accumulated non-controlling interests of Bank NXT amounted to EGP Thousand 7,690,627 as 31 December 2025 (2024: 4,218,199).

The profit allocated to non-controlling interests of Bank NXT during the year ended 31 December 2025 amounted to EGP Thousand 1,393,929 (2024: 860,846).

26 Contingent liabilities and commitments

The Holding Company guarantees its subsidiary EFG- Hermes UAE LLC against the Letters of Guarantee issued from banks amounting to:

	31 December 2025	31 December 2024
AED	<u>143,670</u>	<u>93,670</u>
Equivalent to EGP	<u>1,865,900</u>	<u>1,296,243</u>
Assets under management (off-financial position item)	<u>314,047,634</u>	<u>269,559,987</u>

Securitization and Sukuk transactions

The Group has entered certain securitization and Sukuk transactions, the assets and liabilities related to those transactions do not qualify for the recognition criteria, accordingly the Group has not recognized those assets or liabilities.

The assets and liabilities related to those transactions are represented in:

	31 December 2025	31 December 2024
Client portfolios related to securitization transactions	<u>17,298,403</u>	<u>12,803,298</u>
Balances with custodians	<u>958,017</u>	<u>1,177,445</u>
Land and buildings related to Sukuk transactions	<u>600,000</u>	<u>600,000</u>
Total assets	<u>18,856,420</u>	<u>14,580,743</u>
Bonds	<u>14,933,920</u>	<u>10,342,453</u>
Sukuk	<u>240,000</u>	<u>420,000</u>
Total liabilities	<u>15,173,920</u>	<u>10,762,453</u>

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26 Contingent liabilities (continued)

The contingent liabilities of Bank NXT is as follows:

(i) Capital commitments

Financial investments

The value of commitments related to financial investments for which payments were not requested until the date of the financial position as at 31 December:

	USD Thousands		
<u>31 December 2025</u>	Contribution amount	Amount paid	Residual amount
African Export -Import Bank	5,776	2,442	3,335

	EGP Thousands		
	Contribution Amount	Amount Paid	Residual Amount
Long term assets	565,903	421,741	144,162

	USD Thousands		
<u>31 December 2024</u>	Contribution Amount	Amount paid	Residual amount
African Export -Import Bank	5,336	2,294	3,042

	EGP Thousands		
	Contribution Amount	Amount Paid	Residual Amount
Long term assets	1,097,003	784,425	312,578

(ii) Commitments on loans, guarantees and facilities are as follows:

	31 December 2025	31 December 2024
Loan Commitments	15,431,790	14,182,263
Letters of guarantees	3,287,494	2,282,896
Letters of credit (Export and Import)	1,778,560	938,697
Acceptances of supplier facilities	1,195,543	356,038
	<u>21,693,387</u>	<u>17,759,894</u>

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27 Other Revenue

Other revenues include rental income and non-recurring income as follows:

	For the year ended	
	31 December 2025	31 December 2024
Release of provisions (Note 22)	113,506	45,230
Rental incomes	193,258	176,656
Gain on sale of property and equipment	16,414	22,882
Gain on sale of investment property	--	7,648
Gain on sale of other assets	1,207,010	--
Gain from assets acquired as settlement of debts	41,593	17,398
Custodian rebates	41,229	27,604
Advisory fees	125,011	4,651
Other gains	106,487	160,501
	1,844,508	462,570

28 Impairment loss on financial assets – net of recoveries

	For the year ended	
	31 December 2025	31 December 2024
Accounts receivable	(14,803)	(49,764)
Funded facilities to customers	552,933	379,250
Banking loans and facilities (Bank NXT)	300,730	303,774
Cash and cash equivalents	(2,881)	5,977
Other assets	100,450	58,422
Investments FVOCI – debt instruments	251	(14,881)
Investments at amortized cost – debt instruments	14,245	(789)
Equity accounted investees *	-	91,013
	950,925	773,002

* This pertains to Paytabs (Joint Venture)

29 Income tax expense

	For the year ended	
	December 2025	December 2024
Current income tax	2,405,334	1,439,591
Deferred income tax (Note 21)	(1,165,764)	930,826
	1,239,570	2,370,417
Effective tax rate	December 2025	December 2024
Net profit (before tax)	7,042,291	7,457,513
Tax rate	22.50%	22.50%
Income tax calculated based on net income	1,584,515	1,677,940
Tax adjustments effect	820,819	(238,349)
Movement in unrecognised deferred tax	(1,165,764)	930,826
Income tax	1,239,570	2,370,417
Effective tax rate	17.60%	31.79%

29.1 Current tax Liability

	For the year ended	
	December 2025	December 2024
Balance at the beginning of year	1,020,705	638,583
Charge for the year	2,405,334	1,439,591
Withholding tax receivable	(27,678)	(8,406)
Income tax paid	(1,470,852)	(1,052,558)
Effect of foreign currency translation	(4,494)	3,495
Balance at the end of year	1,923,015	1,020,705

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30 General and administrative expenses

	For the year ended	
	31 December 2025	31 December 2024
Wages, salaries and similar items (Note 30.1)	10,872,139	10,642,711
Marketing, technology and network expenses	1,741,727	1,174,566
Consultancy	1,290,109	835,706
Travel, accommodation and transportation	162,342	124,829
Leased line and communication expenses	614,322	561,565
Rent and utilities expenses	212,956	166,356
Other expenses	1,441,231	1,207,799
	16,334,826	14,713,532

30.1 Wages, salaries and similar items

The Holding Company pays 10% of its dividends to its employees and directly charges such amount to the consolidated statement of profit or loss in accordance with the requirements of IFRS accounting standards.

Share-based payments

The Holding Company introduced an Employees Share Ownership plan (ESOP) in accordance with the shareholder's approval at the extraordinary general assembly meeting by issuing Free shares representing 5.5% of the issued capital of the Company shall be granted to employees, managers and executive board members of the Company and its subsidiaries.

The duration of this program is five years starting as of 1 January 2021 till 31 December 2025, the vesting period is 3-4 years starting from 1 January 2021 till 31 December 2024. The beneficiary entitled to shares granted to 4 equal instalments.

The equity instruments for share-based payment are recognized at fair value on the grant date and are recorded in the income statement with a corresponding increase in equity. The value of expenses charged to the income statement during the year amounted EGP Thousands 83,890.

Equity instruments during the year represents the following:

	For the year ended	
	December 2025 No. of Shares	December 2024 No. of Shares
Total at the beginning of the year	48,018,166	68,057,297
Granted shares during the year	11,060,729	-
Forfeited shares during the year	-	(3,024,810)
Exercised during the year	(43,072,839)	(17,014,321)
Total at the end of the year	16,006,056	48,018,166

30.2 Depreciation and amortisation expenses

	For the year ended	
	31 December 2025	31 December 2024
Depreciation expenses – investment properties (Note 12)	5,602	5,703
Depreciation expenses – properties and equipment (including depreciation of right-of-use assets) (Note13)	677,554	448,279
Amortisation expenses – intangible assets (Note 14)	211,939	179,615
	895,095	633,597

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31 Operating segments

Basis for operating segment: Segment information is presented in respect of the Group's business segments. The primary format, business segment, is based on the Group's management and internal reporting structure. Inter-segment pricing is determined on an arm's length basis. Segment results, assets and liabilities include items directly attributable to a segment. The revenue & expense and assets & liabilities analyses in the table below are based on the type of business activities and services that are distinguishable component.

For the year ended 31 December 2025	Holding	Brokerage	Asset Management	Investment Banking	Private Equity	Finance Holding	Leasing	Micro Finance	Consumer finance	Factoring	SME Lending	Commercial Bank	Intersegment eliminations	Total
Interest income	1,560,008	2,162,237	8,219	14,351	7,578	74,656	2,325,076	3,561,441	1,475,079	931,394	38,308	15,563,104	(740,175)	26,981,276
Interest expense	(2,086,795)	(637,772)	-	(1,092)	-	(70,894)	(1,915,649)	(1,625,009)	(2,424,368)	(825,451)	(16,550)	(10,492,163)	551,706	(19,544,037)
Net interest income	(526,787)	1,524,465	8,219	13,259	7,578	3,762	409,427	1,936,432	(949,289)	105,943	21,758	5,070,941	(188,469)	7,437,239
Fee and commission income	498	5,625,793	2,793,604	1,804,285	420,389	-	144,286	445,540	1,865,989	120,262	5,030	876,599	(92,944)	14,009,331
Fee and commission expense	(1,779)	(1,236,181)	(614,812)	-	-	(87)	(484)	(129,218)	(65,590)	-	(921)	(300,002)	-	(2,349,074)
Net fee and commission income	(1,281)	4,389,612	2,178,792	1,804,285	420,389	(87)	143,802	316,322	1,800,399	120,262	4,109	576,597	(92,944)	11,660,257
Realized securities' gain	241,733	14,319	-	-	-	3,330	-	(7,190)	-	-	-	410,819	(1,900)	661,111
Net changes in the fair value of investments at FVTPL	769,818	5,157	-	(18,396)	3	-	-	-	753	-	-	3,496	1,900	762,731
Dividend Income	44,890	43,259	9,655	-	-	-	-	-	-	-	-	30,042	-	127,846
Other Revenues	248,809	36,937	789	125,489	6,659	(249)	1,759	129,507	3,152	36	(35)	1,369,594	(77,939)	1,844,508
Net gains on derecognition of financial assets measured at amortized cost	-	-	-	-	-	-	356,293	-	2,152,200	-	-	-	-	2,508,493
Impairment loss on financial assets – net of recoveries	(8,641)	9,843	(335)	(4,757)	5,870	(145)	46,074	(401,867)	(288,231)	(38,262)	(1,916)	(273,315)	4,757	(950,925)
Foreign Currencies Exchange Differences	497,075	17,175	-	-	-	45,038	(3,383)	37,058	(21,375)	(12,421)	(9)	35,770	-	594,928
Share of gain from equity accounted investees	-	-	-	-	(625)	54,021	-	-	-	-	-	19,286	-	72,682
Total Revenues	1,265,616	6,040,767	2,197,120	1,919,880	439,874	105,670	953,972	2,010,262	2,697,609	175,558	23,907	7,243,230	(354,595)	24,718,870
General and administrative expenses	(2,748,916)	(4,288,804)	(1,306,987)	(1,501,169)	(420,707)	(206,957)	(199,640)	(1,715,625)	(1,599,664)	(68,210)	(59,829)	(2,802,582)	584,264	(16,334,826)
Financial guarantee provision	-	-	-	-	-	-	-	(113,575)	-	-	-	-	-	(113,575)
Provisions	(6,249)	(130,421)	(4,037)	(15,586)	(2,705)	-	(1,551)	(1,423)	(17,000)	-	-	(153,940)	(171)	(333,083)
Depreciation and amortisation	(140,701)	(68,228)	(20,483)	(1,837)	(6,355)	(839)	(838)	(108,377)	(91,676)	(121)	(438)	(225,704)	(229,498)	(895,095)
Profit before tax	(1,630,250)	1,553,314	865,613	401,288	10,107	(102,126)	751,943	71,262	989,269	107,227	(36,360)	4,061,004	-	7,042,291
Income tax expense	946,578	(329,791)	(110,817)	(47,285)	1,509	(4,873)	(164,835)	(63,092)	(244,075)	(31,912)	(192)	(1,190,785)	-	(1,239,570)
Profit for the year	(683,672)	1,223,523	754,796	354,003	11,616	(106,999)	587,108	8,170	745,194	75,315	(36,552)	2,870,219	-	5,802,721
Total assets	31,190,626	57,643,085	2,874,878	1,213,300	304,182	1,267,900	9,457,440	7,359,419	14,166,291	3,095,652	227,765	101,846,516	-	230,647,054
Total liabilities	20,810,194	49,147,341	1,414,945	753,372	133,051	60,785	7,719,256	5,173,472	11,968,045	2,777,011	169,330	85,562,271	-	185,689,073

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31 Operating segments (continued)

Basis for operating segment (continued)

For the year ended 31 December 2024	Holding	Brokerage	Asset Management	Investment Banking	Private Equity	Finance Holding	Leasing	Micro Financing	Consumer	Factoring	SME Lending	Commercial banking	Intersegment eliminations	Total
Interest income	1,489,194	1,924,393	11,993	100,000	17,605	19,654	1,955,980	2,812,568	1,363,055	654,254	15,671	12,369,651	(414,376)	22,319,642
Interest Expense	(1,410,188)	(585,338)	-	(64,079)	-	(46,079)	(1,561,820)	(1,464,730)	(1,460,603)	(622,892)	(118)	(8,458,569)	364,158	(15,310,258)
Net Interest Income	79,006	1,339,055	11,993	35,921	17,605	(26,425)	394,160	1,347,838	(97,548)	31,362	15,553	3,911,082	(50,218)	7,009,384
Fee and commission income	-	4,360,330	1,705,231	2,310,953	287,777	-	118,597	539,150	1,095,694	96,250	522	934,176	3,706	11,452,386
Fee and commission expense	(6,044)	(799,920)	(210,876)	14	(431)	(71)	(41)	(55,397)	(30,177)	(4)	(38)	(254,116)	-	(1,357,101)
Net Fees and commission Income	(6,044)	3,560,410	1,494,355	2,310,967	287,346	(71)	118,556	483,753	1,065,517	96,246	484	680,060	3,706	10,095,285
Realized securities' (losses)	(207,191)	18,212	1,098	-	23,853	(89)	-	-	-	-	(117)	106,878	-	(57,356)
Net changes in the fair value of investments at FVTPL	2,843,111	(3,650)	5,804	-	(333)	(1,576)	-	-	742	-	-	-	-	2,844,098
Dividend Income	22,392	31,831	-	-	(36)	-	-	-	-	-	-	31,811	-	85,998
Other Revenues	149,005	97,959	7,423	4,652	17,501	-	2,226	104,332	11,750	-	-	85,559	(17,837)	462,570
Foreign Currencies Exchange Differences	2,540,657	11,438	-	-	-	(13,658)	145,753	1,525	96,086	37,785	(179)	88,299	-	2,907,706
Share of Gain from equity accounted investees	-	-	-	-	(8,372)	2,403	-	-	-	-	-	54,822	-	48,853
Net gains on derecognition of financial assets measured at amortized cost	-	-	-	-	-	-	125,980	-	834,712	-	-	-	-	960,692
Impairment loss on financial assets – net of recoveries	61,745	81,337	(2,142)	(8,644)	(37,328)	(90,874)	(81,226)	(144,479)	(171,822)	(60,281)	(1,028)	(316,953)	(1,307)	(773,002)
Total Revenues	5,482,681	5,136,592	1,518,531	2,342,896	300,236	(130,290)	705,449	1,792,969	1,739,437	105,112	14,713	4,641,558	(65,656)	23,584,228
General administrative expenses	(2,994,815)	(4,107,710)	(1,062,591)	(1,631,920)	(412,469)	(101,027)	(166,911)	(1,380,510)	(1,087,961)	(50,296)	(21,991)	(1,893,592)	198,261	(14,713,532)
Financial Guarantee Provision	-	-	-	-	-	-	-	(40,678)	-	-	-	-	-	(40,678)
Provisions	(347,436)	(81,591)	(4,198)	(86)	(2,327)	-	-	(149,590)	(8,000)	-	-	(145,680)	-	(738,908)
Depreciation and amortisation	(167,156)	(45,343)	(14,950)	(507)	(5,709)	(39)	(288)	(77,882)	(56,429)	(609)	(99)	(131,981)	(132,605)	(633,597)
Profit before tax	1,973,274	901,948	436,792	710,383	(120,269)	(231,356)	538,250	144,309	587,047	54,207	(7,377)	2,470,305	-	7,457,513
Income tax expense	(755,108)	(397,593)	20,916	(54,937)	399	2,479	(118,422)	(74,809)	(104,619)	(15,432)	(170)	(873,121)	-	(2,370,417)
Profit for the year	1,218,166	5 04,355	457,708	655,446	(119,870)	(228,877)	419,828	69,500	482,428	38,775	(7,547)	1,597,184	-	5,087,096
Total assets	25,335,823	45,846,393	2,246,988	1,673,334	562,549	374,288	8,738,515	6,859,121	10,562,145	4,589,069	90,752	79,999,434	-	186,878,411
Total liabilities	11,934,391	37,861,579	829,118	1,256,836	417,810	79,717	6,749,751	5,297,004	8,423,267	4,034,120	17,761	70,609,092	-	147,510,446

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31 Operating segments (continued)

Geographical segments

The Group operates in three main geographical areas: Egypt, GCC and other. In presenting the geographic information, segment revenue has been based on the geographical location of operation and the segment assets were based on the geographical location of the assets. The Group's operations are reported under geographical segments, reflecting their respective size of operation.

