



Separate Financial Statements

December 2024



Saleh, Barsoum & Abdel Aziz - Grant Thornton

Accountants & Auditors

Baker Tilly Mohamed Hilal - Wahid Abdel Ghaffar

Public Accountants & Consultants

AUDITORS' REPORT

To the Shareholders of Commercial International Bank – Egypt – CIB S.A.E

Report on the Separate Financial Statements

We have audited the accompanying separate financial statements of Commercial International Bank – Egypt – CIB S.A.E "the Bank", which comprise the separate financial position as at December 31, 2024 and the related separate statements of income, comprehensive income, changes in shareholder's equity and cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Separate Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the bank's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the separate financial statements referred to above present fairly, in all material respects, the separate financial position of the Bank as of December 31, 2024 and of its separate financial performance and its separate cash flows for the year then ended, in accordance with the rules of preparation and presentation of the banks' financial statements, basis of recognition and measurement issued by Central Bank of Egypt on December 16, 2008, as amended by the regulations issued on February 26, 2019 and in light of the prevailing Egyptian laws and regulations relating to the preparation of these separate financial statements.

Report on Legal and Other Regulatory Requirements

No material contravention, during the financial year ended 31 December 2024, of the provisions of Central Bank of Egypt and the Banking System Law no 194 of 2020 in the light of our audit of the financial statements.

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

The separate financial information included in the Board of Directors' report, prepared in accordance with law no. 159 of 1981 and its executive regulations, is in agreement with the Bank's books of account.

Cairo; 18 February 2025

Auditors


Farid Samir Farid
Financial Regulatory Authority Register Number "210"
Saleh, Barsoum & Abdel Aziz - Grant Thornton
Public Accountants & Consultants



Mohamed Hilal
Financial Regulatory Authority Register Number "147"
Baker Tilly Mohamed Hilal - Wahid Abdel Ghaffar
Public Accountants & Consultants

Separate Statement of Financial Position as at December 31, 2024

	Notes	Dec. 31, 2024	Dec. 31, 2023
Assets			
Cash and balances at the central bank	15	136,165,920	71,747,343
Due from banks	16	270,089,441	230,709,419
Loans and advances to banks, net	18	9,555,410	822,448
Loans and advances to customers, net	19	340,955,698	233,824,745
Derivative financial instruments	20	819,711	1,101,896
Financial investments			
- Financial Assets at Fair Value through OCI	21	233,029,903	232,290,598
- Financial Assets at Amortized cost	21	167,276,956	37,847,114
Investments in subsidiaries and associates	22	871,525	671,525
Non current assets held for sale	43	159,828	159,828
Other assets	23	44,175,232	18,929,067
Deferred tax assets	32	2,337,304	1,685,223
Property and equipment	24	3,881,620	2,737,936
Total assets		1,209,318,548	832,527,142
Liabilities and equity			
Liabilities			
Due to banks	25	2,317,715	12,427,384
Due to customers	26	967,895,387	675,310,076
Derivative financial instruments	20	100,571	140,934
Current income tax liabilities		18,327,968	9,395,534
Other liabilities	29	21,347,499	18,307,580
Issued debt instruments	27	5,067,781	3,073,349
Other loans	28	23,962,389	12,483,907
Other provisions	30	18,613,060	11,088,372
Total liabilities		1,057,632,370	742,227,136
Equity			
Issued and paid up capital	31	30,431,580	30,195,010
Reserves	34	63,125,912	29,388,626
Reserve for employee stock ownership plan (ESOP)	34	1,868,235	1,486,010
Retained earnings *	34	56,260,451	29,230,360
Total equity and net profit for the year		151,686,178	90,300,006
Total liabilities and equity		1,209,318,548	832,527,142

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

(Auditors report attached)

* Including net profit for the Year




Islam Zekry
Group CFO & Executive Board Member



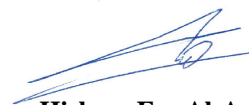
Hisham Ezz Al-Arab
CEO & Executive Board Member

Separate income statement for the year ended December 31, 2024

	Notes	Dec. 31, 2024	Dec. 31, 2023
Interest and similar income		182,051,918	103,687,267
Interest and similar expense		(91,235,495)	(50,940,504)
Net interest income	6	90,816,423	52,746,763
Fee and commission income		12,793,785	9,046,004
Fee and commission expense		(5,728,572)	(3,612,232)
Net fee and commission income	7	7,065,213	5,433,772
Dividend income	8	101,492	187,229
Net trading income	9	20,445,994	3,923,848
Profits (Losses) on financial investments	21.1	459,337	(1,223,009)
Administrative expenses	10	(13,333,919)	(9,765,736)
Other operating income (expenses)	11	(23,685,363)	(6,490,604)
Impairment release (charges) for credit losses	12	(4,468,236)	(4,287,279)
Profit before income tax		77,400,941	40,524,984
Income tax expense	13	(23,280,925)	(13,075,958)
Deferred tax assets (Liabilities)	32 - 13	1,307,917	1,319,040
Net profit for the Year		55,427,933	28,768,066
Earnings per share	14		
Basic		16.39	8.50
Diluted		16.19	8.39



Islam Zekry
Group CFO & Executive Board Member



Hisham Ezz Al-Arab
CEO & Executive Board Member

Separate statement of comprehensive income for the year ended December 31, 2024

	Dec. 31, 2024	Dec. 31, 2023
Net profit for the Year	55,427,933	28,768,066
Comprehensive income items that will not be reclassified to the profit or loss:		
Change in fair value of equity instruments measured at fair value through comprehensive income	51,159	259,291
Deferred Tax impact for investments that will not be reclassified to P&L	(157,217)	(131,008)
Transferred to RE from financial assets at fair value through comprehensive income	(370,224)	(95,308)
Comprehensive income items that may be reclassified to the profit or loss:		
Change in fair value of Financial investments measured at fair value through comprehensive income	8,809,718	(6,912,611)
Selling FVOCI financial instruments	(459,337)	(205,344)
Deferred Tax impact for investments that may be reclassified to P&L	901,196	1,530,823
Effect of ECL on fair value of debt instruments measured at fair value through comprehensive income	937,229	1,884,353
Total comprehensive income for the year	65,140,457	25,098,262

Separate cash flow for the year ended December 31, 2024

	Notes	Dec. 31, 2024	Dec. 31, 2023
Cash flow from operating activities			
Profit before income tax		77,400,941	40,524,984
Adjustments to reconcile profits to net cash provided by operating activities			
Fixed assets depreciation	24	1,078,413	884,569
Impairment release/charge for credit losses (Loans and advances to customers and banks)	12	4,719,426	2,334,846
Other provisions release/charge	30	3,361,048	2,815,599
Impairment release/charge for credit losses (due from banks)	12	(93)	(49,042)
Impairment release/charge for credit losses (financial investments)	12	(251,097)	2,001,475
Impairment release/charge for other assets		37,939	17,620
Exchange revaluation differences for financial assets at fair value through OCI and AC	21	(21,026,044)	(5,442,433)
Revaluation differences impairment charge for Financial Assets at Fair value through OCI		1,337,335	1,903
Revaluation differences impairment charge for Financial Assets at Amortized cost		119,504	607
Revaluation differences impairment charge for due from banks		118	-
Utilization of other provisions	30	(9,586)	(5,850)
Exchange revaluation differences of other provisions	30	4,173,226	1,213,331
Profits/losses from selling property and equipment	11	(2,246)	(1,663)
Profits/losses from selling financial investments at fair value through OCI	21.1	(459,337)	(205,344)
(Losses) from selling investments in associates	21.1	-	(7,466)
Share based payments	34.5	1,005,350	754,817
Impairment release/charges of investments in associates and subsidiaries	21.1	-	1,435,819
Operating profits before changes in operating assets and liabilities		71,484,897	46,273,772
Net decrease / increase in assets and liabilities			
Due from banks		(111,055,399)	18,429,555
Derivative financial instruments	20	487,341	759,247
Loans and advances to banks and customers	18 - 19	(120,575,131)	(41,307,475)
Other assets	41	(21,843,037)	(3,987,891)
Due to banks	25	(10,109,669)	8,951,536
Due to customers	26	292,585,311	145,185,172
Current income tax obligations paid		(4,952,957)	(3,680,424)
Other liabilities		(6,643,252)	3,706,525
Net cash generated from (used in) operating activities		89,378,104	174,330,017
Cash flow from investing activities			
Proceeds from sale of investments in associates		11,956	4,510
Payments for investment in subsidiaries		(200,000)	(1,216,022)
Payments for purchases of property, equipment and branches construction		(5,683,331)	(1,885,043)
Proceeds from selling property and equipment	11	2,246	1,663
Proceeds from redemption of financial assets at amortized cost		1,870,762	6,125,452
Payments for purchases of financial assets at amortized cost		(128,916,872)	(9,261,966)
Payments for purchases of financial assets at fair value through OCI		(113,066,779)	(129,278,830)
Proceeds from selling financial assets at fair value through OCI		141,089,773	100,444,607
Net cash generated from (used in) investing activities		(104,892,245)	(35,065,629)

Separate cash flow for the year ended December 31, 2024 (Cont.)