The revenue analysis in the tables below is based on the location of the operating Group, which is the same as the location of the major customers and the location of the operating companies.

	December 31, 2025			
	Egypt	GCC	Other	Total
Total revenues	17,707,015	6,626,335	385,520	24,718,870
Segment assets	152,871,885	68,470,916	9,304,253	230,647,054
	December 31, 2024			
	Egypt	GCC	Other	Total
Total revenues	18,607,126	4,473,266	503,836	23,584,228
Segment assets	132,046,768	42,327,605	12,504,038	186,878,411

<u>Interest income from:</u>	For the year ended	
	31 December 2025	31 December 2024
Banks and financial institutions	1,324,234	1,462,542
Accounts receivables	928,731	942,710
Loans and facilities to customer	19,785,624	15,643,584
Investment through fair value	3,345,405	3,056,475
Investment at amortized cost	1,597,282	1,214,331
Balance	26,981,276	22,319,642

<u>Interest expenses paid to:</u>	For the year ended	
	31 December 2025	31 December 2024
Banks and financial institutions	3,865,610	2,794,351
Customer deposits	10,433,697	8,426,422
Loans and borrowings	4,523,311	3,848,268
Short term bonds	716,060	236,363
Interest on defined benefit obligation	5,359	4,854
Balance	19,544,037	15,310,258

32 Tax status (The Holding Company)

-As to Income Tax, for the years from the start of operations until 2019, the competent Tax Inspectorate inspected the parent company's books and all the disputed points have been settled with the Internal Committee. And as to years 2020/2022 have been inspected and appealed and as to years 2023/2024 have not been inspected yet.

-As to Salaries Tax the parent company's books had been examined till 2022 and all the disputed points have been settled with the Internal committee and as to years 2023- December 2025 have not been inspected yet.

-As to Stamp Tax the parent company's books had been examined from year 1998 till 2022 and all the disputed points have been settled with the competent Tax Inspectorate and as to years 2023/2025 have not been inspected yet.

-As to Property Tax for Smart Village building the company paid tax till December 31, 2025 and for Nile City's first building the company paid tax till December 31, 2025.

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33 Earnings per share

Earnings per share is calculated by dividing the net profit for the year after deduction of Tier 1 capital notes payment by the weighted average number of ordinary shares in issue during the year as set out below:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Net profit for the year attributable to the shareholders of the Holding Company	3,753,339	4,098,933
Weighted average number of ordinary shares:		
Number of shares issued/deemed to be outstanding from the beginning of the year	1,459,606	1,459,606
Effect of treasury shares during the year 2025	<u>(23,713)</u>	<u>(14,448)</u>
Weighted average number of ordinary shares	<u>1,435,893</u>	<u>1,445,158</u>
Basic earnings per share - EGP	<u>2.61</u>	<u>2.84</u>
Net profit for the year for calculating diluted earnings per share	3,753,339	4,098,933
Weighted average number of ordinary shares in issue for diluted earnings per share	<u>1,435,893</u>	<u>1,445,158</u>
Diluted earnings per share - EGP	<u>2.61</u>	<u>2.84</u>

Basic and diluted earnings per share are the same due to the fact that the Group has fully issued the shares under share-based payment scheme (Note 30) hence, the impact of dilution is nil for the year ended 31 December 2025 and the year ended 31 December 2024.

34 Financial risk management

The Group, because of its activities, is exposed to various financial risks, considering the risk acceptance is the basis of the financial activity. Some risks or a group of risks are analyzed, assessed, and managed collectively, and therefore the Group intends to achieve an appropriate balance between risk and interest and to reduce the potential negative effects on the financial performance of the Bank. The most significant types of financial risks are credit risk, market risk and liquidity risk and other operating risks. Market risk includes foreign exchange rate risk, and interest rate risk.

Risk management policies are adopted to determine and analyse risks to limit, control and monitor the risks and commit to limits through the reliable techniques and updated information systems. The Bank periodically reviews and modifies the risk management policies and systems to reflect changes in markets, products, services, and the best recent applications.

Risks are managed by Risk Function in terms of the policies approved by the Board of Directors. Risk Function determines, assesses and covers the financial risks in close cooperation with the various operating units of the Bank. The Board of Directors provides written principles for managing the risks as a whole, in addition to written policies covering specific risk areas such as credit risk, foreign exchange risk, interest rate risk and the use of derivative and non-derivative instruments. In addition, the Risk Function is independently responsible for periodic review of the risk management and control environment.

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34 Financial risk management (continued)

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program seeks to minimize potential adverse effects on the Group's financial performance. Management of financial risk in the commercial bank (Bank NXT) is conducted through a separate organization from the investment bank due to regulatory rules and operational necessity. Below is a summary of the risk management framework in both business segments.

34.1 Risk management framework in the investment bank

The investment bank has a central treasury department that works closely with the operating units throughout the Group. The board of directors provides, through its audit and risk committee, guidance to management to issues regarding risk. The board of directors is responsible for:

- Overseeing, ratifying, and reviewing the duties of the risk management department.
- Approving the investment bank's risk appetite framework ("RAF") and ensure it remains consistent with the Firm's short- and long-term strategy, business and capital plans and risk capacity.
- Discuss and determine actions if any of the RAF measures are breached.

Credit risk

I. Investment Banking's Credit risk:

Credit Risk is the risk of loss arising from the inability or failure of a customer, client or counterparty to meet its obligations. We define the credit exposure to a client or counterparty as the loss potential arising from all product classifications including brokerage's margin lending, overdrafts, DVP, FOP, debt instrument's assets held for-sale & assets held to maturity including T-bills & government bonds and cash placement with commercial banks.

A. Margin Lending

Margin trades involve paying for part of the cost (50%) of a security; a loan for the rest is loaned (50%) by our Brokerage arm to its clients and leaving the securities on deposit under EFG's custody as collateral. Margin trades also involve funding 100% of the trade whenever the client submits collateral that maintains a loan ratio of 50%. The margin lending is bearing interest charges calculated monthly

The Role of Risk Management

- The Credit Risk Officer within the Risk Management Function review and scrutinize the margin trading portfolio on a daily basis.
- The Risk Management Function prepare and develop regular reports on the portfolio associated risks and provide recommendations to facilitate the decision-making process.
- The Risk Management Function is responsible to closely monitor the periodic reports issued by the Margin Trading Desk.
- The Risk Management Function continuously monitor clients' limits to ensure that no single client or group of clients exceeds 5% of HSB's margin portfolio and ensure that the clients' holdings are diversified.
- Concentration limits (stock/client/country) limits set by the Risk Management function.
- On Quarterly basis, the credit risk management runs the ECL model to calculate the expected credit loss for the HSB's margin portfolio and to monitor the change from stage to stage concerning margin exposure and the quality of the collateral the risk management coordinate with the Finance Department on the final ECL figure after running different scenarios to be reflected in the Group's provision.
- On a weekly basis the risk management department runs historical and hypothetical stress tests scenarios to assess the possible losses in the margin book. The reports also include a multitude of risk metrics and reports including time to liquidate exposures, clients' portfolios liquidation risk, single stocks exposures and client's concentration risks.

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34 Financial risk management (continued)

34.1 Risk management framework in the investment bank (continued)

Credit risk (continued)

B. Client on-boarding

Margin Trading is applicable only to the approved list of stocks for Margin Trading by the EFG Hermes' risk management.

- a) Each client should meet min. requirement to be eligible for margin trading. The risk management assess the client creditworthiness, Risk tolerance & his/her trading experience.
- b) the risk management has set the following limits to the margin trading:
 - Single client exposure
 - Single stock exposure/Collateral, Maximum single stock exposure:
 - Marginable Stock/Collateral selection,
 - Client with single stock as collateral,
 - Margin to Free Float & Margin to market cap,
 - Board member transactions,

II. NBFi's Credit Risk:

The NBFi's is exposed to credit risk which is the risk resulting from a party's failure to meet its contractual obligations towards the lending entity. The credit risk is considered to be the most significant risk, therefore requiring a prudent risk management framework. Credit risk is mainly represented in lending activities that give rise to funding facilities. Financial risk management and control are present in each subsidiary reporting to its BOD and the head of each business unit regularly. All risk management activities are further overlooked and managed in a centralized unit within the NBFi which additionally reports to the Group's Board of Directors.

Credit risk measurement

Each subsidiary assesses the Probability of Default of its client using internal credit underwriting criteria tailored to its business line. These techniques have been developed internally and analyses its credit worthiness and risk rating. Below is a summary for the internal Risk Rating for the Corporate lending arms:

Corporate lending risk rating:

Corporate Risk Rating Matrix		Grade
1	Low Risk	Performing
2	Moderate Risk	
3	Satisfactory Risk	
4	Adequate Risk	
5	Acceptable Risk	
6	Marginally Acceptable	
7	Watch List	Non-Performing
8	Substandard	
9	Doubtful	
10	Loss	

Credit risk classification

NBFi assesses the probability of default at the level of each client/ customer using several different techniques based on the nature of the business. This differs from corporate clients to retail whereby the creditworthiness of the client/customers is verified using internally developed models and evaluation techniques for the categories of counterparties, customers and the nature of various facilities. A full study is completed for each client/customer using external data received from the Central bank of Egypt, I-score etc. For Corporate Clients, a full credit study is conducted based on qualitative and quantitative parameters that fully assess the client's creditworthiness. Each client is assigned a risk rating based on the in-depth credit study that accordingly leads to a specific provision coverage.

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34 Financial risk management (continued)

34.1 Risk management framework in the investment bank (continued)

Credit risk (continued)

ECL Calculation

For all lending activities under the NBFi; forecasts are developed to assess whether there is a significant increase in credit risk and for the accurate estimation of the expected credit losses (ECL). Management determines the main economic variables that affect credit risk and expected credit losses for each credit portfolio by carrying out an analysis of historical data. The economic variables and the related effect on both Probability of Default (PD) and the Exposure at Default (EAD) and Loss Given Default (LGD) are different depending on the line of business and collateral/financial asset supporting the facility. This is further reviewed and validated by Group's Validation Unit for prudence that undergoes the below:

- Carries out the "regression analysis" to determine the impact of such economic variables on Probability of Default (PD). This allows the management to better understand the historical effects arising from such variables on the default rates and the inputs used in calculating the PD. Further to the key economic scenarios, the validation unit establishes other potential scenarios in addition to assumptions relating to each scenario separately.
- The lifetime probability of default (PD) relating to the key assumption and other assumptions are used, as the outcome of scenario weights are determined for each assumption with the related probabilities of each, in addition to the supporting indicators and qualitative indicators. Based on the results of such study, it is assessed whether this financial asset is located at the first, second or third level, on the basis of which it is determined whether the expected credit losses "ECL" will be computed on 12- month basis "12-month ECL" or over lifetime of the financial instrument "Lifetime ECL".
- The expectations and probabilities of occurrence are subject to a high degree of uncertainty, as it is known to any economic forecasts, therefore the actual results may be significantly different from those anticipated. The Validation unit makes the best estimate of these potential expectations and carries out an analytical study of the irrelevant and non -similar factors for the different credit portfolios to conclude appropriate assumptions for all possible scenarios this is also through the use of "Back-testing Methodology".

Modifications of facilities terms and rescheduling

Each subsidiary under NBFi may modify the terms of the facilities granted to the clients/customers due to commercial renegotiation or financial distress to increase the chances of recovery. The activities of restructuring include arrangements of extension of repayment terms, grace periods, exemption from repayment or some or full interests. Restructuring policies and practices are based on criteria that indicate that repayment is likely to continue. These policies are constantly reviewed.

Reduction and risk avoidance policies

Under NBFi, each subsidiary manages its own risk thresholds including but not limited to Credit limits, Group limits, concentration CAPs related to sectors, tenors, industries, countries, debtors etc. Each subsidiary regulates the levels of acceptable credit risk by setting limits to the amount of risk that will be accepted. These risks are monitored constantly and are reviewed annually or on a recurring basis, when necessary. All thresholds are approved by the risk committee and BOD being the only body of authority allowed to approve alterations to previous CAP's.

Risk Measurement Model

All subsidiaries under NBFi are required to build up provisions in accordance with the instructions of creditworthiness and based on a specific formula set forth by the FRA that is based on the client's customer's repayment behaviour (Days Past Due-DPD). In the event that the required provisions in accordance with the rules of the FRA exceeds the expected credit losses calculated for the purposes of preparing the financial statements, the subsidiary is required to set aside a reserve with the difference between both calculations and this reserve is periodically adjusted by increase or decrease so that it is always equal to the amount of the increase between the two provisions, and this reserve is not distributable.

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34 Financial risk management (continued)

34.1 Risk management framework in the investment bank (continued)

Credit risk (continued)

Following is a table showing provision calculation based on FRA for the various subsidiaries:

Leasing:

- **Regarding the Performing/Regular Clients**, a minimum of 1% provision should be taken.
- **Regarding the non-performing/irregular clients:** they are defined as any client having overdue rentals exceeding 90 days whereby, the concept of “Cross default” will be applied across the portfolio for each client regardless of the repayment behaviour of individual contracts.

Level	Delay Period in Days	Category	Provisioning Amount	Comments
1	90 < days < 180	Follow up	10% of the uncovered amount of the asset	N/A
2	180 < days < 275	Substandard	25% of the uncovered amount of the asset	Non-Accrual/Marginalized interest
3	275 < days < 365	Doubtful	50% of the uncovered amount of the asset	Non-Accrual/Marginalized interest
4	365 < days	Inferior	100% of the uncovered amount of the asset	Non-Accrual/Marginalized interest

Asset Shrinkage Margin	
Asset class	Asset value consideration after Shrinkage %
RE	80% from the current market value after the asset re-evaluation
PV & CV	70% from the current market value after the asset re-evaluation
All other Assets	50% from the current market value after the asset re-evaluation
Intangible Assets	0% not considered as a client balance coverage

- Consequently, a provision % will be applied depending on the days past due (as found in the table below) on the Remaining and Uncovered O/S Dues1 after applying shrinkage margins on Evaluated Assets.
- All assets related to Non-Performing Leases must be re-evaluated every 6 months and above shrinkage margins to be applied based on each asset class. Asset Cost after Shrinkage is to be compared to the O/S Dues and the following action to be applied:
 - o If Asset after Shrinkage > O/S Dues: then the normal provision rate (for performing loans) i.e., 1% is to be applied on the O/S Dues (O/S Principal + Overdue Rents and Corridor).
 - o If Asset after Shrinkage < O/S Dues: then the provision % (as found in above table) is to be applied on the uncovered portion of O/S dues.