		Dec. 31, 2024	Dec. 31, 2023
Cash flow from financing activities			
Other loans	28	11,478,482	4,504,932
Dividends paid		(5,078,792)	(3,738,888)
Issued debt instruments		1,994,432	616,742
Capital increase		236,570	369,876
Net cash generated from (used in) financing activities		8,630,692	1,752,662
Net (decrease) increase in cash and cash equivalent during the year		(6,883,449)	141,017,050
Beginning balance of cash and cash equivalent		233,912,193	92,895,143
Cash and cash equivalent at the end of the year		227,028,744	233,912,193
Cash and cash equivalent comprise:			
Cash and balances at the central bank	15	136,165,920	71,747,343
Due from banks	16	270,089,658	230,709,611
Treasury bills and other governmental notes	17	88,574,015	113,403,703
Obligatory reserve balance with CBE	15	(114,528,064)	(64,283,636)
Due from banks with maturity more than three months		(65,753,867)	(4,942,896)
Treasury bills and other governmental notes with maturity more than three months		(87,518,918)	(112,721,932)
Total cash and cash equivalent		227,028,744	233,912,193

Separate statement of changes in shareholders' equity

Dec. 31, 2023	<u>Issued and paid up capital</u>	<u>Legal reserve</u>	<u>General reserve</u>	<u>General risk reserve</u>	<u>Capital reserve</u>	<u>Reserve for financial assets at fair value through OCI</u>	<u>Banking risks reserve</u>	<u>Retained earnings</u>	<u>Reserve for employee stock ownership plan</u>	<u>Total</u>
Beginning balance	29,825,134	3,963,946	27,096,858	1,549,445	18,947	(13,138,461)	11,981	16,497,346	1,895,435	67,720,631
Capital increase	369,876	-	-	-	-	-	-	-	-	369,876
Transferred to reserves	-	806,408	12,743,849	-	2,208	-	-	(12,388,223)	(1,164,242)	-
Dividend paid	-	-	-	-	-	-	-	(3,738,888)	-	(3,738,888)
Net profit for the year	-	-	-	-	-	-	-	28,768,066	-	28,768,066
Transferred to RE from financial assets at fair value through OCI	-	-	-	-	-	(95,308)	-	95,308	-	-
Net unrealised gain/(loss) on financial assets at fair value through OCI after tax	-	-	-	-	-	(5,458,849)	-	-	-	(5,458,849)
Transferred (from) to bank risk reserve	-	-	-	-	-	-	3,249	(3,249)	-	-
Effect of ECL in fair value of debt instruments measured at fair value through OCI	-	-	-	-	-	1,884,353	-	-	-	1,884,353
Cost of employees stock ownership plan (ESOP)	-	-	-	-	-	-	-	-	754,817	754,817
Ending balance	30,195,010	4,770,354	39,840,707	1,549,445	21,155	(16,808,265)	15,230	29,230,360	1,486,010	90,300,006

Dec. 31, 2024	<u>Issued and paid up capital</u>	<u>Legal reserve</u>	<u>General reserve</u>	<u>General risk reserve</u>	<u>Capital reserve</u>	<u>Reserve for financial assets at fair value through OCI</u>	<u>Banking risks reserve</u>	<u>Retained earnings</u>	<u>Reserve for employee stock ownership plan</u>	<u>Total</u>
Beginning balance	30,195,010	4,770,354	39,840,707	1,549,445	21,155	(16,808,265)	15,230	29,230,360	1,486,010	90,300,006
Capital increase	236,570	-	-	-	-	-	-	-	-	236,570
Transferred to reserves	-	1,438,320	22,582,085	-	1,663	-	-	(23,398,943)	(623,125)	-
Dividend paid	-	-	-	-	-	-	-	(5,366,429)	-	(5,366,429)
Net profit for the year	-	-	-	-	-	-	-	55,427,933	-	55,427,933
Transferred to RE from financial assets at fair value through OCI	-	-	-	-	-	(370,224)	-	370,224	-	-
Net unrealised gain/(loss) on financial assets at fair value through OCI after tax	-	-	-	-	-	9,145,519	-	-	-	9,145,519
Transferred (from) to banking risk reserve	-	-	-	-	-	-	2,694	(2,694)	-	-
Effect of ECL in fair value of debt instruments measured at fair value through OCI	-	-	-	-	-	937,229	-	-	-	937,229
Cost of employees stock ownership plan (ESOP)	-	-	-	-	-	-	-	-	1,005,350	1,005,350
Ending balance	30,431,580	6,208,674	62,422,792	1,549,445	22,818	(7,095,741)	17,924	56,260,451	1,868,235	151,686,178

Proposed appropriation account for the year ended December 31, 2024

	Dec. 31, 2024	Dec. 31, 2023
Net profit after tax	55,427,933	28,768,066
<u>Deduct / add:</u>		
Profits from selling property and equipment transferred to capital reserve according to the law	(2,246)	(1,663)
Bank risk reserve	2,628	(2,694)
Available net profit for distributing	55,428,315	28,763,709
<u>Added</u>		
Retained Earnings beginning balance	462,294	366,986
Transferred to retained earnings	370,224	95,308
Total	56,260,833	29,226,003
To be distributed as follows:		
Legal reserve	2,771,284	1,438,320
General reserve	18,971,298	21,958,960
Dividends to shareholders	7,607,895	1,660,726
Staff profit sharing	5,542,832	2,876,371
Board members bonus	178,000	110,239
CIB's foundation	831,425	431,456
Support and development of banking sector fund	554,283	287,637
Retained Earnings ending balance	19,803,816	462,294
Total	56,260,833	29,226,003

Notes to the separate financial statements for the year ended December 31, 2024

1. General information

Commercial International Bank-Egypt (CIB) S.A.E. provides retail, corporate and investment banking services in various parts of Egypt through 198 branches and 14 units employing 8,290 employees on the statement of financial position date.

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

Financial statements have been approved by board of directors on February 18, 2025.

2. Summary of accounting policies

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

2.1. Basis of preparation

The separate financial statements have been prepared in accordance with the Central Bank of Egypt regulations and approved by the Board of Directors on December 16, 2008 as modified by the instructions for applying the International Standard for Financial Reports (9) issued by the Central Bank of Egypt on February 26, 2019. Reference is made to the Egyptian Accounting Standards for policies not specifically mentioned in the instructions of the Central Bank of Egypt.

The principal accounting policies applied in the preparation of these financial statements have been consistently applied to all periods presented and are set below.

Subsidiaries are entirely included in the consolidated financial statements and these companies are the companies that the Bank - directly or indirectly – has more than half of the voting rights or has the ability to control the financial and operating policies, regardless of the type of activity, the Bank's consolidated financial statements can be obtained from the Bank's management. The Bank accounts for investments in subsidiaries and associate companies in the separate financial statements at cost minus impairment loss.

The separate financial statements of the Bank should be read with its consolidated financial statements, for the year ended on 31 December, 2024 to get complete information on the Bank's financial position, results of operations, cash flows and changes in ownership rights.

2.2. Subsidiaries and associates

2.2.1. Subsidiaries

Subsidiaries are investees, including structured entities, that the Bank controls because the Bank (i) has power to direct relevant activities of the investees that significantly affect their returns, (ii) has exposure, or rights, to variable returns from its involvement with the investees, and (iii) has the ability to use its power over the investees to affect the amount of investor's returns. The existence and effect of substantive rights, including substantive potential voting rights, are considered when assessing whether the Bank has power over another entity. For a right to be substantive, the holder must have practical ability to exercise that right when decisions about the direction of the relevant activities of the investee need to be made. The Bank may have power over an investee even when it holds less than majority of voting power in an investee. In such a case, the Bank assesses the size of its voting rights relative to the size and dispersion of holdings of the other vote holders to determine if it has de-facto power over the investee. Protective rights of other investors, such as those that relate to fundamental changes of investee's activities or apply only in exceptional circumstances, do not prevent the Bank from controlling an investee. Subsidiaries are consolidated in the Bank's consolidated financial statements from the date on which control is transferred to the Bank, and are deconsolidated from the date on which control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries [other than those acquired from parties under common control]. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest.

The Bank measures non-controlling interest that represents present ownership interest and entitles the holder to a proportionate share of net assets in the event of liquidation on a transaction-by-transaction basis, either at: (a) fair value, or (b) the non-controlling interest's proportionate share of net assets of the acquiree. Non-controlling interests that are not present ownership interests are measured at fair value.

Goodwill is measured by deducting the net assets of the acquiree from the aggregate of the consideration transferred for the acquiree, the amount of non-controlling interest in the acquiree and fair value of an interest in the acquiree held immediately before the acquisition date. Any negative amount ("negative goodwill") is recognized in profit or loss, after management reassesses whether it identified all the assets acquired and all liabilities and contingent liabilities assumed, and reviews appropriateness of their measurement.

The consideration transferred for the acquiree is measured at the fair value of the assets given up, equity instruments issued and liabilities incurred or assumed, including fair value of assets or liabilities from contingent consideration arrangements, but excludes acquisition related costs such as advisory, legal, valuation and similar professional services. Transaction costs incurred for issuing equity instruments are deducted from equity; transaction costs incurred for issuing debt are deducted from its carrying amount and all other transaction costs associated with the acquisition are expensed.

Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated; unrealized losses are also eliminated unless the cost cannot be recovered. The Bank unifies the important accounting policies among subsidiaries taking into consideration both industrial and geographical differences.

Non-controlling interest is that part of the net results and of the equity of a subsidiary attributable to interests which are not owned, directly or indirectly, by the Bank. Non-controlling interest forms a separate component of the Group's equity.

The Bank applies the economic entity model to account for transactions with owners of non-controlling interest. Any difference between the purchase consideration and the carrying amount of non-controlling interest acquired is recorded as a capital transaction directly in equity. The Bank recognizes the difference between sales consideration and carrying amount of non-controlling interest sold as a capital transaction in the statement of changes in equity.

2.2.2. Associates

Associates are entities over which the Bank has significant influence (directly or indirectly), but not control, generally accompanying a shareholding of between 20 and 50 percent of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognized at cost. The carrying amount of associates includes goodwill identified on acquisition less accumulated credit losses, if any. Dividends received from associates reduce the carrying value of the investment in associates. Other post-acquisition changes in Group's share of net assets of an associate are recognized as follows: (i) the Group's share of profits or losses of associates is recorded in the consolidated profit or loss for the year as share of result of associates, (ii) the Group's share of other comprehensive income is recognized in other comprehensive income and presented separately, (iii); all other changes in the Group's share of the carrying value of net assets of associates are recognized in profit or loss within the share of result of associates. However, when the Group's share of losses in an associate equal or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate.

Disposals of subsidiaries, associates or joint ventures. When the Group ceases to have control or significant influence, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity, are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are recycled to profit or loss.