Factoring:

- **Regarding the Performing/Regular Clients**, a minimum of 1% provision should be taken.
- **Regarding the non-performing/irregular clients** the provisions calculation below should be implemented after excluding the portfolio that is secured by banks, correspondent factoring companies, credit insurance or any other securities accepted by the FRA. Provisions for irregular clients will be calculated as follows:

Overdue tenor	Provision %	Notes
From 60 days to 90 days	10%	-
< 90 days to 120 days	25%	-
< 120 days to 180 days	50%	-
< 180 days to 365 days	70%	Marginalizing interest
< 365 days	100%	Marginalizing interest

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34 Financial risk management (continued)

34.1 Risk management framework in the investment bank (continued)

Credit risk (continued)

SMEs:

- **Regarding the Performing/Regular Clients**, a minimum of 1% provision should be taken after one year of getting the activity license.
- **Regarding the non-performing/ irregular clients**: they are defined as any client having overdue instalments and consequently a provision % will be applied depending on the days past due as stipulated in the table below:

Level	Delay Period in Days	Category	Provisioning Amount	Comments
1	≥ 30 days and ≤90 days	Requires Follow-up	10%	Non-Accrual/Marginalized interest
2	> 90 days and ≤ 120 days	Requires Follow-up	20%	Non-Accrual/Marginalized interest
3	>120 days and ≥ 180 days	Doubtful	50%	Non-Accrual/Marginalized interest
4	> 180 days	Inferior	10%	Non-Accrual/Marginalized interest

Micro-Finance:

- The Group is required to take provision percentage based on Days Past Due performance per customer as highlighted in the table below:

Delay Period in Days	Provisioning Amount
Punctual clients that pay on due date or have delays not exceeding 7 days	2%
Have delays from > 7 days and ≤ 30 days	10%
Have delays from > 30 days and ≤ 60 days	25%
Have delays from > 60 days and ≤ 90 days	50%
Have delays from > 90 days and ≤ 120 days	70%
More than 120 days	100%
Clients have deferred instalments (not exceeding 3 instalments)	10%
Rescheduled customers	50%

*The above excludes the case of a deceased customer whereby the full provision should be accounted for after excluding any insurance in favor of the Group (if available)

*The above provisions should be calculated on the full O/S dues related to the full facility of any customer and not only on the due instalment(s).

Consumer Finance:

- **Regarding the Performing/Regular Clients**: a minimum of 1% provision should be taken for performing portfolio after one year of getting the activity license.
- **Regarding the non-performing/ irregular customers (not related to movable assets financing)**: they are defined as any customer having overdue instalments and consequently a provision % will be applied depending on the days past due as stipulated in the below table:

Level	Delay Period in Days	Category	Provisioning Amount	Comments
1	≥ 30 days and ≤90 days	Requires Follow-up	10%	Non-Accrual/Marginalized interest
2	> 90 days and ≤ 120 days	Requires Follow-up	30%	Non-Accrual/Marginalized interest
3	>120 days and ≥ 180 days	Doubtful	50%	Non-Accrual/Marginalized interest
4	> 180 days	Inferior	100%	Non-Accrual/Marginalized interest

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34 Financial risk management (continued)

34.1 Risk management framework in the investment bank (continued)

Credit risk (continued)

- **Regarding the non-performing/ irregular customers related to movable asset financing:** they are defined as any customer having overdue instalments and consequently a provision % will be applied depending on the days past due as stipulated in the below table and calculation is based on the book value of the asset after discounting 70%.

Level	Delay Period in Days	Category	Provisioning Amount	Comments
1	≥ 30 days and ≤90 days	Requires Follow-up	10% of the uncovered amount of the asset	-
2	> 90 days and ≤ 120 days	Requires Follow-up	30% of the uncovered amount of the asset	Non-Accrual/Marginalized interest
3	>120 days and ≥ 180 days	Doubtful	50% of the uncovered amount of the asset	Non-Accrual/Marginalized interest
4	> 180 days	Inferior	100% of the uncovered amount of the asset	Non-Accrual/Marginalized interest

The following table provides information on the quality of financial assets subject to ECL calculation during the financial year:

Account	31 December 2025			Total
	Stage 1	Stage 2	Stage 3	
Banks and Time deposits				
Banks	23,971,015	--	--	23,971,015
Time Deposit	3,628,095	987,675	--	4,615,770
ECL	(2,497)	(1,322)	--	(3,819)
Net carrying amount	27,596,613	986,353	--	28,582,966
Loans and advances to customers				
Loans and facilitates to customers	28,832,806	919,747	763,452	30,516,005
ECL	(196,349)	(69,153)	(438,465)	(703,967)
Net carrying amount	28,636,457	850,594	324,988	29,812,038
Accounts Receivable				
Accounts Receivable	17,550,304	29,059	517,303	18,096,666
ECL	(17,720)	(4,488)	(401,505)	(423,714)
Net carrying amount	17,532,584	24,571	115,798	17,672,952
Financial Investments				
Debt Instruments	29,533,652	--	--	29,533,652
ECL	(11,011)	--	--	(11,011)
Net carrying amount	29,522,641	--	--	29,522,641
Other Assets				
Other assets	5,668,086	59,724	176,724	5,904,534
ECL	(31,009)	(2,571)	(63,388)	(96,968)
Net carrying amount	5,637,077	57,153	113,335	5,807,566

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34 Financial risk management (continued)

34.1 Risk management framework in the investment bank (continued)

Credit risk (continued)

31 December 2024

Account	Stage 1	Stage 2	Stage 3	Total
Banks and Time deposits				
Banks	20,694,387	-	-	20,694,387
Time Deposit	8,840,978	1,070,551	-	9,911,529
ECL	(2,184)	(4,855)	-	(7,039)
Net carrying amount	29,533,181	1,065,696	-	30,598,877
Loans and facilities to customers				
Loans and facilities to customers	27,074,496	876,635	642,197	28,593,328
ECL	(371,414)	(78,426)	(308,462)	(758,302)
Net carrying amount	26,703,082	798,209	333,735	27,835,026
Accounts Receivable				
Accounts Receivable	15,759,494	54,966	448,028	16,262,488
ECL	(40,583)	(4,669)	(443,854)	(489,106)
Net carrying amount	15,718,911	50,297	4,174	15,773,382
Investments FVOCI				
Debt Instruments	1,035,890	-	-	1,035,890
ECL	-	-	-	-
Net carrying amount	1,035,890	-	-	1,035,890
Other Assets				
Other assets	3,748,945	46,029	74,166	3,869,140
ECL	(2,960)	(1,573)	(58,626)	(63,159)
Net carrying amount	3,745,985	44,456	15,540	3,805,981

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34 Financial risk management (continued)

34.1 Risk management framework in the investment bank (continued)

Credit risk (continued)

Activity segments

The following table represents the analysis of the Investment Bank's main credit exposure at carrying value categorized by the activities practiced by the Investment bank's customers.

	Commercial activity	Industrial activity	Financial institutions	Real estate companies	Governmental sector	Other Activities	Individuals	Total
31 December 2025								
Banks and Time deposits	--	--	28,582,966	--	--	--	--	28,582,966
Loans and facilities to customers	5,761,669	2,659,080	461,934	6,435,436	--	160,143	14,333,776	29,812,038
Accounts Receivable	554,264	--	9,741,249	--	--	--	7,377,439	17,672,952
Investment FVTPL	2,405	--	32,185,417	--	--	410,418	--	32,598,240
Investment FVOCI	889,141	--	9,492,472	17,448	--	1,102	--	10,400,163
Other assets	--	--	5,140,192	--	4,372	522,103	140,899	5,807,566
Total	7,207,479	2,659,080	85,604,230	6,452,884	4,372	1,093,766	21,852,114	124,873,925
31 December 2024								
Banks and Time deposits	-	-	30,598,877	-	-	-	-	30,598,877
Loans and facilities to customers	7,885,923	982,959	521,702	6,677,525	-	1,644,000	10,122,917	27,835,026
Accounts Receivable	756,555	-	7,029,100	-	-	90,572	7,897,155	15,773,382
Investment FVTPL	2,405	-	23,343,594	-	-	142,675	-	23,488,674
Investment FVOCI	-	-	1,192,446	190,004	-	1,172	-	1,383,622
Other assets	6,775	2,885	3,062,432	-	3,422	376,715	353,753	3,805,982
Total	8,651,658	985,844	65,748,151	6,867,529	3,422	2,255,134	18,373,825	102,885,563

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34 Financial risk management (continued)

34.1 Risk management framework in the investment bank (continued)

Market risk

Market risk is defined as the potential loss in both on and off-balance sheet positions resulting from movements in market risk factors such as foreign exchange rates, interest rates, and equity prices.

Market risk is represented in the factors which affect values, earnings and profits of all securities negotiated in stock exchange or affect the value, earning and profit of a particular security.

According to the Group's investment policy, the following procedures are undertaken to reduce the effect of this risk.

- Performing the necessary studies before investment decision to verify the merits of the investment.
- Diversification of investments in different sectors and industries.
- Performing continuous studies required to follow up the Group's investments and their development.

Foreign exchange risk

The investment bank operates internationally and is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US dollar and other GCC currencies. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations.

Management requires investment bank companies to manage their foreign currency risk against their functional currency. Commercial transactions are conducted either in the functional currency of the investment bank country or in transaction currency.

The investment bank actively manages its currency exposure by holding different currency positions in accordance with the RAF and may use derivatives or hedging tools if needed. If the Egyptian pound had weakened/strengthened by 10% against the US dollar with all other variables held constant the Holding Company would have recognized gains or losses for the year as follows:

	Year ended 31 December 2025	Year ended 31 December 2024
Weakened 10 %	<u>1,157,262</u>	<u>1,289,806</u>
Strengthened 10 %	<u>(1,157,262)</u>	<u>(1,289,806)</u>

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34 Financial risk management (continued)

34.1 Risk management framework in the investment bank (continued)

Market risk (continued)

Exposure to market risks- Trading Portfolios

Value at Risk is used to measure market risk exposure within the Group's trading portfolios which comprise of trading investments at fair value through profit or loss is Value at Risk ("VaR"). The VaR of a trading portfolio is the expected loss that will arise on a portfolio over a specified period of time (holding period) from an adverse market movement with a specified probability (confidence level). The VaR model uses historical simulation based on a 99% confidence level and assumes a 1-day holding period.

VaR- Trading Book	EGP'000
2025	52,515
2024	52,093

Trading Book Top Contribution VaR by Classification	Y-2025 (%)	Y-2024 (%)
Fixed Income	99.63	89.8
Funds	-0.57	5.89
Equity	0.94	4.31

Exposure to market risks- Investment Portfolios

The principal analytical tool also used to measure and control market risk exposure within the Group's investments portfolios which comprise of trading investments at fair value through other comprehensive income is Value at Risk ("VaR"). The VaR model uses historical simulation based on a 99% confidence level and assumes a 1-day holding period.

VaR- Investment Book	EGP'000
2025	22,027
2024	16,518

Investment Book Top Contribution VaR by Classification	Y-2025 (%)	Y-2024 (%)
Equity	-0.60	84.36
Fixed Income	100.60	15.64

Interest rate risk

Interest rate risk stems from the sensitivity of earnings to future movements in interest rates applied on assets and liabilities. The Group's management closely monitors interest rate fluctuations on a continuous basis and ensures that assets and liabilities are matched and re-priced in a timely manner. The Group is exposed to interest rate risk as a result of mismatches or gaps in the amounts of assets and liabilities that mature or are re-priced in a given period. The most important source of interest rate risk derives from the lending, funding and investing activities, where fluctuations in interest rates are reflected in interest margins and earnings.

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34 Financial risk management (continued)

34.1 Risk management framework in the investment bank (continued)

Market risk (continued)

Interest rate risk (continued)

The tables below summaries the Investment Bank 's exposure to the interest rate fluctuations risk:

	Up to 1 month	More than 1 month to 3 months	More than 3 months to 1 year	More than 1 year to 5 years	More than 5 years	Without interest	Total
31 December 2025							
Financial Assets							
Cash and cash equivalents	16,952,410	777,825	830,169	--	--	10,046,786	28,607,190
Accounts Receivable	2,972,009	2,555,891	2,452,280	2,050,407	--	7,642,365	17,672,952
Loans and advances to customers	1,675,066	2,831,389	10,510,389	14,769,819	25,375	--	29,812,038
Investments at fair value through other comprehensive income	--	570,564	6,713,789	2,044,442	13,331	1,058,037	10,400,163
Investments at Fair value through profit or loss	818,748	6,781,248	7,463,309	3,026,884	2,305,121	12,202,930	32,598,240
Equity accounted investees	--	--	--	--	--	348,157	348,157
Other Assets	--	--	--	--	--	5,807,566	5,807,566
Total financial assets at 31 December 2025	22,418,233	13,516,917	27,969,936	21,891,552	2,343,827	37,105,841	125,246,306
Financial liabilities							
Due to banks and financial institutions and overdraft	1,424,098	4,523,138	24,521,909	1,218,564	--	--	31,687,709
Loans and borrowing	539,783	1,840,691	6,921,909	3,585,709	2,105,305	--	14,993,397
Other liabilities	4,604	61,242	99,890	162,161	--	8,686,821	9,014,718
Accounts payable - customers credit balance at fair value through profit and loss	818,748	6,781,248	6,072,031	315,693	--	--	13,987,720
Accounts payable - customers credit balance	--	--	--	--	--	23,136,225	23,136,225
Issued bonds	--	--	3,909,625	--	--	--	3,909,625
Total financial liabilities at 31 December 2025	2,787,233	13,206,319	41,525,364	5,282,127	2,105,305	31,823,046	96,729,394
31 December 2025	19,631,000	310,598	(13,555,428)	16,609,425	238,522	5,283,348	28,517,465

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34 Financial risk management (continued)

34.1 Risk management framework in the investment bank (continued)

	Up to 1 month	More than 1 month to 3 months	More than 3 months to 1 year	More than 1 year to 5 years	More than 5 years	Without interest	Total
31 December 2024							
Financial Assets							
Cash and cash equivalents	25,501,575	3,260,093	-	60	-	1,851,008	30,612,736
Accounts Receivable	4,848,339	73,396	5,344,520	-	-	5,507,127	15,773,382
Loans and advances to customers	825,058	2,249,797	8,113,530	15,549,892	406,185	690,564	27,835,026
Investments at fair value through other comprehensive income	-	-	-	1,040,605	60,638	282,379	1,383,622
Investments at Fair value through profit or loss	114,900	679,492	8,438,532	704,043	1,488,975	12,062,732	23,488,674
Investments in associates	-	-	-	-	-	424,139	424,139
Other Assets	221,137	-	-	182,536	-	3,402,309	3,805,982
Total financial assets at 31 December 2024	31,511,009	6,262,778	21,896,582	17,477,136	1,955,798	24,220,258	103,323,561
Financial liabilities							
Due to banks and financial institutions and overdraft	2,354,369	1,652,760	17,774,022	439,656	-	-	22,220,807
Loans and borrowing	73,739	127,911	2,088,839	9,073,764	5,639	-	11,369,892
Other liabilities	23,042	21,266	40,862	415,084	-	8,871,124	9,371,378
Accounts payable - customers credit balance at fair value through profit and loss	-	-	7,901,466	-	-	-	7,901,466
Accounts payable - customers credit balance	-	-	-	-	-	20,566,943	20,566,943
Issued bonds	-	-	1,032,665	400,000	-	-	1,432,665
Total financial liabilities at 31 December 2024	2,451,150	1,801,937	28,837,854	10,328,504	5,639	29,438,067	72,863,151
31 December 2024	29,059,859	1,342,369	(3,822,800)	7,148,632	1,950,159	(5,217,809)	30,460,410

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34 Financial risk management (continued)

34.1 Risk management framework in the investment bank (continued)

Market risk (continued)

Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its payment obligations when they fall due under normal and stress circumstances. To limit this risk, management has arranged diversified funding sources.