2.3. Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns different from those of segments operating in other economic environments.

2.4. Foreign currency translation

2.4.1. Functional and presentation currency

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

2.4.2. Transactions and balances in foreign currencies

The Bank maintains its accounting records in Egyptian pound. Transactions in foreign currencies during the year are translated into the Egyptian pound using the prevailing exchange rates on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the end of reporting year at the prevailing exchange rates. Foreign exchange gains and losses resulting from settlement and translation of such transactions and balances are recognized in the income statement and reported under the following line items:

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

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

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

2.5. Financial assets

Key Measurement Terms:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The best evidence of fair value is price in an active market. An active market is one in which transactions for the asset or liability take place with enough frequency and volume to provide pricing information on an ongoing basis. Fair value of financial instruments traded in an active market is measured as the product of the quoted price for the individual asset or liability and the quantity held by the entity.

Valuation techniques such as discounted cash flow models or models based on recent arm's length transactions or consideration of financial data of the investees, are used to measure fair value of certain financial instruments for which external market pricing information is not available. Fair value measurements are analyzed by level in the fair value hierarchy as follows:

- (i) level one is measured at quoted prices (unadjusted) in active markets for identical assets or liabilities,
- (ii) level two measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices),
- (iii) level three measurements are valuations not based on solely observable market data (that is, the measurement requires significant unobservable inputs).

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial instrument. An incremental cost is one that would not have been incurred if the transaction had not taken place. Transaction costs include fees and commissions paid. Transaction costs do not include debt premiums or discounts or finance or internal administrative or ownership costs.

Amortized cost is the amount at which the financial instrument was recognized at initial recognition less any principal repayments, plus accrued interest, and for financial assets less any allowance for expected credit losses. Accrued interest includes amortization of transaction costs deferred at initial recognition and of any premium or discount to maturity amount using the effective interest method.

The effective interest method is a method of allocating interest income or interest expense over the relevant period, so as to achieve a constant periodic rate of interest (effective interest rate) on the carrying amount. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (excluding expected credit losses) through the expected life of the financial instrument or a shorter period, if appropriate, to the gross carrying amount of the financial instrument.

The effective interest rate discounts cash flows of variable interest instruments to the next interest repricing date, except for the premium or discount, which reflects the credit spread over the floating rate specified in the instrument, or other variables that are not reset to market rates. Such premiums or discounts are amortized over the expected life of the instrument. The present value calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate.

Financial assets – classification and subsequent measurement – measurement categories.

The bank classifies financial assets in the following measurement categories: FVTPL, FVOCI and AC. The classification and subsequent measurement of financial assets depends on: (i) the bank's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset.

The following table summarizes measurement categories

Financial Instrument	Methods of Measurement according to Business Models		
	Amortized Cost	Fair Value	
		Through Other Comprehensive Income	Through Profit or Loss
Equity Instruments	Not Applicable	An irrevocable election at Initial Recognition	Normal treatment of equity instruments
Debt Instruments / Loans & Facilities	Business Model of Assets held for Collecting Contractual Cash Flows	Business Model of Assets held for Collecting Contractual Cash Flows & Selling	Business Model of Assets held for Trading

Financial assets – classification and subsequent measurement – business model.

The business model reflects how the bank manages the assets in order to generate cash flows – whether the bank's objective is: (i) solely to collect the contractual cash flows from the assets ("hold to collect contractual cash flows"), or (ii) to collect both the contractual cash flows and the cash flows arising from the sale of assets ("hold to collect contractual cash flows and sell") or, if neither of (i) and (ii) is applicable, (iii) the financial assets are classified as part of "other" business model and measured at FVTPL.

Business model is determined for a group of assets (on a portfolio level) based on all relevant evidence about the activities that the bank undertakes to achieve the objective set out for the portfolio available at the date of the assessment. Factors considered by the bank in determining the business model include the purpose and composition of a portfolio, past experience on how the cash flows for the respective assets were collected, how risks are assessed and managed, how the assets' performance is assessed.

Financial assets – classification and subsequent measurement – cash flow characteristics.

Where the business model is to hold assets to collect contractual cash flows or to hold contractual cash flows and sell, the bank assesses whether the cash flows represent solely payments of principal and interest ("SPPI"). Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are consistent with the SPPI feature. In making this assessment, the bank considers whether the contractual cash flows are consistent with a basic lending arrangement, i.e. interest includes only consideration for credit risk, time value of money, other basic lending risks and profit margin.

The following table summarizes the classification of the Banks Financial Assets in accordance with the business model:

Financial asset	Business model	Basic characteristics
Financial Assets at Amortized Cost (AC)	Business model for financial assets held to collect contractual cash flows	<ul style="list-style-type: none"> - The objective of the business model is to retain the financial assets to collect the contractual cash flows of the principal amount of the investment and the interest. - Sale is an exceptional event for the purpose of this model and under the terms of the criterion of a deterioration in the creditworthiness of the issuer of the financial instrument. - Lowest sales in terms of turnover and value. - The Bank makes clear and reliable documentation of the reasons for each sale and its compliance with the requirements of the Standard.
Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI)	Business model of financial assets held to collect cash flows and sales	<ul style="list-style-type: none"> - Both the collection of contractual cash flows and sales are complementary to the objective of the model. - High sales (in terms of turnover and value) compared to the business model retained for the collection of cash flows.
Financial Assets at Fair Value through Profit or Loss (FVTPL)	Other business models include trading - management of financial assets at fair value - maximizing cash flows by selling	<ul style="list-style-type: none"> - The objective of the business model is not to retain the financial asset for the collection of contractual or retained cash flows for the collection of contractual cash flows and sales. - Collecting contractual cash flows is an incidental event for the model objective. - Management of financial assets at fair value through profit or loss to avoid inconsistency in accounting measurement. - The conditions for classifying financial assets at fair value through profit and loss take into account: <ul style="list-style-type: none"> • It must be registered on a local or foreign stock exchange. • It must have had active trading during the three months preceding the date of acquisition.

Financial assets – reclassification. Financial instruments are reclassified only when the business model for managing the portfolio as a whole change. The Bank did not change its business model during the current and comparative year and did not make any reclassifications.

Financial assets impairment – credit loss allowance for ECL. The bank assesses, on a forward-looking basis, the ECL for debt instruments measured at AC and FVOCI and for the exposures arising from loan commitments. The bank measures ECL and recognizes credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting date about past events, current conditions and forecasts of future conditions.

The bank applies a three-stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECL measured for default events possible within the next 12 months or until contractual maturity, (“12 Months ECL”). If the bank identifies a significant increase in credit risk (“SICR”) since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis (“Lifetime ECL”). If the bank determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL. For Stage 2 and stage 3 loans the ECL is measured on lifetime basis.

Transfer between the three stages:

Transfer from second stage to first stage:

The financial asset shall not be transferred from the second stage to the first stage unless all the quantitative and qualitative elements of the first stage are met and the full past dues of principle and interest are paid after a period of three months regular payment and fulfillment of first stage requirements.

Transfer from third stage to second stage:

The financial asset shall not be transferred from the third stage to the second stage until all the following conditions have been met:

- Completion of all quantitative and qualitative elements of the second stage.
- Repayment of 25% of the balance of the outstanding financial assets, including unearned interest.
- Regularity of payment for at least 12 months.

Financial assets – write-off. Financial assets are written-off, in whole or in part, when the bank exhausts all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event.

Financial assets – derecognition. The bank derecognizes financial assets when (a) the assets are redeemed or the rights to cash flows from the assets otherwise expired or (b) the bank has transferred the rights to the cash flows from the financial assets or entered into a qualifying pass-through arrangement while (i) also transferring substantially all risks and rewards of ownership of the assets or (ii) neither transferring nor retaining substantially all risks and rewards of ownership, but not retaining control. Control is retained if the counterparty does not have the practical ability to sell the asset in its entirety to an unrelated third party without needing to impose restrictions on the sale.

When the financial asset is derecognized, the difference between the carrying amount of the financial asset and the total of the consideration received in other comprehensive income is recognized in profit or loss except Gains / Losses recognized in other comprehensive income in respect of investment securities in equity securities is not recognized in profit or loss on disposal of such securities.

Financial liabilities – measurement categories. Financial liabilities are classified as subsequently measured at AC, except for financial liabilities at FVTPL: this classification is applied to derivatives or financial liabilities held for trading (e.g. short positions in securities)

Financial liabilities – derecognition. Financial liabilities are derecognized when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

2.6. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a legally enforceable right to offset the recognized amounts and there is an intention to be settled on a net basis.

Agreements of repos & reverse repos are shown by the net in the financial statement in treasury bills and other governmental notes.

2.7. Derivative financial instruments and hedge accounting

Derivatives are recognized initially, and subsequently, at fair value. Fair values of exchange traded derivatives are obtained from quoted market prices. Fair values of over-the-counter derivatives are obtained using valuation techniques, including discounted cash flow models and option pricing models. Derivatives are classified as assets when their fair value is positive and as liabilities when their fair value is negative.

Embedded derivatives in other financial instruments, such as conversion option in a convertible bond, are treated as separate derivatives when their economic characteristics and risks are not closely related to those of the host contract, provided that the host contract is not classified as at fair value through profit and loss. These embedded derivatives are measured at fair value with changes in fair value recognized in income statement in net trading income unless the Bank chooses to designate the hybrid contract as at fair value through profit and loss.

The timing method of recognition in profit and loss, of any gains or losses arising from changes in the fair value of derivatives, depends on whether the derivative is designated as a hedging instrument, and the nature of the item being hedged. The Bank designates certain derivatives as:

- Hedging instruments of the risks associated with fair value changes of recognized assets or liabilities or firm commitments (fair value hedge).
- Hedging of risks relating to future cash flows attributable to a recognized asset or liability or a highly probable forecast transaction (cash flow hedge).
- Hedge accounting is used for derivatives designated in a hedging relationship when the following criteria are met.