Cash flow forecasting is performed in the operating entities of the bank and aggregated by the central treasury unit. The unit monitors the bank's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its committed short-term facilities at all times so that the bank does not breach any capital adequacy rules.

Surplus cash held by the operating entities over and above balance required for working capital management are, with the input of central treasury, are either up streamed to the Holding Company invested in time deposits, money market accounts and investment funds.

31 December 2025	Up to 1 month	More than 1 month to 3 months	More than 3 months to 1 year	More than 1 year to 5 years	More than 5 years	Without maturity	Total
Due to banks and financial institutions and overdraft	1,424,098	4,523,138	24,521,909	1,218,564	-	-	31,687,709
Loans and borrowing	539,783	1,840,691	6,921,909	3,585,709	2,105,305	-	14,993,397
Other liabilities	949,410	1,620,751	2,321,867	307,456	432,885	3,382,349	9,014,718
Accounts payable - customers credit balance at fair value through profit and loss	818,748	6,781,248	6,072,031	315,693	-	-	13,987,720
Accounts payable - customers credit balance	23,136,225	-	-	-	-	-	23,136,225
Issued bonds	-	-	3,909,625	-	-	-	3,909,625
Current Tax Liability	-	-	1,033,628	-	-	-	1,033,628
Total financial liabilities according to the contractual maturity date	26,868,264	14,765,828	44,780,969	5,427,422	2,538,190	3,382,349	97,763,022
Total financial assets according to the contractual maturity date	41,002,676	18,799,986	31,220,963	22,147,188	7,668,362	4,407,131	125,246,306

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34 Financial risk management (continued)

34.1 Risk management framework in the investment bank (continued)

Market risk (continued)

Liquidity risk (continued)

31 December 2024	Up to 1 month	More than 1 month to 3 months	More than 3 months to 1 year	More than 1 year to 5 years	More than 5 years	Without maturity	Total
Due to banks and financial institutions and overdraft	2,354,369	1,652,760	17,774,023	439,656	-	-	22,220,808
Loans and borrowing	73,738	127,911	2,088,840	9,073,764	5,639	-	11,369,893
Other liabilities	494,802	4,115,836	4,011,498	588,488	-	160,755	9,371,378
Accounts payable - customers credit balance at fair value through profit and loss	-	-	7,901,466	-	-	-	7,901,466
Accounts payable - customers credit balance	20,566,943	-	-	-	-	-	20,566,943
Issued bonds	-	-	1,032,665	400,000	-	-	1,432,665
Current Tax Liability	-	-	615,193	-	-	-	615,193
Total financial liabilities according to the contractual maturity date	23,489,852	5,896,507	33,423,684	10,501,908	5,639	160,755	73,478,345
Total financial assets according to the contractual maturity date	40,811,360	7,441,765	28,310,473	19,312,238	1,957,941	6,260,601	104,094,378

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34 Financial risk management (continued)

34.1 Risk management framework in the investment bank (continued)

Operational risk

Operational risk is the risk of direct or indirect loss due to an event or action causing failure of technology, process infrastructure, personnel, and other risks having an operational risk impact. The Group seeks to minimize actual or potential losses from operational risk failure through a framework of policies and procedures that identify, assess, control, manage, and report those risks.

Controls include effective segregation of duties, access, authorization and reconciliation procedures, staff education and assessment processes.

34.2 Risk management framework in Bank NXT

Credit risk

The Bank is exposed to credit risk which is the risk resulting from a party's failure to meet its contractual obligations towards the Bank. The credit risk is considered to be the most significant risk for the Bank, therefore requiring careful management. Credit risk is mainly represented in lending activities that give rise to loans, facilities and investment activities that result in the Bank's assets including debt instruments.

Credit risk exists also in financial instruments outside the financial position such as loan commitments. The financial risk management and control are centralized in a financial risk management team in the Bank's Risk Management Department which reports to the Board of Directors and head of each business unit regularly.

Loans and facilities to banks and customers (including commitments and financial guarantee contracts)

In measuring credit risk of Funded facilities to customers and to banks, the Bank's rating system is based on three key pillars:

- Current exposures to the counterparty and its likely future development, from which the Bank derive the (exposure at default);
- The risk of default failure (Loss given default); and
- The probability of default by the customer or counterparty on its contractual obligations.

These credit risk measurements, are embedded in the Bank's daily operations which reflect expected loss through the expected loss model required by the Banking Supervision Committee, and the operational measures can contradict with the burden of impairment in accordance with the previous standards that depend on the losses that have realized on the date of the financial statements (realized loss model) and not the expected losses as will come after.

The Bank assesses the probability of default per each customer using internal rating techniques tailored to the various categories of customers. These techniques have been developed internally and the statistical analyses combine credit officers' personal judgment to reach the appropriate viability rating.

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34 Financial risk management (continued)

34.2 Risk management framework in Bank NXT (continued)

Credit risk (continued)

Customers of the Bank are segmented into four viability rating classes. The Bank's viability rating scale, which is shown below, reflects the range of default probabilities defined for each rating class. This means that, in principle, credit positions migrate between classes as the assessment of their probability of default changes. The rating techniques are kept under review and are upgraded as necessary. The Bank regularly validates the performance of the viability rating techniques and their ability to predict cases of default.

Bank's internal rating classes	Bank's rating	Rating description
	1	Performing debts
	2	Standard monitoring
	3	Special monitoring
	4	Non- performing debts

The position exposed to default depends on the amounts expected by the Bank to be outstanding when default occurs. For example, for a loan, this position is the nominal value and for commitments, the Bank recognizes all amounts actually withdrawn in addition to other amounts that are expected to have been withdrawn up to the date of the delay if it occurs.

Loss given default or loss severity represents the Bank's expectation of the extent of loss on a claim should a default occur. It is expressed as percentage of loss to debt and typically varies by type of the debtor, seniority of claim and availability of collateral or other credit coverages.

Estimation of exposure to credit risks to manage the credit risks is a complex matter that requires the use of statistical and electronic models, as the level of exposure to credit risks changes depending on the changes in market conditions and other economic areas in a complex and rapid degree. The exposure to credit risk changes depending on the changes in the level, value and timing of expected cash flows and the passage of time. Accordingly, assessment of the credit risk of the assets portfolio requires further estimations of the probability of default and the related loss rates. The Bank measures credit risk losses by using the probability of default (default in contractual liabilities) based on the carrying amount balance of the financial instrument at the date of Exposure at Default and loss given default.

Classification of credit risks

The Bank assesses the probability of default at the level of each customer / related Group / credit product, by using techniques to classify the customers into different categories, taking into account the minimum rating in accordance with the CBE instructions in terms of determining the creditworthiness of the customers and making the provisions issued during the year 2005. Therefore, the Bank uses a Group of internally developed models and evaluation techniques for the categories of counterparties, customers and the nature of various loans in light of the available information that is collected on the date of adoption of the used model (such as: level of income, level of disposable income and guarantees for individual clients, revenues, type of industry, and other financial and non-financial indicators of the institutions). The Bank completes such indicators with a set of external data, such as the inquiry reports issued by both CBE and credit reporting companies on borrowers and the reports issued by the other local and external credit rating agencies. Moreover, the models used by the Bank allow the systematic exercise of expert assessment by credit risk officials in the final internal credit rating. Therefore, this allows to consider other matters and indicators that may not have been taken as part of other data inputs in the internally or externally developed assessment models and techniques or through external sources.

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34 Financial risk management (continued)

34.2 Risk management framework in Bank NXT (continued)

Credit risk (continued)

Classification of credit risks (continued)

Credit grades are assessed so that the risk of default increases incrementally at each higher risk grade, namely the difference in default rates between the rating grade A and A- is less than the difference in default rates between rating grade B and B-. Additional considerations for each type of credit portfolio held by the Bank are set out below:

Individuals, retail banking products and small & micro enterprises

After the date of initial recognition, the borrower's payment behaviour is monitored periodically to calculate a measurement of the payment pattern. Any other information known about the borrower, supposed to be determined by the Bank, may have an impact the creditworthiness, such as unemployment rates and non- payment precedents, as they are included to measure the payment pattern and default rates are, accordingly, determined for each payment pattern measurement.

(Large & Medium) Enterprises and Companies

The rating is determined at the level of the borrower / Groups with similar credit risks. Any updated or new credit information or assessments are included in the credit system constantly and periodically. In addition, information about the creditworthiness of the borrower / Groups with similar credit risks is also updated periodically from other sources such as financial statements and other published financial and non-financial statements.

Debt Instruments, Treasury Bills and Government Bonds

The Bank uses the external ratings issued by the institutions mentioned in the CBE's instructions to manage the credit risk in terms of the debt instruments in the investment portfolio. These published classifications are monitored and updated regularly and periodically. The default rates associated with each rating are determined based on the rates realized over the previous twelve months, as published by the aforementioned rating agencies. The loss rate of the government and CBE debt instruments dominated in local currency is zero.

Future data used in the expected loss model

Future data is used in assessing whether there is a significant increase in the credit risk of financial instruments and estimating the expected credit losses (ECL). The management of Bank determines the main economic variables that affect credit risk and expected credit losses for each credit portfolio by carrying out an analysis of historical data. The economic variables and the related effect on both Probability of Default "PD" and the Exposure at Default "EAD" and Loss Given Default "LGD" are different depending on the financial asset. The Bank will use expert opinions regarding these assumptions and estimates, if necessary.

To determine the impact of such economic variables on both Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD), the management of the Bank carries out the "regression analysis" to understand the historical effects arising from such variables on the default rates and the inputs used in calculating both Exposure at Default (EAD) and Loss Given Default (LGD). Further to the key economic scenarios, the management of Bank establishes other potential scenarios in addition to assumptions relating to each scenario separately.

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34 Financial risk management (continued)

34.2 Risk management framework in Bank NXT (continued)

Credit risk (continued)

Classification of credit risks (continued)

Future data used in the expected loss model (continued)

The lifetime probability of default (PD) relating to the key assumption and other assumptions are used, as the outcome of multiplication is determined for each assumption with the related probabilities of each, in addition to the supporting indicators and qualitative indicators. Based on the results of such study, it is assessed whether this financial asset is located at the first, second or third level, on the basis of which it is determined whether the expected credit losses "ECL" will be computed on 12- month bases "12-month ECL" or over lifetime of the financial instrument "Lifetime ECL".

The expectations and probabilities of occurrence are subject to a high degree of uncertainty, as it is known to any economic forecasts, therefore the actual results may be significantly different from those anticipated. The Bank makes the best estimate of these potential expectations and carries out an analytical study of the irrelevant and non -similar factors for the different credit portfolios to conclude appropriate assumptions for all possible scenarios.

Variable Economic Assumptions

The most significant assumptions that have an impact on the expected credit losses "ECL" are:

- (i) Consumption Pricing Indicators (CPI)
- (ii) Unemployment Rate
- (iii) Gross Domestic Product (GDP)
- (iv) Gross national saving/investment
- (v) Real available income

Classification of the instruments relating to the losses measured on basis of the similar Groups

For ECL provisions, Groups are classified on the basis of similar credit risk characteristics, as risk exposure within the Bank is homogeneous. When carrying out this classification, it is taken into consideration that there is sufficient information that enables the Bank to classify the Bank with statistical reliability. When sufficient information is not available, the Bank takes into consideration the complementary internal / external reference data.

Corporate loans

- Probability of default model (S& P) is used.
- A conciliation was made between "S&P" and "ORR".
- The model was updated by some economic indicators to keep the probability of default in line with the clients existing in Egypt.
- The model was updated by the ratios of change in the low credit rating of the other clients of the Bank for two years to keep the ratios of model default in line with the clients of the Bank.

Maximum Exposure to Credit Risks – Impaired Financial Instruments

The following table includes the analysis of maximum exposure to the credit risks of financial instruments for which the provision of expected credit risks (ECL) is recognized

The following table represents the total carrying amount of the financial assets and the maximum exposure to credit risk on these financial assets.

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34 Financial risk management (continued)

34.2 Risk management framework in Bank NXT (continued)

Credit risk (continued)

Maximum exposure to credit risks – impaired financial instruments (continued)

Retail	EGP Thousands			
	31 December 2025			
	Order of Expected Credit Losses			
Credit Rating	Stage 1 12 Month	Stage 2 Lifetime	Stage 3 Lifetime	Total
Standard monitoring				
Overdraft	31,513	--	5	31,518
Personal loans	13,082,285	825	1,078	13,084,188
Credit cards	984,714	--	55	984,769
Mortgage Loans	3,068,529	--	5,227	3,073,756
Special monitoring				
Overdraft	16,530	87	602	17,219
Personal loans	47,080	459,231	172,862	679,173
Credit cards	24,800	3,945	16,481	45,226
Mortgage Loans	3,315	7,196	1,108	11,619
Total carrying amount	17,258,766	471,284	197,418	17,927,468
Expected credit losses	(39,118)	(32,418)	(195,006)	(266,542)
Net carrying amount	17,219,648	438,866	2,412	17,660,926
Collaterals	4,167,762	335,459	1,122	4,504,343

Retail	EGP Thousands			
	31 December 2024			
	Order of Expected Credit Losses			
Credit Rating	Stage 1 12 Month	Stage 2 Lifetime	Stage 3 Lifetime	Total
Standard monitoring				
Overdraft	61,700	95	467	62,262
Personal loans	7,684,007	229,312	20,927	7,934,246
Credit cards	387,902	1,661	231	389,794
Mortgage Loans	1,784,129	13,473	6,298	1,803,900
Special monitoring				
Overdraft	-	-	147	147
Personal loans	6,945	285	120,315	127,545
Credit cards	2,300	70	467	2,837
Mortgage Loans	-	-	563	563
Total carrying amount	9,926,983	244,896	149,415	10,321,294
Expected credit losses	(40,232)	(9,388)	(148,911)	(198,531)
Net carrying amount	9,886,751	235,508	504	10,122,763
Collaterals	2,911,374	26,335	1,706	2,939,415

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34 Financial risk management (continued)

34.2 Risk management framework in Bank NXT (continued)

Credit risk (continued)

Maximum exposure to credit risks – impaired financial instruments (continued)