At the inception of the hedging relationship, the Bank documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge, and on ongoing basis, the Bank documents whether the hedging instrument is expected to be highly effective in offsetting changes in fair values of the hedged item attributable to the hedged risk.

2.7.1. Fair value hedge

Changes in the fair value of derivatives that are designated and qualified as fair value hedges are recognized in profit and loss immediately together with any changes in the fair value of the hedged asset or liability that is attributable to the hedged risk. The changes in the fair value of the interest rate swaps and the changes in the fair value of the hedged item attributable to the hedged risk are recognized in the 'net trading income' line item of the income statement.

When the hedging instrument is no longer qualified for hedge accounting, the adjustment to the carrying amount of a hedged item, measured at amortized cost, arising from the hedged risk is amortized to profit and loss from that date using the effective interest method.

2.7.2. Derivatives that do not qualify for hedge accounting

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

2.8. Interest income and expense

Interest income and expense for all financial instruments except for those classified as held-for-trading or at fair value through profit or loss are recognized in 'interest income' and 'interest expense' in the income statement using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Bank estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that represents an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Once loans or debts are classified as nonperforming or impaired, the revenue of interest income will not be recognized and will be recorded off balance sheet, and are recognized as income subsequently based on a cash basis according to the following:

- When all arrears are collected for consumer loans, personnel mortgages and micro-finance loans.
- When calculated interest for corporate loans are capitalized according to the rescheduling agreement conditions until paying 25% from rescheduled payments for a minimum performing period of one year, if the customer continues to perform, the calculated interest will be recognized in interest income (interest on the performing rescheduling agreement balance) without the marginalized before the rescheduling agreement which will be recognized in interest income after the settlement of the outstanding loan balance.

2.9. Fee and commission income

Fees charged for servicing a loan or facility that is measured at amortized cost, are recognized as revenue as the service is provided. Fees and commissions on non-performing or impaired loans or receivables cease to be recognized as income and are rather recorded off balance sheet. These are recognized as revenue, on a cash basis, only when interest income on those loans is recognized in profit and loss, at that time, fees and commissions that represent an integral part of the effective interest rate of a financial asset, are treated as an adjustment to the effective interest rate of that financial asset.

Commitment fees and related direct costs for loans and advances where draw down is probable are deferred and recognized as an adjustment to the effective interest on the loan once drawn. Commitment fees in relation to facilities where draw down is not probable are recognized at the maturity of the term of the commitment.

Fees are recognized on the debt instruments that are measured at fair value through profit and loss on initial recognition and syndicated loan fees received by the Bank are recognized when the syndication has been completed and the Bank does not hold any portion of it or holds a part at the same effective interest rate used for the other participants portions.

Commission and fee arising from negotiating, or participating in the negotiation of a transaction for a third party such as the arrangement of the acquisition of shares or other securities and the purchase or sale of properties are recognized upon completion of the underlying transaction in the income statement.

Other management advisory and service fees are recognized based on the applicable service contracts, usually on accrual basis. Financial planning fees related to investment funds are recognized steadily over the period in which the service is provided. The same principle is applied for wealth management; financial planning and custody services that are provided on the long term are recognized on the accrual basis also.

2.10. Dividend income

Dividends are recognized in the income statement when the right to collect it is declared.

2.11. Sale and repurchase agreements

Securities may be lent or sold according to a commitment to repurchase (Repos) are reclassified in the financial statements and deducted from treasury bills balance. Securities borrowed or purchased according to a commitment to resell them (Reverse Repos) are reclassified in the financial statements and added to treasury bills balance. The difference between sale and repurchase price is treated as interest and accrued over the life of the agreements using the effective interest rate method.

2.12. Property and equipment

Lands and buildings comprise mainly branches and offices. All property, plant and equipment are stated at historical cost less depreciation and impairment losses if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or as a separate asset, as appropriate, only when it is probable that future economic benefits will flow to the Bank and the cost of the item can be measured reliably. All other repairs and maintenance are charged to other operating expenses during the financial period in which they are incurred.

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

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

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

Gains and losses on disposals are determined by comparing the selling proceeds with the asset carrying amount and charged to other operating expenses in the income statement.

2.13. Impairment of non-financial assets

Assets that have an indefinite useful life are not amortized -except goodwill- and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. A previously recognized impairment loss relating to a fixed asset may be reversed in part or in full when a change in circumstances leads to a change in the estimates used to determine the fixed asset's recoverable amount. The carrying amount of the fixed asset will only be increased up to the amount that the original impairment not been recognized.

2.13.1 Goodwill

Goodwill is capitalized and represents the excess of acquisition cost over the fair value of the Bank's share in the acquired entity's net identifiable assets on the date of acquisition. For the purpose of calculating goodwill, the fair values of acquired assets, liabilities and contingent liabilities are determined by reference to market values or by discounting expected future cash flows. Goodwill is included in the cost of investments in associates and subsidiaries in the Bank's separate financial statements. Goodwill is tested for impairment on an annual basis or shorter when trigger event took place, impairment loss is charged to the income statement.

Goodwill is allocated to the cash generating units for the purpose of impairment testing. The cash generating units represented in the Bank main segments.

2.14. Leases

The accounting treatment for the finance lease is complied with the instructions of Central Bank of Egypt, if the contract entitles the lessee to purchase the asset at a specified date and predefined value. The other leases contracts are considered operating leases contracts.

2.14.1. Being lessee

Finance lease contract recognizes the lease cost, including the cost of maintenance of the leased assets in the income statement for the period in which they occurred. If the Bank decides to exercise the right to purchase the leased asset, The leased assets are capitalized and included in 'property, plant and equipment' and depreciated over the useful life of the expected remaining life of the asset in the same manner as similar assets.

Operating lease payments leases are accounted for on a straight-line basis over the periods of the leases and are included in 'general and administrative expenses'.

2.14.2. Being lessor

For finance lease, assets are recorded in the property and equipment in the balance sheet and amortized over the expected useful life of this asset in the same manner as similar assets. Lease income is recognized on the basis of rate of return on the lease in addition to an amount corresponding to the cost of depreciation for the year. The difference between the recognized rental income and the total finance lease clients' accounts is transferred to the in the income statement until the expiration of the lease to be reconciled with a net book value of the leased asset. Maintenance and insurance expenses are charged to the income statement when incurred to the extent that they are not charged to the tenant.

In case there is objective evidence that the Bank will not be able to collect the of financial lease obligations, the finance lease payments are reduced to the recoverable amount.

For assets leased under operating lease it appears in the balance sheet under property, plant and equipment, and depreciated over the expected useful life of the asset in the same way as similar assets, and the lease income recorded less any discounts given to the lessee on a straight-line method over the contract period.

2.15. Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including cash and non-restricted balances with central banks, treasury bills and other eligible bills, amounts due from other banks and short-term government securities.

2.16. Other provisions

Provisions for restructuring costs and legal claims are recognized when the Bank has present legal or constructive obligations as a result of past events; where it is more likely than not that a transfer of economic benefit will be necessary to settle the obligation, and it can be reliably estimated.

In case of similar obligations, the related cash outflow should be determined in order to settle these obligations as a group. The provision is recognized even in case of minor probability that cash outflow will occur for an item of these obligations.

When a provision is wholly or partially no longer required, it is reversed through profit or loss under other operating income (expenses).

Provisions for obligations, other than those for credit risk or employee benefits, due in more than 12 months from the balance sheet date are recognized based on the present value of the best estimate of the consideration required to settle the present obligation on the balance sheet date. An appropriate discount rate that reflects the time value of money is used to calculate the present value of such provisions. For obligations due within less than twelve months from the balance sheet date, provisions are calculated based on undiscounted expected cash outflows unless the time value of money has a significant impact on the amount of provision, then it is measured at the present value.

2.17. Share based payments

The Bank applies an equity-settled, share-based compensation plan. The fair value of equity instruments recognized as an expense over the vesting period using appropriate valuation models, taking into account the terms and conditions upon which the equity instruments were granted. The vesting period is the period during which all the specified vesting conditions of a share-based payment arrangement are to be satisfied. Vesting conditions include service conditions, performance conditions and market performance conditions are taken into account when estimating the fair value of equity instruments on the date of grant. On each balance sheet date the number of options that are expected to be exercised are estimated. Recognizes estimate changes, if any, in the income statement, and a corresponding adjustment to equity over the remaining vesting period.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

The bank's contributions to the employees' social insurance fund

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

2.18. Income tax

Income tax on the profit and loss for the period and deferred tax are recognized in the income statement except for income tax relating to items of equity that are recognized directly in equity.

Income tax is recognized based on net taxable profit using the tax rates applicable on the date of the balance sheet in addition to tax adjustments for previous years.

Deferred taxes arising from temporary time differences between the book value of assets and liabilities are recognized in accordance with the principles of accounting and value according to the foundations of the tax, this is determining the value of deferred tax on the expected manner to realize or settle the values of assets and liabilities, using tax rates applicable on the date of the balance sheet.

Deferred tax assets of the Bank recognized when there is likely to be possible to achieve profits subject to tax in the future to be possible through to use that asset, and is reducing the value of deferred tax assets with part of that will come from tax benefit expected during the following years, that in the case of expected high benefit tax, deferred tax assets will increase within the limits of the above reduced.

2.19. Borrowings

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

2.20. Dividends

Dividends on ordinary shares and profit sharing are recognized as a charge of equity upon the general assembly approval. Profit sharing includes the employees' profit share and the Board of Directors' remuneration as prescribed by the Bank's articles of incorporation and the corporate law.

2.21. Comparatives

Comparative figures have been adjusted to conform with changes in the presentation of the current year where necessary.

2.22. Non-current assets held for sale

A non-current asset (or disposal group) to be classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use.

Determining whether (and when) an asset stops being recovered principally through use and becomes recoverable principally through sale.

For an asset (or disposal group) to be classified as held for sale:

- (a) It must be available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal groups);
- (b) Its sale must be highly probable;

The standard requires that non-current assets (and, in a 'disposal group', related liabilities and current assets,) meeting its criteria to be classified as held for sale be:

- (a) Measured at the lower of carrying amount and fair value less costs to sell, with depreciation on them ceasing; and
- (b) Presented separately on the statement of financial position with the results of discontinued operations presented separately in the income statement.

2.23. Discontinued operation

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

- (a) Represents a separate major line of business or geographical area of operations,
- (b) Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations or
- (c) Is a subsidiary acquired exclusively with a view to resale.

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

Important Accounting Estimates, and Judgements in Applying Accounting Policies

The bank makes estimates and assumptions that affect the amounts recognized, and the carrying amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies. Judgements that have the most significant effect on the amounts recognized and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include:

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

The bank used forward-looking information for measurement of ECL, is primarily sourced from government and international financial institutions. The most significant forward-looking assumptions, for both corporate and retail, that correlate with ECL level and their assigned weights were interest rate, GDP growth rate, Inflation rate and foreign currency index. In addition to these assumptions’ liquidity standard M2 and foreign direct investment have been used for the retail facilities portfolio.

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

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

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

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

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

3. Financial risk management

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

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

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

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

3.1. Credit risk

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

3.1.1. Credit risk measurement

3.1.1.1. Loans and advances to banks and customers

<u>Bank's loans categories</u>	<u>Description of the grade</u>
1	Performing loans
2	Regular watching
3	Watch list
4	non-performing loans

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

3.1.1.2. Debt instruments, Treasury Bills and Other Governmental Notes

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

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

3.1.2. Risk limit control and mitigation policies

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

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

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

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

Some other specific control and mitigation measures are outlined below:

3.1.2.1. Collateral

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

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

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

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

3.1.2.2. Derivatives

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

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

3.1.2.3. Clearing house

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

3.1.2.4. Credit related commitments

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

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

3.1.3. Impairment and provisioning policies

The internal category system focus on the credit-quality mapping from the lending and investment activities perspective. Conversely, for only financial reporting purposes impairment losses are recognized for that has been incurred on the balance sheet date when there is objective evidence of impairment. for internal operational management.

The impairment provision reported in balance sheet at the end of the year is derived from each of the four internal credit risk categories. However, the majority of the impairment provision is usually driven by the last two rating degrees. The following table illustrates the proportional distribution of loans and advances reported in the balance sheet for each of the four internal credit risk ratings of the Bank and their relevant impairment losses:

Bank's rating	December 31, 2024		December 31, 2023	
	<u>Loans and advances</u>	<u>Impairment provision</u>	<u>Loans and advances</u>	<u>Impairment provision</u>
	(%)	(%)	(%)	(%)
1-Performing loans	85.18	46.98	81.88	32.91
2-Regular watching	10.85	24.40	14.01	36.75
3-Watch list	0.73	5.96	0.57	2.54
4-Non-Performing loans	3.24	22.66	3.54	27.80

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

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

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

3.1.4. Model of measuring the general banking risk

In addition to the four categories of the Bank's internal credit ratings indicated in note 3.1.1, management classifies based on more detailed sub-rating to comply with CBE requirements.

The Bank calculates required provisions for impairment of assets exposed to credit risk, including commitments relating to credit on the basis of rates determined by CBE. In case, the provision required for impairment losses as per CBE credit worthiness rules exceeds the required provisions by the application used in balance sheet preparation in accordance to the International Financial Reporting Standard (9) issued by the Central Bank of Egypt on February 26, 2019. That excess shall be added to the general banking risk reserve in the equity section. Such reserve is always adjusted, on a regular basis, by any increase or decrease so, that reserve shall always be equivalent to the amount of increase between the two provisions. Such reserve is not available for distribution.

Below is a statement of institutional worthiness according to internal ratings, compared to CBE ratings and rates of provisions needed for assets impairment related to credit risk:

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

3.1.5. Maximum exposure to credit risk before collateral held

In balance sheet items exposed to credit risk

	Dec. 31, 2024	Dec. 31, 2023
Gross Due from banks	270,089,658	230,709,611
Less: ECL	(217)	(192)
Gross loans and advances to banks	9,863,221	823,739
Unamortized bills discount	(174,320)	-
Less: ECL	(133,491)	(1,291)

Gross loans and advances to customers

Individual:

- Overdraft	3,691,074	2,922,161
- Credit cards	15,027,813	10,297,598
- Personal loans	54,878,117	42,508,494
- Mortgages	5,773,316	4,336,631

Corporate:

- Overdraft	86,877,125	54,824,060
- Direct loans	142,330,243	98,468,654
- Syndicated loans	79,963,890	51,311,552
- Other loans	1,033,383	434,524
Unamortized bills discount	(238,286)	(509,523)
Unamortized syndicated loans discount	(84,093)	(145,003)
ECL	(45,260,455)	(29,127,204)
Suspended credit account	(3,036,429)	(1,497,199)
Derivative financial instruments	819,711	1,101,896

Financial investments:

-Debt instruments	398,986,605	268,801,918
Other assets (Accrued revenues)	35,151,259	13,018,038
Total	1,055,558,124	748,278,464

Off balance sheet items exposed to credit risk

Financial guarantees	7,052,997	8,021,170
Customers acceptances and other contingent liabilities	11,805,536	4,631,478
Letters of credit (import and export)	19,009,107	9,068,007
Letter of guarantee	257,270,373	160,735,346
Total	295,138,013	182,456,001

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

For assets recognized on balance sheet, the exposures set out above are based on net carrying amounts as reported in the balance sheet.

As shown above, 33.21% of the total maximum exposure is derived from loans and advances to banks and customers against 31.36% on December 31, 2023, while investments in debt instruments represent 37.80% against 35.92% on December 31, 2023.

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

- 96.03% of the loans and advances are concentrated in the top two grades of the internal credit risk rating system against 95.89% on December 31, 2023
- Loans and advances assessed individually are valued EGP 12,938,556 thousand against EGP 9,413,975 thousand on December 31, 2023
- The Bank has implemented more prudent processes when granting loans and advances during the financial year ended on December 31, 2024.
- 86.94% of the investments in debt Instruments are Egyptian sovereign instruments against 88.41% on December 31, 2023.

3.1.6. Loans and advances

Loans and advances balances are summarized as follows:

	Dec.31, 2024		Dec.31, 2023	
	<u>Loans and advances to customers</u>	<u>Loans and advances to banks</u>	<u>Loans and advances to customers</u>	<u>Loans and advances to banks</u>
Gross Loans and advances	389,574,961	9,863,221	265,103,674	823,739
Less:				
ECL	45,260,455	133,491	29,127,204	1,291
Unamortized bills discount	238,286	174,320	509,523	-
Unamortized syndicated loans discount	84,093	-	145,003	-
Suspended credit account	3,036,429	-	1,497,199	-
Net	340,955,698	9,555,410	233,824,745	822,448

Expected credit losses for loans and advances totaled EGP 45,393,946 .

During the year, the Bank's total loans and advances increased by 50.21% In order to minimize the probable exposure to credit risk, the Bank focuses more on conducting business with large enterprises, banks and retail customers with good credit rating .

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

Dec.31, 2024

	<u>Stage 1: 12 months</u>	<u>Stage 2: Life time</u>	<u>Stage 3: Life time</u>	<u>Total</u>
Individuals	73,378,917	5,031,965	959,438	79,370,320
Corporate and Business Banking	189,365,906	108,859,617	11,979,118	310,204,641
Total	262,744,823	113,891,582	12,938,556	389,574,961

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

Dec.31, 2024

	<u>Stage 1: Expected credit losses over 12 months</u>	<u>Stage 2: Expected credit losses over a lifetime that is not creditworthy</u>	<u>Stage 3: Expected credit losses over a lifetime credit default</u>	<u>Total</u>
Individuals	2,894,845	164,833	750,659	3,810,337
Corporate and Business Banking	7,338,556	24,577,096	9,534,466	41,450,118
Total	10,233,401	24,741,929	10,285,125	45,260,455

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

Dec.31, 2024

	<u>Stage 1: 12 months</u>	<u>Stage 2: Life time</u>	<u>Stage 3: Life time</u>	<u>Total</u>
Loans	2,164,119	7,699,102	-	9,863,221
Expected credit losses	(30)	(133,461)	-	(133,491)
Net of ECL	2,164,089	7,565,641	-	9,729,730

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

Dec.31, 2024

	<u>Stage 1: 12 months</u>	<u>Stage 2: Life time</u>	<u>Stage 3: Life time</u>	<u>Total</u>
Facilities and guarantees	251,374,096	29,789,216	6,921,704	288,085,016
Expected credit losses	(7,041,186)	(5,116,697)	(3,439,478)	(15,597,361)
Net of ECL	244,332,910	24,672,519	3,482,226	272,487,655

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

Dec.31, 2023

	<u>Stage 1:</u> <u>12 months</u>	<u>Stage 2:</u> <u>Life time</u>	<u>Stage 3:</u> <u>Life time</u>	<u>Total</u>
Individuals	53,593,845	5,643,833	827,206	60,064,884
Corporate and Business Banking	128,180,946	68,271,075	8,586,769	205,038,790
Total	181,774,791	73,914,908	9,413,975	265,103,674

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

Dec.31, 2023

	<u>Stage 1: Expected</u> <u>credit losses over 12</u> <u>months</u>	<u>Stage 2: Expected</u> <u>credit losses</u> <u>over a lifetime that is</u> <u>not creditworthy</u>	<u>Stage 3: Expected</u> <u>credit losses</u> <u>over a lifetime</u> <u>credit default</u>	<u>Total</u>
Individuals	1,547,894	205,268	477,297	2,230,459
Corporate and Business Banking	4,398,818	14,876,507	7,621,420	26,896,745
Total	5,946,712	15,081,775	8,098,717	29,127,204