Corporate	EGP Thousands			Total
	31 December 2025			
	Order of Expected Credit Losses			
Credit Rating	Stage 1 12 Month	Stage 2 Lifetime	Stage 3 Lifetime	
Standard monitoring				
Overdraft	1,270,830	1,022	--	1,271,852
Direct loans	24,244,813	75,490	--	24,320,303
Syndicated Loans	5,338,574	1,280,353	--	6,618,927
Special monitoring				
Overdraft	--	106	--	106
Direct loans	--	209,348	--	209,348
Default				
Overdraft	--	--	2,610	2,610
Direct loans	--	--	774,477	774,477
Syndicated Loans	--	--	202,134	202,134
Total carrying amount	30,854,217	1,566,319	979,221	33,399,757
Expected credit losses	(283,662)	(866,189)	(887,827)	(2,037,678)
Net carrying amount	30,570,555	700,130	91,394	31,362,079
Collaterals	4,531,299	259,046	96,742	4,887,087

Corporate	EGP Thousands			Total
	31 December 2024			
	Order of Expected Credit Losses			
Credit Rating	Stage 1 12 Month	Stage 2 Lifetime	Stage 3 Lifetime	
Standard monitoring				
Overdraft	263,840	19	-	263,859
Direct loans	14,871,233	322,318	-	15,193,551
Syndicated Loans	4,816,629	304,567	-	5,121,196
Special monitoring				
Overdraft	-	493	-	493
Direct loans	-	34,693	-	34,693
Syndicated Loans	-	459,330	-	459,330
Default				
Overdraft	-	-	2,916	2,916
Direct loans	-	-	913,201	913,201
Syndicated Loans	-	-	202,134	202,134
Total carrying amount	19,951,702	1,121,420	1,118,251	22,191,373
Expected credit losses	(525,427)	(468,763)	(1,054,238)	(2,048,428)
Net carrying amount	19,426,275	652,657	64,013	20,142,945
Collaterals	2,379,740	302,803	70,200	2,752,743

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34 Financial risk management (continued)
34.2 Risk management framework in Bank NXT (continued)

Credit risk (continued)
Maximum exposure to credit risks – impaired financial instruments (continued)

Due From Banks	EGP Thousands			
	31 December 2025			
	Order of Expected Credit Losses			
Credit Rating	Stage 1 12 Month	Stage 2 Lifetime	Stage 3 Lifetime	Total
Standard monitoring	8,141,365	--	--	8,141,365
Total carrying amount	8,141,365	--	--	8,141,365
Expected credit losses	(3,873)	--	--	(3,873)
Net carrying amount	8,137,492	--	--	8,137,492

Financial Investments	EGP Thousands			
	31 December 2025			
	Order of Expected Credit Losses			
Credit Rating	Stage 1 12 Month	Stage 2 Lifetime	Stage 3 Lifetime	Total
Standard monitoring	29,361,551	--	--	29,361,551
Total carrying amount	29,361,551	--	--	29,361,551
Expected credit losses	(92,728)	--	--	(92,728)
Net carrying amount	29,268,823	--	--	29,268,823

Other Assets	EGP Thousands			
	31 December 2025			
	Order of Expected Credit Losses			
Credit Rating	Stage 1 12 Month	Stage 2 Lifetime	Stage 3 Lifetime	Total
Standard monitoring	3,177,452	--	--	3,177,452
Total carrying amount	3,177,452	--	--	3,177,452
Expected credit losses	(21,641)	--	--	(21,641)
Net carrying amount	3,155,811	--	--	3,155,811

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34 Financial risk management (continued)
34.2 Risk management framework in Bank NXT (continued)

Credit risk (continued)

Maximum exposure to credit risks – impaired financial instruments (continued)

Due From Banks	EGP Thousands			
	31 December 2024			
	Order of Expected Credit Losses			
Credit Rating	Stage 1 12 Month	Stage 2 Lifetime	Stage 3 Lifetime	Total
Standard monitoring	11,997,888	-	-	11,997,888
Total carrying amount	11,997,888	-	-	11,997,888
Expected credit losses	(4,012)	-	-	(4,012)
Net carrying amount	11,993,876	-	-	11,993,876

Financial Investments	EGP Thousands			
	31 December 2024			
	Order of Expected Credit Losses			
Credit Rating	Stage 1 12 Month	Stage 2 Lifetime	Stage 3 Lifetime	Total
Standard monitoring	23,285,422	-	-	23,285,422
Total carrying amount	23,285,422	-	-	23,285,422
Expected credit losses	(96,781)	-	-	(96,781)
Net carrying amount	23,188,641	-	-	23,188,641

Other Assets	EGP Thousands			
	31 December 2024			
	Order of Expected Credit Losses			
Credit Rating	Stage 1 12 Month	Stage 2 Lifetime	Stage 3 Lifetime	Total
Standard monitoring	2,817,087	-	-	2,817,087
Total carrying amount	2,817,087	-	-	2,817,087
Expected credit losses	(13,293)	-	-	(13,293)
Net carrying amount	2,803,794	-	-	2,803,794

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34 Financial risk management (continued)

34.2 Risk management framework in Bank NXT (continued)

Credit risk (continued)

Corporate Loans	Stage 1 12 months ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	<u>EGP Thousands</u> Total ECL
Balance as of 1 January 2025	525,427	468,763	1,054,238	2,048,428
New financial assets purchased or issued	170,651	177,832	10	348,493
Financial assets matured or derecognized	(154,299)	(38,454)	(21,935)	(214,688)
Transfer to stage 1	1,733	(1,733)	--	--
Transfer to stage 2	(28,491)	28,491	--	--
Transfer to stage 3	(610)	(2,089)	2,699	--
Changes in the probability of default	(222,680)	239,933	(5,156)	12,097
Write- off during the year	--	--	(129,146)	(129,146)
Proceeds from previously written off debts	--	--	20,150	20,150
Foreign exchange differences	(8,069)	(6,554)	(33,033)	(47,656)
Balance as of 31 December 2025	283,662	866,189	887,827	2,037,678

The following table displays changes in balances and ECL between the beginning and end of the year:

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34 Financial risk management (continued)

34.2 Risk management framework in Bank NXT (continued)

Credit risk (continued)

Corporate Loans

	Stage 1 12 months ECL	Stage 2 Life time ECL	Stage 3 Life time ECL	<u>EGP</u> <u>Thousands</u> Total ECL
Balance as of 1 January 2024	347,350	167,724	917,827	1,432,901
New financial assets purchased or issued	272,778	38,021	-	310,799
Financial assets matured or derecognised	(116,118)	(21,784)	(87,164)	(225,066)
Transfer to stage 1	-	-	-	-
Transfer to stage 2	(494)	494	-	-
Transfer to stage 3	(438)	(2,883)	3,321	-
Changes in the probability of default	(30,587)	245,588	(38,123)	176,878
Write- off during the year	-	-	(94,670)	(94,670)
Proceeds from previously written off debts	-	-	100,154	100,154
Foreign exchange differences	52,936	41,603	252,893	347,432
Balance as of 31 December 2024	525,427	468,763	1,054,238	2,048,428

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34 Financial risk management (continued)

34.2 Risk management framework in Bank NXT (continued)

Credit risk (continued)

Retail Loans	Stage 1	Stage 2	Stage 3	EGP Thousands
	12 months	Lifetime	Lifetime	Total
	ECL	ECL	ECL	ECL
Balance as of 1 January 2025	40,232	9,388	148,911	198,531
New financial assets purchased or issued	10,120	9,248	28,949	48,317
Financial assets matured or derecognized	(2,230)	(165)	25,839	23,444
Transfer to stage 1	30,547	(2,758)	(27,789)	--
Transfer to stage 2	(857)	2,371	(1,514)	--
Transfer to stage 3	(223)	(3,362)	3,585	--
Changes in the probability of default	(38,442)	17,644	103,865	83,067
Write- off during the period	--	--	(102,292)	(102,292)
Proceeds from previously written off debts	--	--	15,406	15,406
Foreign exchange differences	(29)	52	46	69
Balance as of 31 December 2025	39,118	32,418	195,006	266,542

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34 Financial risk management (continued)

	<u>EGP</u>			<u>Thousands</u>
Retail Loans	Stage 1	Stage 2	Stage 3	Total
	12 months	Life time	Life time	
	ECL	ECL	ECL	ECL
Balance as of 1 January 2024	20,775	14,831	153,956	189,562
New financial assets purchased or issued	17,030	1,267	-	18,297
Financial assets matured or derecognised	(1,585)	(1,303)	12,175	9,287
Transfer to stage 1	23,593	(1,773)	(21,820)	-
Transfer to stage 2	(947)	3,869	(2,922)	-
Transfer to stage 3	(331)	(5,475)	5,806	-
Changes in the probability of default	(18,323)	(2,028)	33,930	13,579
Write- off during the year	-	-	(101,425)	(101,425)
Proceeds from previously written off debts	-	-	69,104	69,104
Foreign exchange differences	20	-	107	127
Balance as of 31 December 2024	40,232	9,388	148,911	198,531

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34 Financial risk management (continued)
34.2 Risk management framework in Bank NXT (continued)

Due From Banks	31 December 2025			<u>EGP Thousands</u> Total ECL
	Stage 1 12 months ECL	Stage 2 Life time ECL	Stage 3 Life time ECL	
Balance as of 1 January 2025	4,012	--	--	4,012
New financial assets purchased or issued	26,569	--	--	26,569
Financial assets matured or derecognized	(18,554)	--	--	(18,554)
Changes in the probability of default	(7,741)	--	--	(7,741)
Foreign exchange differences	(413)	--	--	(413)
Balance as of 31 December 2025	3,873	--	--	3,873
		31 December 2024		
Balance as of 1 January 2024	2,716	--	--	2,716
New financial assets purchased or issued	23,137	--	--	23,137
Financial assets matured or derecognised	(13,995)	--	--	(13,995)
Changes in the probability of default	(8,159)	--	--	(8,159)
Foreign exchange differences	313	--	--	313
Balance as of 31 December 2024	4,012	--	--	4,012

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34 Financial risk management (continued)

Financial Investments at fair value through Other Comprehensive income	31 December 2025			<u>EGP Thousands</u>
	Stage 1	Stage 2	Stage 3	
	12 months ECL	Life time ECL	Life time ECL	
Balance as of 1 January 2025	33,747	--	--	33,747
New financial assets purchased or issued	8,220	--	--	8,220
Financial assets matured or derecognised	(6,058)	--	--	(6,058)
Changes in the probability of default	(15,711)	--	--	(15,711)
Foreign exchange differences	(801)	--	--	(801)
Balance as of 31 December 2025	19,397	--	--	19,397
	31 December 2024			
Balance as of 1 January 2024	30,314	--	--	30,314
New financial assets purchased or issued	13,872	--	--	13,872
Financial assets matured or derecognised	(13,770)	--	--	(13,770)
Changes in the probability of default	(410)	--	--	(410)
Foreign exchange differences	3,741	--	--	3,741
Balance as of 31 December 2024	33,747	--	--	33,747

EFG Holding Company
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34 Financial risk management (continued)

34.1 Risk management framework in Bank NXT (continued)

Credit risk (continued)

Financial Investments at AC	31 December 2025			<u>EGP Thousands</u> Total ECL
	Stage 1 12 months ECL	Stage 2 Life time ECL	Stage 3 Life time ECL	
Balance as of 1 January 2025	63,034	--	--	63,034
New financial assets purchased or issued	28,090	--	--	28,090
Financial assets matured or derecognized	(22,989)	--	--	(22,989)
Changes in the probability of default	9,144	--	--	9,144
Foreign exchange differences	(3,948)	--	--	(3,948)
Balance as of 31 December 2025	73,331	--	--	73,331
	31 December 2024			
Balance as of 1 January 2024	40,120	--	--	40,120
New financial assets purchased or issued	65,296	--	--	65,296
Financial assets matured or derecognised	(3,626)	--	--	(3,626)
Changes in the probability of default	(62,459)	--	--	(62,459)
Foreign exchange differences	23,703	--	--	23,703
Balance as of 31 December 2024	63,034	--	--	63,034

EFG Holding Company
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34 Financial risk management (continued)

34.2 Risk management framework in Bank NXT (continued)

Credit risk (continued)

Credit Guarantees

The Bank uses many policies and practices to limit the credit risks. The most widely adopted of these is the acceptability of collateral for debt instruments and loan commitments. The Bank has internal policies regarding classes of collateral that can be accepted to limit or decrease the credit risks.

The Bank accrues out an assessment of the guarantees that have been obtained when establishing these loans. This assessment is regularly assessed. The key types of guarantees are:

- Cash and cash equivalent
- Real estate mortgage
- Derivatives margin agreement that has been signed with the Bank as a part of main offsetting agreements.
- Commercial mortgages
- Financial assets pledge such as debt instruments and equity instruments.

The guarantees held as collateral against the financial assets other than loans and facilities depend on the nature of the instrument, as debt securities, government bonds and other qualified bills are generally not secured, except for the asset-backed securities and similar instruments secured by portfolios of financial instruments. The derivatives are often secured.

The policies adopted by the Bank have not been changed significantly in terms of obtaining guarantees during the financial year, and there has been no change in the quality of those guarantees held by the Bank compared to the previous financial year.

The Bank closely monitors the guarantees held against the low – credit financial assets, as it is likely that the Bank will hold collateral to mitigate potential credit losses.

Written-off Financial Instruments (Loans)

The Bank excludes the financial assets that are still under compulsory collection for unpaid contractual amounts of the bad assets. The Bank seeks to fully recover some amounts legally due that were partially or fully written off due to the lack of a possibility of a full recovery.

Modifications of loans terms and rescheduling

The Bank sometimes modifies terms of the loans granted to the customers due to the commercial renegotiation or non-performing to increase the chances of recovery. The activities of restructuring include arrangements of extension of repayment terms, grace periods, exemption from repayment or some or full interests. Restructuring policies and practices are based on indicators or criteria that indicate – based on the discretion of management- that repayment is likely to continue. These policies are constantly reviewed.

Reduction and Risk Avoidance Policies

The Bank manages, limits, and controls the concentration of credit risks at the debtor level, Groups, industries, and countries. The Bank regulates the levels of acceptable credit risks by setting limits to the amount of risk that will be accepted at the level of each borrower, or Group of borrowers, and at the level of economic activities and geographical sectors.

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34 Financial risk management (continued)

34.2 Risk management framework in Bank NXT (continued)

Credit risk (continued)

Reduction and Risk Avoidance Policies (continued)

These risks are monitored constantly and are reviewed annually or on a recurring basis, when necessary. Limits of the credit risks at the level of the borrower / bank, producer, sector, and country are quarterly approved by the Board of Directors.

Credit limits for any borrower, including banks, are divided into sub-limits that include the amounts on- and off- balance sheet, and the daily risk limit relating to trading items such as forward foreign exchange contracts. Actual amounts are compared with the daily limits. Exposure to credit risks is also managed through periodic analysis of the ability of borrowers and potential borrowers to meet the repayment of their liabilities and by amending lending limits, if appropriate.

Means of setting limits of to the risks are shown as following:

Guarantees

The Bank adopts many policies and controls to limit the credit risks. These means include the guarantees obtained against borrowed funds. The Bank sets guiding rules for specific acceptable classes of guarantees. The key types guarantee of loans and facilities are:

- Real estate mortgages.
- Mortgage of activity assets such as machinery and merchandise
- Mortgage of financial instruments such as debt instruments and equity.