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

Dec.31, 2023

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

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

Dec.31, 2023

	<u>Stage 1:</u> <u>12 months</u>	<u>Stage 2:</u> <u>Life time</u>	<u>Stage 3:</u> <u>Life time</u>	<u>Total</u>
Facilities and guarantees	113,360,811	55,000,921	6,073,099	174,434,831
Expected credit losses	(5,121,964)	(3,391,432)	(2,150,455)	(10,663,851)
Net of ECL	108,238,847	51,609,489	3,922,644	163,770,980

Expected credit losses divided by internal classification:

Corporate and Business Banking:

Dec.31, 2024	<u>Scope of probability of default (PD)</u>	<u>Stage 1: Expected credit losses over 12 months</u>	<u>Stage 2: Expected credit losses over a lifetime that is not creditworthy</u>	<u>Stage 3: Expected credit losses over a lifetime credit default</u>	<u>Total</u>
Performing loans (1-5)	1%-11%	6,777,332	11,518,502	-	18,295,834
Regular watching (6)	11%-21%	561,224	10,352,190	-	10,913,414
Watch list (7)	21%-36%	-	2,706,404	-	2,706,404
Non-performing loans (8-10)	100%	-	-	9,534,466	9,534,466
Total		7,338,556	24,577,096	9,534,466	41,450,118

Individual Loans:

Dec.31, 2024	<u>Scope of probability of default (PD)</u>	<u>Stage 1: Expected credit losses over 12 months</u>	<u>Stage 2: Expected credit losses over a lifetime that is not creditworthy</u>	<u>Stage 3: Expected credit losses over a lifetime credit default</u>	<u>Total</u>
Performing loans (1-5)	1%-10%	2,894,845	-	-	2,894,845
Regular watching (6)	>11%	-	164,706	-	164,706
Watch list (7)	>11%	-	127	-	127
Non-performing loans (8-10)	100%	-	-	750,659	750,659
Total		2,894,845	164,833	750,659	3,810,337

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

Corporate and Business Banking:

Dec.31, 2024	<u>Scope of probability of default (PD)</u>	<u>Stage 1: 12 months</u>	<u>Stage 2: Life time</u>	<u>Stage 3: Life time</u>	<u>Total</u>
Performing loans (1-5)	1%-11%	176,289,314	80,712,454	-	257,001,768
Regular watching (6)	11%-21%	13,076,592	25,225,033	-	38,301,625
Watch list (7)	21%-36%	-	2,922,130	-	2,922,130
Non-performing loans (8-10)	100%	-	-	11,979,118	11,979,118
Total		189,365,906	108,859,617	11,979,118	310,204,641

Individual Loans:

Dec.31, 2024	<u>Scope of probability of default (PD)</u>	<u>Stage 1: 12 months</u>	<u>Stage 2: Life time</u>	<u>Stage 3: Life time</u>	<u>Total</u>
Performing loans (1-5)	1%-10%	73,378,917	-	-	73,378,917
Regular watching (6)	>11%	-	5,031,321	-	5,031,321
Watch list (7)	>11%	-	644	-	644
Non-performing loans (8-10)	100%	-	-	959,438	959,438
Total		73,378,917	5,031,965	959,438	79,370,320

Expected credit losses divided by internal classification:

Corporate and Business Banking loans:

Dec.31, 2023	<u>Scope of probability of default (PD)</u>	<u>Stage 1: Expected credit losses over 12 months</u>	<u>Stage 2: Expected credit losses over a lifetime that is not creditworthy</u>	<u>Stage 3: Expected credit losses over a lifetime credit default</u>	<u>Total</u>
Performing loans (1-5)	1%-12%	3,502,001	4,535,215	-	8,037,216
Regular watching (6)	12%-21%	896,817	9,601,363	-	10,498,180
Watch list (7)	21%-37%	-	739,929	-	739,929
Non-performing loans (8-10)	100%	-	-	7,621,420	7,621,420
Total		4,398,818	14,876,507	7,621,420	26,896,745

Individual Loans:

Dec.31, 2023	<u>Scope of probability of default (PD)</u>	<u>Stage 1: Expected credit losses over 12 months</u>	<u>Stage 2: Expected credit losses over a lifetime that is not creditworthy</u>	<u>Stage 3: Expected credit losses over a lifetime credit default</u>	<u>Total</u>
Performing loans (1-5)	1%-10%	1,547,894	-	-	1,547,894
Regular watching (6)	>11%	-	205,184	-	205,184
Watch list (7)	>11%	-	84	-	84
Non-performing loans (8-10)	100%	-	-	477,297	477,297
Total		1,547,894	205,268	477,297	2,230,459

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

Corporate and Business Banking loans:

Dec.31, 2023	<u>Scope of probability of default (PD)</u>	<u>Stage 1: 12 months</u>	<u>Stage 2: Life time</u>	<u>Stage 3: Life time</u>	<u>Total</u>
Performing loans (1-5)	1%-12%	116,503,071	46,809,570	-	163,312,641
Regular watching (6)	12%-21%	11,677,875	19,989,275	-	31,667,150
Watch list (7)	21%-37%	-	1,472,230	-	1,472,230
Non-performing loans (8-10)	100%	-	-	8,586,769	8,586,769
Total		128,180,946	68,271,075	8,586,769	205,038,790

Individual Loans:

Dec.31, 2023	<u>Scope of probability of default (PD)</u>	<u>Stage 1: 12 months</u>	<u>Stage 2: Life time</u>	<u>Stage 3: Life time</u>	<u>Total</u>
Performing loans (1-5)	1%-10%	53,593,845	-	-	53,593,845
Regular watching (6)	>11%	-	5,605,156	-	5,605,156
Watch list (7)	>11%	-	38,677	-	38,677
Non-performing loans (8-10)	100%	-	-	827,206	827,206
Total		53,593,845	5,643,833	827,206	60,064,884

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

Dec.31, 2024

Due from banks	Stage 1	Stage 2	Stage 3	Total
Credit rating	12 months	Life time	Life time	
Performing loans	27,850,491	-	-	27,850,491
Regular watching	-	-	-	-
Watch list	-	-	-	-
Non-performing loans	-	-	-	-
Total	27,850,491	-	-	27,850,491
Less: ECL	(217)	-	-	(217)
Net	27,850,274	-	-	27,850,274

Individual Loans:	Stage 1	Stage 2	Stage 3	Total
Credit rating	12 months	Life time	Life time	
Performing loans	73,378,917	-	-	73,378,917
Regular watching	-	5,031,321	-	5,031,321
Watch list	-	644	-	644
Non-performing loans	-	-	959,438	959,438
Total	73,378,917	5,031,965	959,438	79,370,320
Less: ECL	(2,894,845)	(164,833)	(750,659)	(3,810,337)
Net	70,484,072	4,867,132	208,779	75,559,983

Corporate and Business Banking:	Stage 1	Stage 2	Stage 3	Total
Credit rating	12 months	Life time	Life time	
Performing loans	176,289,314	80,712,454	-	257,001,768
Regular watching	13,076,592	25,225,033	-	38,301,625
Watch list	-	2,922,130	-	2,922,130
Non-performing loans	-	-	11,979,118	11,979,118
Total	189,365,906	108,859,617	11,979,118	310,204,641
Less: ECL	(7,338,556)	(24,577,096)	(9,534,466)	(41,450,118)
Net	182,027,350	84,282,521	2,444,652	268,754,523

Debt Instruments at Fair value through OCI	Stage 1	Stage 2	Stage 3	Total
Credit rating	12 months	Life time	Life time	
Performing loans	43,877,507	5,096,905	-	48,974,412
Regular watching	86,672,222	-	-	86,672,222
Watch list	-	-	-	-
Non-performing loans	-	-	-	-
Total	130,549,729	5,096,905	-	135,646,634
ECL	(3,786,502)	(15,025)	-	(3,801,527)

Debt Instruments at amortized cost	Stage 1	Stage 2	Stage 3	Total
Credit rating	12 months	Life time	Life time	
Performing loans	3,214,834	-	-	3,214,834
Regular watching	6,987,590	-	-	6,987,590
Watch list	-	-	-	-
Non-performing loans	-	-	-	-
Total	10,202,424	-	-	10,202,424
Less: ECL	(459,049)	-	-	(459,049)
Net	9,743,375	-	-	9,743,375

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

Dec.31, 2023

Due from banks	Stage 1	Stage 2	Stage 3	Total
Credit rating	12 months	Life time	Life time	
Performing loans	5,005,918	-	-	5,005,918
Regular watching	-	-	-	-
Watch list	-	-	-	-
Non-performing loans	-	-	-	-
Total	5,005,918	-	-	5,005,918
Less: ECL	(192)	-	-	(192)
Net	5,005,726	-	-	5,005,726

Individual Loans:	Stage 1	Stage 2	Stage 3	Total
Credit rating	12 months	Life time	Life time	
Performing loans	53,593,845	-	-	53,593,845
Regular watching	-	5,605,156	-	5,605,156
Watch list	-	38,677	-	38,677
Non-performing loans	-	-	827,206	827,206
Total	53,593,845	5,643,833	827,206	60,064,884
Less: ECL	(1,547,894)	(205,268)	(477,297)	(2,230,459)
Net	52,045,951	5,438,565	349,909	57,834,425

Corporate and Business Banking:	Stage 1	Stage 2	Stage 3	Total
Credit rating	12 months	Life time	Life time	
Performing loans	116,503,071	46,809,570	-	163,312,641
Regular watching	11,677,875	19,989,275	-	31,667,150
Watch list	-	1,472,230	-	1,472,230
Non-performing loans	-	-	8,586,769	8,586,769
Total	128,180,946	68,271,075	8,586,769	205,038,790
Less: ECL	(4,398,818)	(14,876,507)	(7,621,420)	(26,896,745)
Net	123,782,128	53,394,568	965,349	178,142,045

Debt Instruments at Fair value through OCI	Stage 1	Stage 2	Stage 3	Total
Credit rating	12 months	Life time	Life time	
Performing loans	30,709,678	-	-	30,709,678
Regular watching	47,951,170	-	-	47,951,170
Watch list	-	-	-	-
Non-performing loans	-	-	-	-
Total	78,660,848	-	-	78,660,848
ECL	(2,864,298)	-	-	(2,864,298)

Debt Instruments at amortized cost	Stage 1	Stage 2	Stage 3	Total
Credit rating	12 months	Life time	Life time	
Performing loans	443,636	-	-	443,636
Regular watching	4,071,573	-	-	4,071,573
Watch list	-	-	-	-
Non-performing loans	-	-	-	-
Total	4,515,209	-	-	4,515,209
Less: ECL	(190,536)	-	-	(190,536)
Net	4,324,673	-	-	4,324,673

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

Dec.31, 2024

Due from banks	Stage 1	Stage 2	Stage 3	Total
	12 months	Life time	Life time	
	<u>ECL</u>	<u>ECL</u>	<u>ECL</u>	<u>ECL</u>
Beginning balance	192	-	-	192
Released/charged during the year	(93)	-	-	(93)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Cumulative foreign currencies translation differences	118	-	-	118
Ending balance	217	-	-	217

Individual Loans:	Stage 1	Stage 2	Stage 3	Total
	12 months	Life time	Life time	
	<u>ECL</u>	<u>ECL</u>	<u>ECL</u>	<u>ECL</u>
Beginning balance	1,547,894	205,268	477,297	2,230,459
Released/charged during the year	1,346,951	(40,435)	379,871	1,686,387
Write off during the year	-	-	(264,191)	(264,191)
Recoveries	-	-	157,682	157,682
Ending balance	2,894,845	164,833	750,659	3,810,337

Corporate and Business Banking:	Stage 1	Stage 2	Stage 3	Total
	12 months	Life time	Life time	
	<u>ECL</u>	<u>ECL</u>	<u>ECL</u>	<u>ECL</u>
Beginning balance	4,398,818	14,876,507	7,621,420	26,896,745
Released/charged during the year	2,832,193	1,014,784	(945,343)	2,901,634
Transferred to stage 1	197,123	(197,123)	-	-
Transferred to stage 2	(280,051)	2,185,566	(1,905,515)	-
Transferred to stage 3	(30,105)	(870,649)	900,754	-
ECL Transfer to Other provisions	-	-	(1,276,440)	(1,276,440)
Recoveries	-	-	710,589	710,589
Write off during the year	-	-	(248,830)	(248,830)
Cumulative foreign currencies translation differences	220,578	7,568,011	4,677,831	12,466,420
Ending balance	7,338,556	24,577,096	9,534,466	41,450,118

Debt Instruments at Fair value through OCI	Stage 1	Stage 2	Stage 3	Total
	12 months	Life time	Life time	
	<u>ECL</u>	<u>ECL</u>	<u>ECL</u>	<u>ECL</u>
Beginning balance	2,864,298	-	-	2,864,298
Released/charged during the year	(414,285)	14,179	-	(400,106)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	(846)	846	-	-
Transferred to stage 3	-	-	-	-
Cumulative foreign currencies translation differences	1,337,335	-	-	1,337,335
Ending balance	3,786,502	15,025	-	3,801,527

Debt Instruments at amortized cost	Stage 1	Stage 2	Stage 3	Total
	12 months	Life time	Life time	
	<u>ECL</u>	<u>ECL</u>	<u>ECL</u>	<u>ECL</u>
Beginning balance	190,536	-	-	190,536
Released/charged during the year	149,009	-	-	149,009
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Cumulative foreign currencies translation differences	119,504	-	-	119,504
Ending balance	459,049	-	-	459,049

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

Dec.31, 2023

Due from banks

	<u>Stage 1</u> <u>12 months</u> <u>ECL</u>	<u>Stage 2</u> <u>Life time</u> <u>ECL</u>	<u>Stage 3</u> <u>Life time</u> <u>ECL</u>	<u>Total</u> <u>ECL</u>
Beginning balance	38,726	10,508	-	49,234
Released/charged during the year	(38,534)	(10,508)	-	(49,042)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Ending balance	192	-	-	192

Individual Loans:

	<u>Stage 1</u> <u>12 months</u> <u>ECL</u>	<u>Stage 2</u> <u>Life time</u> <u>ECL</u>	<u>Stage 3</u> <u>Life time</u> <u>ECL</u>	<u>Total</u> <u>ECL</u>
Beginning balance	1,023,758	171,630	386,953	1,582,341
Released/charged during the year	524,136	33,638	206,159	763,933
Write off during the year	-	-	(241,414)	(241,414)
Recoveries	-	-	125,599	125,599
Ending balance	1,547,894	205,268	477,297	2,230,459

Corporate and Business Banking:

	<u>Stage 1</u> <u>12 months</u> <u>ECL</u>	<u>Stage 2</u> <u>Life time</u> <u>ECL</u>	<u>Stage 3</u> <u>Life time</u> <u>ECL</u>	<u>Total</u> <u>ECL</u>
Beginning balance	2,605,958	11,044,132	9,169,583	22,819,673
Released/charged during the year	1,667,029	1,182,885	(1,270,079)	1,579,835
Transferred to stage 1	147,558	(147,558)	-	-
Transferred to stage 2	(69,797)	328,459	(258,662)	-
Transferred to stage 3	(15,609)	(7,162)	22,771	-
Recoveries	-	-	51,666	51,666
Write off during the year	-	-	(2,236,815)	(2,236,815)
Cumulative foreign currencies translation differences	63,679	2,475,751	2,142,956	4,682,386
Ending balance	4,398,818	14,876,507	7,621,420	26,896,745

Debt Instruments at Fair value through OCI

	<u>Stage 1</u> <u>12 months</u> <u>ECL</u>	<u>Stage 2</u> <u>Life time</u> <u>ECL</u>	<u>Stage 3</u> <u>Life time</u> <u>ECL</u>	<u>Total</u> <u>ECL</u>
Beginning balance	979,945	-	-	979,945
Released/charged during the year	1,882,450	-	-	1,882,450
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Cumulative foreign currencies translation differences	1,903	-	-	1,903
Ending balance	2,864,298	-	-	2,864,298

Debt Instruments at amortized cost

	<u>Stage 1</u> <u>12 months</u> <u>ECL</u>	<u>Stage 2</u> <u>Life time</u> <u>ECL</u>	<u>Stage 3</u> <u>Life time</u> <u>ECL</u>	<u>Total</u> <u>ECL</u>
Beginning balance	70,904	-	-	70,904
Released/charged during the year	119,025	-	-	119,025
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Cumulative foreign currencies translation differences	607	-	-	607
Ending balance	190,536	-	-	190,536

Loans and advances restructured

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

	Dec.31, 2024	Dec.31, 2023
Corporate		
- Loans and advances to customers	24,514,749	18,448,475
Total	24,514,749	18,448,475

3.1.7. Financial investments:

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

Dec.31, 2024

<u>Amortized cost</u>	<u>Stage 1: 12 months</u>	<u>Stage 2: Life time</u>	<u>Stage 3: Life time</u>	<u>Total</u>
AAA to AA+	-	-	-	-
AA to AA-	-	-	-	-
A+ to A-	-	-	-	-
Less than A-	167,276,956	-	-	167,276,956
Not rated	-	-	-	-
Total	167,276,956	-	-	167,276,956

Dec.31, 2024

<u>Fair value through OCI</u>	<u>Stage 1: 12 months</u>	<u>Stage 2: Life time</u>	<u>Stage 3: Life time</u>	<u>Total</u>
AAA to AA+	13,289,883	-	-	13,289,883
AA to AA-	1,898,512	-	-	1,898,512
A+ to A-	1,215,276	-	-	1,215,276
Less than A-	210,209,073	5,096,905	-	215,305,978
Not rated	-	-	-	-
Total	226,612,744	5,096,905	-	231,709,649

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

Dec.31, 2024

<u>Fair value through OCI & Amortized cost</u>	<u>Stage 1: Expected credit losses over 12 months</u>	<u>Stage 2: Expected credit losses over a lifetime that is not creditworthy</u>	<u>Stage 3: Expected credit losses over a lifetime credit default</u>	<u>Total</u>
AAA to AA+	-	-	-	-
AA to AA-	-	-	-	-
A+ to A-	-	-	-	-
Less than A-	4,245,551	15,025	-	4,260,576
Not rated	-	-	-	-
Total	4,245,551	15,025	-	4,260,576

3.1.7. Financial investments:

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

Dec.31, 2023

<u>Amortized cost</u>	<u>Stage 1: 12 months</u>	<u>Stage 2: Life time</u>	<u>Stage 3: Life time</u>	<u>Total</u>
AAA to AA+	-	-	-	-
AA to AA-	-	-	-	-
A+ to A-	-	-	-	-
Less than A-	37,847,114	-	-	37,847,114
Not rated	-	-	-	-
Total	37,847,114	-	-	37,847,114

Dec.31, 2023

<u>Fair value through OCI</u>	<u>Stage 1: 12 months</u>	<u>Stage 2: Life time</u>	<u>Stage 3: Life time</u>	<u>Total</u>
AAA to AA+	-	-	-	-
AA to AA-	-	-	-	-
A+ to A-	-	-	-	-
Less than A-	230,954,804	-	-	230,954,804
Not rated	-	-	-	-
Total	230,954,804	-	-	230,954,804

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

Dec.31, 2023

<u>Fair value through OCI & Amortized cost</u>	<u>Stage 1: Expected credit losses over 12 months</u>	<u>Stage 2: Expected credit losses over a lifetime that is not creditworthy</u>	<u>Stage 3: Expected credit losses over a lifetime credit default</u>	<u>Total</u>
AAA to AA+	-	-	-	-
AA to AA-	-	-	-	-
A+ to A-	-	-	-	-
Less than A-	3,054,834	-	-	3,054,834
Not rated	-	-	-	-
Total	3,054,834	-	-	3,054,834