The financing is often granted in the longer term and loans to the companies are secured. In order to reduce the credit loss to a minimum, the Bank seeks to get additional guarantees from the concerned parties and when indicators of impairment are shown for a loan or facilities. The guarantees taken as collateral for assets other than loans and facilities are determined based on the nature of the instrument. Generally, the debt instruments and treasury bills are not secured, except for Groups of financial instruments covered by Asset-Backed Securities and similar instruments that are secured by a portfolio of financial instruments.

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. The amount exposed to credit risk, at any time, is determined at the fair value of the instrument that provides a benefit for the Bank, i.e. an asset with a positive fair value that represents a portion of the contractual / notional value used to express the size of the existing instruments. 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 against the expectation of a corresponding receipt in cash, securities, or equities. Daily settlement limits are established for each counter party to cover the aggregate of all settlement risk arising from the Bank's market transactions on any single day.

Master Netting Arrangements

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

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34 Financial risk management (continued)

34.2 Risk management framework in Bank NXT (continued)

Credit risk (continued)

Credit Related Commitments

The main purpose of credit-related commitments is to ensure that funds are available to the customer on demand, and financial guarantee contracts carry a credit risk related to loans, and documentary and commercial credits issued by the Bank on behalf of the customer to grant a third party the right to withdraw from the Bank within certain amounts and under specific terms and conditions often secured against the goods being shipped and therefore carries a lower degree of risk than a direct loan.

Credit Related Commitments (continued)

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.

Expected Credit Loss Measurement Policy

The Bank's policy requires defining three stages for classifying financial assets that are measured at amortized cost, loan commitments and financial guarantees, as well as debt instruments at fair value through other comprehensive income, according to changes in credit quality since the initial recognition, and then measuring (expected credit losses) in the value related to these instruments as follows:

The unimpaired financial asset is classified upon initial recognition in Stage 1 and credit risk is monitored on an ongoing basis by the Bank's credit risk department.

If there has been a significant increase in credit risk since initial recognition, the financial asset is transferred to Stage 2 and the financial asset is not considered impaired at this stage (lifetime expected credit loss in the absence of credit impairment).

If there are indications of impairment in the value of the financial asset, it is transferred to Stage 3, and the Bank relies on the following indicators to determine whether there are objective evidence indicating.

- A significant increase in the rate of interest on the financial asset because of the increase in credit risk.
- Negative material changes in the activity and financial or economic conditions in which the borrower operates.
- A scheduling request because of difficulties facing the borrower.
- Negative material changes in actual or expected operating results or cash flows.
- Early signs of cash flow/liquidity problems such as delays in servicing creditors/business loans.
- Cancellation of a direct facility by the Bank due to the borrower's high credit risk.

General Bank Risk Measurement Model

The management performs classifications in the form of a more detailed sub-Group to comply with the requirements of the Central Bank of Egypt, and the assets exposed to credit risk are classified according to detailed rules and conditions that depend largely on the information related to the customer, his activity, his financial status, and the extent of his regularity of payment.

The Bank calculates the required provisions in accordance with the instructions of creditworthiness, on the basis of specific ratios by the Central Bank of Egypt, and in the event that the required provisions in accordance with the rules of the Central Bank of Egypt exceed the expected credit losses calculated for the purposes of preparing the financial statements, the general bank risk reserve is set aside within rights ownership with a discount on the distributable profits by the amount of that increase .

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34 Financial risk management (continued)

34.2 Risk management framework in Bank NXT (continued)

Credit risk (continued)

General Bank Risk Measurement Model (continued)

This reserve is periodically adjusted by increase or decrease so that it is always equal to the amount of the increase between the two provisions, and this reserve is not distributable.

Following is a table on the creditworthiness levels for institutions in accordance with the internal assessment bases compared to the Central Bank of Egypt assessment bases and the provision ratios required for the impairment of the assets exposed to credit risk:

CBE Rating	Rating description	Provision %	Internal rating description
1	Low Risk	0%	Good debts
2	Moderate Risk	1%	Good debts
3	Satisfactory Risk	1%	Good debts
4	Reasonable Risk	2%	Good debts
5	Acceptable Risk	2%	Good debts
6	Marginally Acceptable Risk	3%	Standard monitoring
7	Watch List	5%	Special monitoring
8	Substandard	20%	Non-performing debts
9	Doubtful	50%	Non-performing debts
10	Bad Debt	100%	Non-performing debts

Maximum limits for credit risk before collateral - items exposed to credit risk (on-balance sheet)

	31 December 2025	31 December 2024
Treasury Bills and other Government Securities	12,502,180	13,042,703
Due from banks	8,137,492	11,993,876
Loans and facilities to customers		
Retail Loans		
Personal loans	13,547,692	7,890,500
Credit cards	987,338	375,008
Overdraft	48,737	62,322
Mortgage loans	3,077,159	1,794,933
Corporate Loans		
Overdraft	1,264,530	263,166
Direct loans	24,309,881	14,945,541
Syndicated loans	5,787,668	4,934,238
Suspended interest	(643)	(643)
Unearned interest	(706,376)	(171,488)
Financial Investment		
Debt instruments	16,786,040	10,179,603
Other assets - accrued revenue	1,336,750	989,741
	87,078,448	66,299,500

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34 Financial risk management (continued)

34.2 Risk management framework in Bank NXT (continued)

Credit risk (continued)

Off-balance sheet items exposed to Credit risk :

	31-Dec-25	31-Dec-24
Loan Commitment	15,431,790	14,182,263
Letters of guarantee	4,513,566	3,611,737
Letters of credit	1,790,308	1,017,394
Acceptances on supplier facilities	1,200,646	357,051
	<u>22,936,310</u>	<u>19,168,445</u>

The above table represents the maximum bank exposure to credit risk 31 December 2025 and 31 December 2024 without taking in consideration any collateral held for in-balance sheet items the balances included are based on net carrying amounts as reported in the balance sheet and as shown above 55.39% of the maximum exposure arising from loans and facilities to customers against 45.04% at 31 December 2024; While investments in debt tools represent 33.75% compared to 35.53% on December 31, 2024.

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

- 98.09% of the loans and facility portfolio is categorized in the top two grades of the internal rating system against 96.56% on 31 December 2024.
- 90.06% of the loans and facility portfolio without accruals or impairment indicators against 90.59% on 31 December 2024.
- 89.93% of the investments in debt instruments and treasury bills represent the debt instruments on Egyptian Government against 88.28% on 31 December 2024

Loans and facilities

Balances of loans and facilities at 31 December 2025 are set out below:

	31 December 2025	31 December 2024
Stage 1	48,112,983	29,878,685
Stage 2	2,037,603	1,366,316
Stage 3	1,176,639	1,267,666
Total	<u>51,327,225</u>	<u>32,512,667</u>
Less:		
Expected credit losses	(2,304,220)	(2,246,959)
Reserved interests	(643)	(643)
Interest unearned	(706,376)	(171,488)
Net	<u>48,315,986</u>	<u>30,093,577</u>

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34 Financial risk management (continued)

34.2 Risk management framework in Bank NXT (continued)

Credit risk (continued)

Loans and facilities according to past due periods

31 December 2025

EGP Thousand Rating	Retail				Corporate			Total loans and facilities to customers
	Overdraft	Credit cards	Personal loans	Mortgage loans	Overdraft	Direct loans	Syndicated loans	
Performing /No Dues	47,195	860,110	12,017,364	3,050,551	1,273,693	23,695,459	5,282,719	46,227,091
Past due up to 30 days	472	124,500	1,113,218	26,824	297	799,424	451,908	2,516,643
Past due 30-60 days	253	20,325	294,054	5,516	42	16,640	--	336,830
Past due more than 60 to 90 days	259	8,001	170,713	1,936	61	14,650	275,586	471,206
Impairment	558	17,059	168,012	548	475	777,955	810,848	1,775,455
Total	48,737	1,029,995	13,763,361	3,085,375	1,274,568	25,304,128	6,821,061	51,327,225
Expected Credit Losses	--	(42,657)	(215,669)	(8,216)	(10,038)	(994,247)	(1,033,393)	(2,304,220)
Suspended interest	--	--	(5)	--	--	(638)	--	(643)
Unearned interest	--	--	(700,329)	--	--	(6,047)	--	(706,376)
Total	48,737	987,338	12,847,358	3,077,159	1,264,530	24,303,196	5,787,668	48,315,986

31 December 2024

EGP Thousand Rating	Retail				Corporate			Total loans and facilities to customers
	Overdraft	Credit cards	Personal loans	Mortgage loans	Overdraft	Direct loans	Syndicated loans	
Performing /No Dues	62,200	341,221	7,191,045	1,795,038	267,207	14,216,338	5,580,526	29,453,575
Past due up to 30 days	-	40,297	500,736	6,736	-	962,623	-	1,510,392
Past due 30-60 days	62	5,989	146,353	1,864	9	24,480	-	178,757
Past due more than 60 to 90 days	-	2,286	96,468	262	-	11,714	-	110,730
Impairment	147	2,838	127,189	563	52	926,290	202,134	1,259,213
Total	62,409	392,631	8,061,791	1,804,463	267,268	16,141,445	5,782,660	32,512,667
Expected Credit Losses	(87)	(17,623)	(171,291)	(9,530)	(4,102)	(1,195,904)	(848,422)	(2,246,959)
Suspended interest	-	-	(5)	-	-	(638)	-	(643)
Unearned interest	-	-	(149,209)	-	-	(22,279)	-	(171,488)
Total	62,322	375,008	7,741,286	1,794,933	263,166	14,922,624	4,934,238	30,093,577

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34 Financial risk management (continued)

34.2 Risk management framework in Bank NXT (continued)

Credit risk (continued)

Restructured loans and facilities

Restructuring activities include extending payment arrangements, implementing forced management programs, modifying, and postponing payments. Policies for implementing restructuring depend on indicators or criteria that indicate that there is a high probability of Continued payments, based on the personal judgment of management. These policies are subject to continuous review. It is usual to apply restructuring to long-term loans, especially customer financing loans, The restructured loans at 31 December 2025 amounted 2,079,245 EGP thousands compared to 2,122,894 EGP thousand at 31 December 2024.

Written-off loans

In accordance with the Board of Directors' decision or its specialized committees, the written-off loans from the non-performing loans are written-off against its related loan loss provisions and that step is made after exhausting all the possible recovery processes.

Debt Instruments and Treasury Bills

The table below presents an analysis of debt instruments, and other treasury bills according to the rating agencies at 31 December 2025

	Treasury bills & other Governmental securities	Debt Instruments	Total
31 December 2025 B	12,538,926	16,822,625	29,361,551
31 December 2024 B-	13,065,489	10,219,851	23,285,340

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34 Financial risk management (continued)

34.2 Risk management framework in Bank NXT (continued)

Credit risk (continued)

Activity segments

The following table represent the analysis of the Bank's main credit exposure at carrying value categorized by the activities practiced by the bank's customers.

31 December 2025	EGP Thousands							
	Commercial activity	Industrial activity	Financial institutions	Real estate companies	Governmental sector	Other Activities	Individuals	Total
Due from banks	--	--	8,137,492	--	--	--	--	8,137,492
Loans and facilities to customers								
Retail loans								
Overdraft	--	--	--	--	--	--	48,737	48,737
Personal loans	--	--	--	--	--	--	13,763,361	13,763,361
Credit Cards	--	--	--	--	--	--	1,029,995	1,029,995
Mortgage loans	--	--	--	--	--	--	3,085,375	3,085,375
Corporate loans								
Overdraft	328	53,101	2	49	--	1,221,088	--	1,274,568
Direct loans	418,878	14,300,690	3,189,642	2,804,931	--	4,589,987	--	25,304,128
Syndicated loans	--	1,383,003	--	2,214,639	202,986	3,020,433	--	6,821,061
Expected Credit Losses	(40,693)	(1,257,316)	(38,955)	(244,498)	--	(456,216)	(266,542)	(2,304,220)
Suspended interest	--	--	--	--	--	(638)	(5)	(643)
Unearned interest	--	--	--	--	--	(6,047)	(700,329)	(706,376)
Financial Investments								
Treasury Bills	--	--	12,502,180	--	--	--	--	12,502,180
Debt instruments	--	--	16,786,040	--	--	--	--	16,786,040
Other assets	--	--	1,336,750	--	--	--	--	1,336,750
Total on 31 December 2025	378,513	14,479,478	41,913,151	4,775,121	202,986	8,368,607	16,960,592	87,078,448

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34 Financial risk management (continued)

34.2 Risk management framework in Bank NXT (continued)

Credit risk (continued)

Activity segments (continued)

31 December 2024	Commercial activity	Industrial activity	Financial institutions	Real estate companies	Governmental sector	Other Activities	EGP Thousands	
							Individuals	Total
Cash on Hand and CBE Reserve Account	-	-	8,693,380	-	-	-	-	8,693,380
Due from banks	-	-	11,997,888	-	-	-	-	11,997,888
Loans and facilities to customers								
Retail loans								
Overdraft	-	-	-	-	-	-	62,409	62,409
Personal loans	-	-	-	-	-	-	8,061,791	8,061,791
Credit Cards	-	-	-	-	-	-	392,631	392,631
Mortgage loans	-	-	-	-	-	-	1,804,463	1,804,463
Corporate loans								
Overdraft	188	10,042	34	41	771	256,192	-	267,268
Direct loans	238,323	9,033,158	2,155,526	769,112	-	3,945,326	-	16,141,445
Syndicated loans	-	918,895	-	2,152,667	233,819	2,477,279	-	5,782,660
Financial Investments								
Debt instruments	-	-	23,285,340	-	-	-	-	23,285,340
Other assets	-	-	989,741	-	-	-	-	989,741
Total at 31 December 2024	238,511	9,962,095	47,121,909	2,921,820	234,590	6,678,797	10,321,294	77,479,016

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34 Financial risk management (continued)

34.2 Risk management framework in Bank NXT (continued)

Market risk

Market and liquidity risks are defined as the risks to which the bank is exposed because of maintaining certain positions considering changes or fluctuations in the markets in which the bank operates and not necessarily in which the bank is geographically located.

Market risks result from open positions for the purpose of trading, whether currency positions or investments that are sensitive to changes in interest rates, which affects the market value of those investments, and these effects are reflected in the income statement daily.

As for positions held for non-trading purposes that are sensitive to changes in interest rates, the effect of changes on the bank's capital is reflected.

Trading portfolios arise because of the bank's direct dealings with clients or with the market. While portfolios are created for non-trading purposes because of the bank's management of assets and liabilities and are primarily created through investments classified at amortized cost or through other comprehensive income.

Types of market risks:

These include interest rate risks, exchange rate risks, and liquidity risks. Below is an explanation of each category of market risk:

Interest rate risk: The risks that arise from unfavorable movements in the prevailing interest rates in the market during a certain Year, which may negatively affect the bank's profitability or the economic value of its property rights, and thus its financial position.

Exchange rate risk: It is the risk of a change in the value of the investment due to change in the exchange rate. This also refers to the risks that the bank faces when it needs to close a long or short position in a foreign currency at a loss, due to the adverse movement in exchange rates.

Liquidity risk: It is a type of financial risk that involves the inability to trade financial assets on the market fast enough to influence the price of the market within a given time frame. This happens when there is insufficient market liquidity to make it simple to purchase or sell assets without having a big impact on their price.

Methods for measuring market risk:

Measuring Interest rate risk: Interest rate risks are divided into two types:

- Interest rate risks for positions held for non-trading purposes in the Banking Book, which result from the main activities of the bank that are not carried out for the purpose of trading.
- Additionally, interest rate risk in the trading portfolio, which arises from positions taken with the intention of trading in financial markets, is included in the guidelines for the minimum capital adequacy level under the market risk framework.

The sensitivity of the bank's profitability to interest rate movements in the short term is measured specifically through its impact on net interest income, although interest rate risks have an increasing impact on all of the bank's revenues, including revenues Other than net income from returns (such as commissions), the focus is It will be mainly based on net income from earnings (EAR).

The process of calculating the value of the capital required to meet the interest rate risk for positions held for non-trading purposes is carried out according to the standard method by following the following steps for each currency separately:

- A netting is made between assets and liabilities - including derivative contracts - that are sensitive to return rates in each Year to reach the net position (assets - liabilities).
- The net position for each time Year is multiplied by the discount factor for each Year, which is calculated according to the interest rates for each time Year based on the yield curve for each currency.
- To determine the economic value of the bank's equity prior to any shocks, a forced summation procedure is carried out (considering the signal to make a clearing between the surplus and deficit positions) of the weighted positions for the various time Years for each currency separately.
- The previous steps are repeated by the following 6 scenarios for the rise and fall of interest rates (according to the various changes in the interest curve) for each currency to arrive at the economic value of the bank's equity aftershocks.

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34 Financial risk management (continued)

34.2 Risk management framework in Bank NXT (continued)

Market risk (continued)

Measuring Exchange rate risk:

- The bank applies the value at risk (parametric VAR) method to estimate the market risk of existing positions and the maximum expected loss, based on several assumptions for various changes in market conditions. The value at risk (VAR) is a statistical prediction of the potential loss resulting from adverse market movements and expresses the maximum value that the bank can lose using a 99% confidence coefficient, meaning that there is a 1% probability that the actual loss will be greater than the value of the expected loss.

- The VAR model assumes a ten-day holding Year before closing open positions.

- Three steps to apply VAR as a measurement approach for foreign exchange risk and cost of capital:

1- The bank is expected to calculate its expected losses daily.

2- The bank compares the VAR value at the end of the month with the average daily VAR for 60 days and calculates the capital charge based on the larger value of the two.

3- To adequately calculate the cost of capital, the bank must conduct a back test by comparing actual daily losses with the calculated value of risk.

Value at risk according to risk type

	31 December 2025		
	Average EGP Thousand	Higher EGP Thousand	Lower EGP Thousand
Foreign Currency Exchange Risk	1,284	4,345	138
	31 December 2024		
	Average EGP Thousand	Higher EGP Thousand	Lower EGP Thousand
Foreign Currency Exchange Risk	1,597	4,035	108

Foreign exchange fluctuation risk

The Bank is exposed to the effects of fluctuations in the foreign currency exchange rates on its financial position and cash flows. The Board of Directors 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 currency exchange rate risk at the end of financial year, and Bank's financial instruments at carrying amounts, categorized by currency.

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34 Financial risk management (continued)

34.2 Risk management framework in Bank NXT (continued)

Market risk (continued)

Foreign exchange fluctuation risk (continued)

						EGP Thousands
31 December 2025	EGP	USD	EUR	GBP	Other Currencies	Total
Financial Assets						
Cash and balances with Central Bank	9,933,828	53,060	20,348	4,990	10,119	10,022,345
Due from banks	4,995,869	2,556,316	452,891	112,166	20,250	8,137,492
Loans and facilities to customers	43,135,044	5,096,548	84,006	264	124	48,315,986
Financial Investments						
Financial Investments at fair value through other comprehensive income	9,596,556	756,150	5,613	--	--	10,358,319
Financial Investments at amortized cost	8,446,148	8,857,581	100,337	--	--	17,404,066
Financial Investments at Fair value through profit or loss	1,807,931	--	--	--	--	1,807,931
Financial Investments in Subsidiaries and Associates	553	--	--	--	--	553
Other Financial Assets	1,179,596	153,254	3,831	60	9	1,336,750
Total financial assets at 31 December 2025	79,095,525	17,472,909	667,026	117,480	30,502	97,383,442
Financial liabilities						
Due to banks	2,555,129	300,424	10,341	--	32,988	2,898,882
Customers' deposits	61,205,751	17,299,410	673,928	117,441	25,505	79,322,035
Other loans	110,683	--	--	--	--	110,683
Other financial liabilities	507,550	43,155	167	1	--	550,873
Total financial liabilities at 31 December 2025	64,379,113	17,642,989	684,436	117,442	58,493	82,882,473
Net financial position at 31 December 2025	14,716,412	(170,080)	(17,410)	38	(27,991)	14,500,969

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34 Financial risk management (continued)

34.2 Risk management framework in Bank NXT (continued)

Market risk (continued)

Foreign exchange fluctuation risk (continued)

31 December 2024	EGP	USD	EUR	GBP	Other Currencies	Total
Financial Assets						
Cash and balances with Central Bank	8,829,407	82,558	14,941	2,534	4,685	8,934,125
Due from banks	6,319,999	5,169,410	372,393	126,607	5,467	11,993,876
Loans and facilities to customers	26,758,322	3,319,414	15,541	236	64	30,093,577
Financial Investments						
Financial Investments at fair value through other comprehensive income	9,152,280	1,833,122	5,194	-	-	10,990,596
Financial Investments at amortized cost	3,375,762	8,994,407	117,376	-	-	12,487,545
Financial Investments in Subsidiaries and Associates	380,728	-	-	-	-	380,728
Asset Held for Sale	92,596	-	-	-	-	92,596
Other Financial Assets	792,161	192,580	4,756	244	-	989,741
Total financial assets at 31 December 2024	55,701,255	19,591,491	530,201	129,621	10,216	75,962,784
Financial liabilities						
Due to banks	5,129	471,762	43,598	-	21,620	542,109
Customers' deposits	47,370,305	19,199,727	500,062	129,505	8,986	67,208,585
Other loans	119,673	-	-	-	-	119,673
Other financial liabilities	1,158,122	57,811	48	9	-	1,215,990
Total financial liabilities at 31 December 2024	48,653,229	19,729,300	543,708	129,514	30,606	69,086,357
Net Financial Position at 31 December 2024	7,048,026	(137,809)	(13,507)	107	(20,390)	6,876,427

Interest rate risk

The risk that arises from unfavorable movements in the prevailing interest rates in the market during a certain Year, which may negatively affect the bank's profitability or the economic value of its property rights and thus its financial position.

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34 Financial risk management (continued)

34.2 Risk management framework in Bank NXT (continued)

Market risk (continued)

Interest rate risk (continued)

The tables below summaries the Bank 's exposure to the interest rate fluctuations risk that include carrying amount of the financial instruments categorized based on the repricing dates or the maturity date – whichever is earlier.

31 December 2025	Up to 1 month	More than 1 month to 3 months	More than 3 months to 1 year	More than 1 year to 5 years	More than 5 years	Without interest	Total
Financial Assets							
Cash and balances with Central Bank	--	--	--	--	--	10,022,345	10,022,345
Due from banks	5,964,728	1,934,974	50,864	--	--	186,926	8,137,492
Loans and facilities to customers	7,135,332	23,067,677	5,687,998	11,355,933	4,080,285	(3,011,239)	48,315,986
Financial Investments							
Financial Investments at fair value through other comprehensive income	444,102	6,108,161	2,626,104	897,855	--	282,097	10,358,319
Financial Investments at amortized cost	1,271,909	6,469,490	858,215	8,877,783	--	(73,331)	17,404,066
Financial Investments in associates	--	--	--	--	--	553	553
Financial Investments at Fair value through profit or loss	209,102	500,461	1,098,368	--	--	--	1,807,931
Other Financial Assets	--	--	--	--	--	1,336,750	1,336,750
Total financial assets at 31 December 2025	15,025,173	38,080,763	10,321,549	21,131,571	4,080,285	8,744,101	97,383,442
Financial liabilities							
Due to banks	2,648,555	--	--	--	--	250,327	2,898,882
Customers' deposits	17,263,540	13,641,558	15,000,681	24,934,834	5,094	8,476,328	79,322,035
Other Loans	--	--	--	--	110,683	--	110,683
Other financial liabilities	--	--	--	--	--	550,873	550,873
Total financial liabilities at 31 December 2025	19,912,095	13,641,558	15,000,681	24,934,834	115,777	9,277,528	82,882,473
31 December 2025	(4,886,922)	24,439,205	(4,679,132)	(3,803,263)	3,964,508	(533,427)	14,500,969

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34 Financial risk management (continued)

34.2 Risk management framework in Bank NXT (continued)

Market risk (continued)

Interest rate risk (continued)

31 December 2024	Up to 1 month	More than 1 month to 3 months	More than 3 months to 1 year	More than 1 year to 5 years	More than 5 years	Without interest	Total
Financial Assets							
Cash and balances with Central Bank	-	-	-	-	-	8,934,125	8,934,125
Due from banks	9,887,262	1,955,616	54,245	-	-	96,753	11,993,876
Loans and facilities to customers	3,024,777	14,260,978	3,112,684	9,514,310	2,599,918	(2,419,090)	30,093,577
Financial Investments							
Financial Investments at fair value through other comprehensive income	298,274	7,599,419	2,317,897	519,171	-	255,835	10,990,596
Financial Investments at amortized cost	129,403	5,658,271	686,513	6,076,392	-	(63,034)	12,487,545
Financial Investments in Subsidiaries and Associates	-	-	-	-	-	380,728	380,728
Assets held for sale	-	-	-	-	-	92,596	92,596
Other Financial Assets	-	-	-	-	-	989,741	989,741
Total financial assets at 31 December 2024	13,339,716	29,474,284	6,171,339	16,109,873	2,599,918	8,267,654	75,962,784
Financial liabilities							
Due to banks	10,577	-	-	-	-	531,532	542,109
Customers' deposits	20,225,042	12,071,031	10,872,502	18,009,556	7,841	6,022,614	67,208,586
Other loans	-	-	-	-	119,673	-	119,673
Other financial liabilities	-	-	-	-	-	1,215,990	1,215,990
Total financial liabilities at 31 December 2024	20,235,619	12,071,031	10,872,502	18,009,556	127,514	7,770,136	69,086,358
Net Financial Position at 31 December 2024	(6,895,903)	17,403,253	(4,701,163)	(1,899,683)	2,472,404	497,518	6,876,426

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34 Financial risk management (continued)

34.2 Risk management framework in Bank NXT (continued)

Market risk (continued)

Liquidity risk

It is a type of financial risk that involves the inability to trade financial assets on the market fast enough to influence the price of the market within a given time frame. This happens when there is insufficient market liquidity to make it simple to purchase or sell assets without having a big impact on their price.

Measuring Liquidity Risk:

- The bank prepares the Liquidity Coverage Ratio (LCR), which aims to ensure that the bank maintains a sufficient amount of high-quality, unencumbered liquid assets to meet net cash outflows within 30 days.
- Net Stable Funding Ratio (NSFR): The Net Stable Funding Ratio represents the relationship between the available stable financing (ASF - Funding Stable Funding Required) (the numerator of the ratio) and the stable financing required (RSF - Funding Stable Required) (the denominator of the ratio), as the ratio works to confront the incompatibility of the financing structure. Long-term by urging the use of stable, long-term sources of funds for a Year extending for at least one year in order to cover investments in assets and any financing claims resulting from obligations outside the budget, which helps the bank to structure its sources of funds.
- On an individual basis (the bank's branches at home country and abroad) and on a combined basis (the banking group includes the bank and all its branches at its home country and abroad and all affiliated financial companies with the exception of insurance companies) on a monthly basis gradually for both the local currency and foreign currencies separately, and 100% must be adhered to as a limit Lowest LCR & NSFR ratios.
- In case of having a deficit in the Liquidity Coverage Ratio (LCR), sources of funds are provided equivalent to the amount of the deficit in the level of high-quality liquid assets, and they are invested within those assets.
- In case of a deficit in the Net Stable Financing Ratio (NSFR), the bank creates capital equivalent to the amount of the deficit in the ratio as additional capital in the capital base, which leads to compliance with the specified limit for the Net Stable Financing Ratio.

The bank calculates the liquidity ratio for both local currency and foreign currencies (keeping the minimum for each of them at 20% and 25%, respectively), where the ratio is calculated on the basis of the daily average of the actual working days during the month.

Liquidity Gap:

The liquidity risk control processes implemented by the bank's Asset and Liabilities Department include the following:

- The liquidity gap occurs when there are differences between the maturity dates and the maturity scale for assets and liabilities. Gap analysis includes evaluating the difference between the maturity dates of assets and liabilities (Liquidity Mismatch).
- The bank prepares a monthly report to monitor market risks and prepare reports on net liquidity gap positions, liquidity gap limits, and liquidity ratio limits.

The following table represent the analysis of the Bank's liquidity coverage ratio:

	31-Dec-25	31-Dec-24
Total value of high-quality liquid assets (1)	<u>29,411,503</u>	<u>22,539,597</u>
Total cash outflow	17,086,653	18,080,788
Total cash inflow within the set limit (the value less than: total cash inflows *75% from total cash outflows)	<u>(10,851,391)</u>	<u>(11,420,652)</u>
Net cash outflows (2)	<u>6,235,262</u>	<u>6,660,136</u>
Liquidity coverage ratio (1/2)	<u>471,70%</u>	<u>338.43%</u>

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34 Financial risk management (continued)

34.2 Risk management framework in Bank NXT (continued)

Cash Flows Risk Hedge

	EGP Thousands						
	31 December 2025						
Description / Maturity Date	Up to 1 month	More than 1 month to 3 months	More than 3 months to 1 year	More than 1 year to 5 years	More than 5 years	Without interest	Total
Due to banks	2,651,262	--	--	--	--	253,540	2,904,802
Customers deposits	5,225,356	7,272,869	8,718,999	12,018,303	424,034	51,117,110	84,776,671
Other loans	--	--	--	--	110,683	--	110,683
Other liabilities	--	--	--	--	--	550,873	550,873
Total financial liabilities according to the contractual maturity date	<u>7,876,618</u>	<u>7,272,869</u>	<u>8,718,999</u>	<u>12,018,303</u>	<u>534,717</u>	<u>51,921,523</u>	<u>88,343,029</u>
Total financial assets according to the contractual maturity date	<u>10,642,245</u>	<u>15,338,825</u>	<u>28,645,457</u>	<u>35,892,133</u>	<u>16,499,415</u>	<u>14,013,670</u>	<u>121,031,745</u>

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34 Financial risk management (continued)

34.2 Risk management framework in Bank NXT

Cash Flows Risk Hedge

Description / Maturity Date	31 December 2024						EGP Thousands
	Up to 1 month	More than 1 month to 3 months	More than 3 months to 1 year	More than 1 year to 5 years	More than 5 years	Without interest	Total
Due to banks	10,578	--	--	--	--	531,532	542,110
Customers deposits	10,964,811	12,160,111	10,796,304	7,794,504	21,726	31,203,389	72,940,845
Other loans	--	--	--	--	119,673	--	119,673
Other liabilities	--	--	--	--	--	1,215,990	1,215,990
Total financial liabilities according to the contractual maturity date	10,975,389	12,160,111	10,796,304	7,794,504	141,399	32,950,911	74,818,618
Total financial assets according to the contractual maturity date	12,274,720	18,635,742	16,740,790	29,859,110	10,479,175	8,597,329	96,586,866

Assets available to satisfy all liabilities and cover loan-associated commitments include cash balances with the Central Bank, Due from banks, treasury bills and other governmental securities, loans and facilities to banks and customers. A percentage of loans to customers that are due to be repaid within a year are extended during the normal activity of Bank NXT in addition to that, there is a mortgage of some debt instruments, treasury bills and other government securities to guarantee obligations and Bank NXT has the ability to satisfy the unexpected net cash flows by selling securities and finding other financing sources.

* Assets shown in the table represent the undiscounted cash flows in accordance with the contractual maturity date.

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34 Financial risk management (continued)

34.2 Risk management framework in Bank NXT (continued)

Capital management

The Bank's objectives on managing capital, which include other elements in addition to the equity shown in the balance sheet, are as follows:

- Compliance with the legal requirements of capital in the Arab Republic of Egypt.
- Protecting the Bank's ability to continue as a going concern and enabling it to continue generating income for shareholders and other parties dealing with the Bank.
- Maintaining a strong capital base that supports the growth of activity.

The capital adequacy and capital uses are daily reviewed according to the requirements of the Central Bank of Egypt by the Bank's management, through forms based on the guidelines of the Basel Committee on Banking Supervision. The required data are submitted and provided to the Central Bank of Egypt on a quarterly basis.

The Central Bank of Egypt requires the Bank to do the following:

- Maintain 5 billion Egyptian pounds as a minimum for issued and paid-up capital.
- Maintain a ratio equal to or more than 12.5% between the elements of capital and the elements of assets and contingent liabilities weighted by risk weights.

In accordance with the requirements of the Central Bank of Egypt to update the position of the banking sector with regard to the capital adequacy ratio according to Basel II decisions.

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

Tier I after disposals includes the following:

Some of the items that will be deducted/ will not be considered and mentioned in the "supervisory instructions on the minimum ratio of capital adequacy", Chapter II on the capital base will be dealt with later as stated in the instructions.

- Continuing core capital after disposals (CET1-Common Equity).
- Additional core capital

There are some items that will be deducted/ not considered and mentioned in the "supervisory instructions on the minimum ratio of capital adequacy", Chapter II on the capital base. These items are deducted from the continuous core capital if the balance is negative, while they are not considered if it is positive.

Tier II after disposals

It includes 45% of the special reserve, loans and subordinated deposits within the limits of the prescribed percentage, as well as the considerable provisions required against the debt instruments, loans, credit facilities and contingent liabilities included in the first stage (Stage 1).

The capital adequacy ratio model includes some important notes and points which are as follows:

1. Reserves: include legal, general, statutory, supportive and capital reserves only.
2. The "general risk reserve" is formed on the beginning date of the application of International Financial Reporting Standard (IFRS 9), in accordance with the supervisory instructions issued to banks on 26 January 2019. It includes the special reserve – credit, the general bank risk reserve - credit and the reserve risk of standard (9), considering that in the subsequent periods of application, the Bank shall abide by what is stated within the instructions on minimum capital adequacy ratio "which is not to consider the bank risk reserve when calculating the ratio."

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34 Financial risk management (continued)

34.2 Risk management framework in Bank NXT (continued)

Capital risk (continued)

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

Tier II after disposals (continued)

3. The values of accumulated other comprehensive income items, whether they are positive or negative, are considered.
 4. Interim profits/ (losses): It is allowed to record the net interim profits within the capital base after the limited inspection report prepared by the auditor on the Bank's financial statements on a quarterly basis. As for the interim losses, they are presented without any conditions.
 5. It does not include the part related to credit, and the explanatory instructions of the rules on the preparation and presentation of the financial statements issued by the Central Bank in April 2009, page 7, item (9) must be perused.
 6. It should not exceed 1.25% of total assets and contingent liabilities weighted for credit risk, provided that the required provisions against debt instruments, loans, credit facilities and contingent liabilities included in the Stage 2 and Stage 3 are sufficient to meet the obligations for which the provision is formed.
 7. "The value of exceeding the limits set for investments in countries, weighted by risk weights."
 8. This value must be included in accordance with Form No. 720 related to investments in countries abroad, taking into account that the value of the capital base listed in the aforementioned statement must be adjusted according to the calculated value.
- The continuing core capital after the regulatory adjustments is Clause 1.1 before excluding contributions to financial companies (shares or investment funds) represented in Clause 1.3.1.1.
 - Continuing core capital before regulatory adjustments means paid-up capital, reserves, retained earnings, general risk reserve, and accumulated other comprehensive income items net of goodwill and treasury shares.
 - Subordinated loans (deposits): provided that they do not exceed 50% of Tier I after disposals and that 20% of its value is consumed in each of the last five years.

Financial leverage ratio

The Board of Directors of the Central Bank of Egypt, in its session held on 7 July, issued a decision approving the supervisory instructions related to the financial leverage, besides the banks' compliance with the stipulated minimum percentage (3%) on a quarterly basis, as follows:

-As an indicative percentage as of the end of December 2015 until the year 2017.

-As a compulsory supervisory percentage as of 2018.

This is in preparation for the consideration of it within the first pillar of Basel decisions (the minimum capital adequacy ratio) for maintaining the strength and integrity of the banking sector and keeping pace with the best international control practices in this regard.

The financial leverage reflects the relationship between Tier I of capital used in capital adequacy ratio (after disposals) and the Bank's assets (inside and outside the balance sheet) unweighted with risk weights.

This is in preparation for considering their acceptance as part of the first pillar of the Basel Accords (the minimum capital adequacy standard) with the aim of maintaining the strength and stability of the banking system and aligning with the best international supervisory practices in this regard.

The leverage ratio reflects the relationship between capital tier one used in the capital adequacy standard (after disposals) and the bank's assets (on and off the balance sheet) unweighted with risk weights.

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35 Fair values and classifications of financial assets and liabilities

Financial instruments measured at fair value

Bank balances

The fair value of one-day variable-rate placements and deposits represent their present value, and the expected fair value of variable-rate deposits is estimated based on the discounted cash flows using the interest rate prevailing in the capital markets for debts that have similar credit risk and maturity date.

Loans and facilities to banks

Loans and facilities to banks represent loans other than bank deposits. The expected fair value of loans and facilities is the discounted value of future cash flows expected to be collected and the cash flows are discounted using the current market interest rate for determining the fair value to determine the fair value to meet all the requirements. This includes replacement of funds on maturity or upon being lent to customers. The Bank is present in global money markets to achieve this objective.

Funded facilities to customers

They are recognized at net value after deduction of provision for impairment loss. The expected fair value for these loans and facilities represents the discounted value of estimated future cash flows expected to be collected. Cash flows are deducted using the current interest rate in the market to specify the fair value.

Investments in securities

Assets through other comprehensive income or profit or loss are carried at fair value. The fair value is determined based on market prices. If such data is not available, fair value is estimated using prices of capital markets for traded securities with similar credit characteristics, dates of maturity and rates.

Due to other banks and customers

The estimated fair value of deposits with undefined maturity date including interest bearing deposits is the amount to be paid upon request. The fair value of fixed interest deposits and non-current other loans are determined in an active market based on discounted cash flows using the interest rate on new debts with similar maturity dates.

Issued debt Instruments

Total fair value is calculated based on prices ruling in the capital markets. For securities with no active markets, discounted cash flow model is used based on the current rate appropriate with the remaining period to date of maturity.

Financial instruments not measured at fair value

Financial investments at amortized cost

They include held-to-maturity financial investments that are listed in the market and are measured at amortized cost in case of bonds, and with respect to investment funds, the evaluation is done at the recoverable amount (fair value).

Management believes that the fair value is not materially different from the carrying amount of these assets.

Due from banks

The fair value of one-day variable-rate placements and deposits represent their present value, and the expected fair value of variable-rate deposits is estimated based on the discounted cash flows using the interest rate prevailing in the capital markets for debts that have similar credit risk and maturity date.

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35 Fair values and classifications of financial assets and liabilities (continued)

Loans and facilities to banks

Loans and facilities to banks represent loans other than bank deposits. The expected fair value of loans and facilities is the discounted value of future cash flows expected to be collected and the cash flows are discounted using the current market interest rate for determining the fair value. Loans and facilities are presented net of provision for impairment losses.

Fair value measurement - fair value hierarchy:

The fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Group determines fair values using other valuation techniques.

For financial instruments that trade infrequently and have little price transparency fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions another risks affecting the specific instrument.

Fair values of financial instruments

a) Valuation models

The Group measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements. Th Group has an established control framework with respect to the measurement of fair values.

This includes a valuation team that has overall responsibility for overseeing a significant fair value measurements, including level 3 fair values, and report to the management.

The valuation team regularly reviews significant unobservable inputs an valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Group Audit Committee. When measuring the fair value of an asset or liability, the Group uses mark observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: inputs that are quoted market prices (unadjusted) in active markets of identical instruments.

Level 2: inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derive from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted price for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3: inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

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35 Fair values and classifications of financial assets and liabilities (continued)

Fair values of financial instruments (continued)

b) Financial instruments measured at fair value

The following tables analyses financial instruments measured at fair value at the reporting date, the amounts are based on the values recognized in the statement of financial position:

31 December 2025	Carrying amounts			Total	Fair value level			Total
	Designated at FVTPL	Amortized cost	Designated at FVOCI		Level 1	Level 2	Level 3	
Financial assets measured at fair value:								
Mutual fund certificates (notes 6 and 9)	12,322,103	-	137,412	12,459,515	-	385,541	12,073,974	12,459,515
Equity securities (notes 6 and 9)	92,504	-	1,205,839	1,298,343	68,578	-	1,229,765	1,298,343
Structured notes (notes 6 and 9)	13,987,720	-	-	13,987,720	-	13,987,720	-	13,987,720
Treasury Bills (notes 6 and 9)	1,819,431	-	11,277,728	13,097,159	-	13,097,159	-	13,097,159
Debt instruments (notes 6 and 9)	6,184,413	-	8,137,503	14,321,916	14,321,916	-	-	14,321,916
	34,406,171	-	20,758,482	55,164,653	14,390,494	27,470,420	13,303,739	55,164,653
Financial assets not measured at fair value:								
Cash and cash equivalents (note 5)	-	46,767,027	-	46,767,027	-	-	-	-
Loans and advances to customers (note 8)	-	78,128,024	-	78,128,024	-	-	-	-
Accounts receivable (note 7)	-	17,672,952	-	17,672,952	-	-	-	-
Investments at amortized cost (note 11)	-	17,404,066	-	17,404,066	-	-	-	-
Other assets (note 15)	-	8,963,377	-	8,963,377	-	-	-	-
	-	168,935,446	-	168,935,446	-	-	-	-
Financial liabilities measured at fair value:								
Accounts payable-Customers credit balances at FVTPL (note 18)	13,987,720	-	-	13,987,720	-	13,987,720	-	13,987,720
Financial Liabilities not measured at fair value:								
Due to banks and financial institutions	-	34,586,591	-	34,586,591	-	-	-	-
Customer deposits	-	79,322,035	-	79,322,035	-	-	-	-
Loans and borrowings	-	15,104,080	-	15,104,080	-	-	-	-
Creditors and other credit balances	-	10,841,107	-	10,841,107	-	-	-	-
Account payable-customer credit balances	-	23,136,225	-	23,136,225	-	-	-	-
Issued bonds	-	3,909,625	-	3,909,625	-	-	-	-
	-	166,899,663	-	166,899,663	-	-	-	-

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35 Fair values and classifications of financial assets and liabilities (continued)

Fair values of financial instruments (continued)

b) Financial instruments measured at fair value (continued)

31 December 2024	Carrying amounts			Total	Fair value level			Total
	Designated at FVTPL	Amortized cost	Designated at FVOCI		Level 1	Level 2	Level 3	
Financial assets measured at Fair Value:								
Mutual fund certificates (notes 6 and 9)	12,031,837	-	301,572	12,333,409	171,436	253,240	11,908,733	12,333,409
Equity securities (notes 6 and 9)	179,333	-	301,995	481,328	154,670	0	326,658	481,328
Structured notes (notes 6 and 9)	7,901,466	-	-	7,901,466	-	7,901,466	-	7,901,466
Treasury bills (notes 6 and 9)	-	-	7,566,076	7,566,076	-	7,566,076	-	7,566,076
Debt instruments (notes 6 and 9)	3,376,038	-	4,204,575	7,580,613	7,580,613	0	0	7,580,613
	23,488,674	0	12,374,218	35,862,892	7,906,719	15,720,782	12,235,391	35,862,892
Financial assets not measured at fair value:								
Cash and cash equivalents (note 5)	-	51,540,737	-	51,540,737	-	-	-	-
Funded facilities to customers (note 8)	-	27,835,026	-	27,835,026	-	-	-	-
Banking loans and facilities (A) (note 8.1)	-	30,093,577	-	30,093,577	-	-	-	-
Accounts receivable (note 7)	-	15,773,382	-	15,773,382	-	-	-	-
Investments at amortized cost (note 11)	-	12,487,545	-	12,487,545	-	-	-	-
Other assets (note 15)	-	6,583,336	-	6,583,336	-	-	-	-
	-	144,313,603	-	144,313,603	-	-	-	-
Financial liabilities measured at fair value:								
Accounts payable-Customers credit balances at FVTPL (note 18)	7,901,466	-	-	7,901,466	-	7,901,466	-	7,901,466
Financial Liabilities not measured at fair value:								
Due to banks and financial institutions	-	22,762,916	-	22,762,916	-	-	-	-
Customer deposits	-	67,208,585	-	67,208,585	-	-	-	-
Loans and borrowings	-	11,489,567	-	11,489,567	-	-	-	-
Creditors and other credit balances	-	11,130,638	-	11,130,638	-	-	-	-
Account payable-customer credit balances	-	20,566,943	-	20,566,943	-	-	-	-
Issued bonds	-	1,432,665	-	1,432,665	-	-	-	-
	-	134,591,314	-	134,591,314	-	-	-	-

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36 Subsequent events

In late February 2026, the US and Israeli hostilities against Iran escalated materially. Public market and specialist reports indicate that commercial shipping through the Strait of Hormuz – a chokepoint that normally carries around one fifth of global oil and a significant share of Liquefied Natural Gas flows – has been severely disrupted, with tanker traffic largely paused and war risk insurance premiums elevated. Spot crude benchmarks exhibited sharp volatility during March 2026, with intraday Brent prices briefly approaching \$100–\$119/bbl, while major carriers rerouted or suspended certain Middle East services as security conditions deteriorated.

These developments arose after 31 December 2025 and therefore represent a non-adjusting subsequent event under IAS 10 (Events after the Reporting Period). The Group has not adjusted the amounts recognized in these 2025 financial statements. Management is monitoring second order effects on clients and portfolios – including market valuations – and has activated the assessment of enhanced monitoring of credit risk (ECL overlays) and fair value sensitivities for 2026 internal reporting cycles.

While the situation remains fluid and may affect the Group's financial performance and risk profile during 2026, management has not identified a material uncertainty that would cast significant doubt on the Group's ability to continue as a going concern. The Group will continue to reassess macroeconomic assumptions including market liquidity) and update internal overlays as appropriate.

Given the evolving circumstances and depending on how quickly this on conflict can be resolved, the financial effect of these events cannot be reliably quantified at this time.