3.1.8. Concentration of risks of financial assets with credit risk exposure

3.1.8.1. Geographical sectors

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

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

Dec.31, 2024	Greater Cairo	Alex, Delta and Sinai	Upper Egypt	Outside Egypt	Total
Gross due from banks	201,412,533	-	-	68,677,125	270,089,658
Less: ECL	-	-	-	(217)	(217)
Gross loans and advances to banks	3,558,716	-	-	6,304,505	9,863,221
Unamortized bills discount	(57,131)	-	-	(117,189)	(174,320)
Less: ECL	(6,245)	-	-	(127,246)	(133,491)
Gross loans and advances to customers					
Individual:					
- Overdrafts	2,609,592	812,452	269,030	-	3,691,074
- Credit cards	12,008,842	2,522,141	496,830	-	15,027,813
- Personal loans	39,020,961	12,567,869	3,289,287	-	54,878,117
- Mortgages	5,558,112	185,198	30,006	-	5,773,316
Corporate:					
- Overdrafts	77,164,832	6,879,654	2,832,639	-	86,877,125
- Direct loans	92,993,035	38,577,326	10,759,882	-	142,330,243
- Syndicated loans	77,801,024	2,162,866	-	-	79,963,890
- Other loans	478,683	554,700	-	-	1,033,383
Unamortized bills discount	(231,463)	(6,823)	-	-	(238,286)
Unamortized syndicated loans discount	(84,093)	-	-	-	(84,093)
ECL	(35,470,606)	(5,495,566)	(4,294,283)	-	(45,260,455)
Suspended credit account	(3,020,028)	(336)	(16,065)	-	(3,036,429)
Derivative financial instruments	-	-	-	819,711	819,711
Financial investments:					
-Debt instruments	377,555,677	-	-	21,430,928	398,986,605
Total	851,292,441	58,759,481	13,367,326	96,987,617	1,020,406,865
Total as at December 31, 2023	657,529,834	42,805,879	9,179,022	25,745,691	735,260,426

3.1.8.2. Industry sectors

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

Dec.31, 2024	<u>Financial institutions</u>	<u>Manufacturing</u>	<u>Real estate</u>	<u>Wholesale and retail trade</u>	<u>Government sector</u>	<u>Other activities</u>	<u>Individual</u>	<u>Total</u>
Gross due from banks	270,089,658	-	-	-	-	-	-	270,089,658
ECL	(217)	-	-	-	-	-	-	(217)
Gross loans and advances to banks	9,863,221	-	-	-	-	-	-	9,863,221
Unamortized bills discount	(174,320)	-	-	-	-	-	-	(174,320)
ECL	(133,491)	-	-	-	-	-	-	(133,491)
Gross loans and advances to customers								
Individual:								
- Overdrafts	-	-	-	-	-	-	3,691,074	3,691,074
- Credit cards	-	-	-	-	-	-	15,027,813	15,027,813
- Personal loans	-	-	-	-	-	-	54,878,117	54,878,117
- Mortgages	-	-	-	-	-	-	5,773,316	5,773,316
Corporate:								
- Overdrafts	8,485,631	38,435,560	10,052,386	3,848,683	8,030,733	18,024,132	-	86,877,125
- Direct loans	6,892,789	72,065,551	3,275,377	2,876,241	13,912,149	43,308,136	-	142,330,243
- Syndicated loans	485,356	7,554,193	5,592,613	-	61,869,100	4,462,628	-	79,963,890
- Other loans	-	1,028,383	-	5,000	-	-	-	1,033,383
Unamortized bills discount	-	(7,677)	(160,872)	-	-	(69,707)	(30)	(238,286)
Unamortized syndicated loans discount	-	-	(84,093)	-	-	-	-	(84,093)
ECL	(683,548)	(11,001,683)	(1,698,193)	(430,955)	(8,942,096)	(18,693,643)	(3,810,337)	(45,260,455)
Suspended credit account	-	(481,425)	-	(979)	-	(2,554,025)	-	(3,036,429)
Derivative financial instruments	819,711	-	-	-	-	-	-	819,711
Financial investments:								
-Debt instruments	31,938,011	-	-	-	367,048,594	-	-	398,986,605
Total	327,582,801	107,592,902	16,977,218	6,297,990	441,918,480	44,477,521	75,559,953	1,020,406,865
Total as at December 31, 2023	275,428,236	61,289,961	16,062,564	5,523,430	289,058,829	30,062,981	57,834,425	735,260,426

3.2. Market risk

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

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

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

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

3.2.1. Market risk measurement techniques

3.2.1.1. Value at Risk

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

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

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

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

3.2.1.2. Stress testing

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

3.2.2. Value at risk (VaR) Summary

Total VaR by risk type

	Last 12 months ended 31/12/2024			Last 12 months ended 31/12/2023		
	<u>Medium</u>	<u>High</u>	<u>Low</u>	<u>Medium</u>	<u>High</u>	<u>Low</u>
Foreign exchange risk	36,295	100,953	656	16,184	103,290	228
Interest rate risk	371,110	767,629	170,967	257,479	502,517	139,481
- For non trading purposes	328,629	518,782	164,234	255,617	495,768	139,248
- For trading purposes	42,481	248,847	6,733	1,862	6,749	233
Total VaR	318,479	508,111	164,078	135,847	309,967	58,224

Trading portfolio VaR by risk type

	Last 12 months ended 31/12/2024			Last 12 months ended 31/12/2023		
	<u>Medium</u>	<u>High</u>	<u>Low</u>	<u>Medium</u>	<u>High</u>	<u>Low</u>
Foreign exchange risk	36,295	100,953	656	16,184	103,290	228
Interest rate risk	42,481	248,847	6,733	1,862	6,749	233
- For trading purposes	42,481	248,847	6,733	1,862	6,749	233
Total VaR	54,639	306,713	656	16,184	103,290	228

Non trading portfolio VaR by risk type

	Last 12 months ended 31/12/2024			Last 12 months ended 31/12/2023		
	<u>Medium</u>	<u>High</u>	<u>Low</u>	<u>Medium</u>	<u>High</u>	<u>Low</u>
- Interest rate risk	328,629	518,782	164,234	255,617	495,768	139,248
Total VaR	328,629	518,782	164,234	255,617	495,768	139,248

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

3.2.3. Foreign exchange risk

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

	Equivalent EGP					
Dec.31, 2024	<u>EGP</u>	<u>USD</u>	<u>EUR</u>	<u>GBP</u>	<u>Other</u>	<u>Total</u>
Financial assets						
Cash and balances at the central bank	120,531,087	10,093,222	3,732,405	342,349	1,466,857	136,165,920
Gross due from banks	60,000,010	178,164,828	28,714,665	2,909,642	300,513	270,089,658
Gross loans and advances to banks	-	9,863,221	-	-	-	9,863,221
Gross loans and advances to customers	281,595,638	100,395,174	7,458,984	15,653	109,512	389,574,961
Derivative financial instruments	25,383	794,328	-	-	-	819,711
Financial investments						
Gross financial investment securities	285,545,536	108,321,980	6,268,029	630,363	-	400,765,908
Investments in associates and subsidiaries	516,251	-	-	-	355,274	871,525
Total financial assets	748,213,905	407,632,753	46,174,083	3,898,007	2,232,156	1,208,150,904
Financial liabilities						
Due to banks	606,118	1,664,319	39,245	8,033	-	2,317,715
Due to customers	562,555,492	362,104,241	37,332,226	3,874,257	2,029,171	967,895,387
Derivative financial instruments	40,666	59,905	-	-	-	100,571
Issued debt instruments	-	5,067,781	-	-	-	5,067,781
Other loans	166,073	22,917,007	879,309	-	-	23,962,389
Total financial liabilities	563,368,349	391,813,253	38,250,780	3,882,290	2,029,171	999,343,843
Net on-balance sheet financial position	184,845,556	15,819,500	7,923,303	15,717	202,985	208,807,061
Total financial assets as of December 31, 2023	654,377,417	170,957,320	11,879,962	2,070,774	1,200,563	840,486,036
Total financial liabilities as of December 31, 2023	464,248,284	213,526,031	22,671,064	2,001,299	988,972	703,435,650
Net financial position as of December 31, 2023	190,129,133	(42,568,711)	(10,791,102)	69,475	211,591	137,050,386

3.2.4. Interest rate risk

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

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

Dec.31, 2024	Up to1 Month	1-3 Months	3-12 Months	1-5 years	Over 5 years	Non- Interest Bearing	Total
Financial assets							
Cash and balances at the central bank	-	-	-	-	-	136,165,920	136,165,920
Gross due from banks	201,682,905	58,148,840	8,134,208	-	-	2,123,705	270,089,658
Gross loans and advances to banks	865,924	1,499,745	5,972,388	1,525,164	-	-	9,863,221
Gross loans and advances to customers	277,042,690	38,999,154	27,376,239	36,427,355	9,729,523	-	389,574,961
Derivatives financial instruments	22,278	3,106	-	111,707	682,620	-	819,711
Financial investments							
Gross financial investment securities	68,934,335	40,204,938	107,573,088	155,072,539	28,016,743	964,265	400,765,908
Investments in subsidiaries and associates	-	-	-	-	-	871,525	871,525
Total financial assets	548,548,132	138,855,783	149,055,923	193,136,765	38,428,886	140,125,415	1,208,150,904
Financial liabilities							
Due to banks	1,020,335	-	-	-	-	1,297,380	2,317,715
Due to customers	423,728,549	101,090,172	89,135,074	191,116,535	551,155	162,273,902	967,895,387
Derivatives financial instruments	37,684	2,982	59,905	-	-	-	100,571
Issued debt instruments	-	-	-	5,067,781	-	-	5,067,781
Other loans	36,823	14,817,798	8,451,161	656,607	-	-	23,962,389
Total financial liabilities	424,823,391	115,910,952	97,646,140	196,840,923	551,155	163,571,282	999,343,843
Total interest re-pricing gap	123,724,741	22,944,831	51,409,783	(3,704,158)	37,877,731	(23,445,867)	208,807,061
Total financial assets as of December 31, 2023	458,599,418	79,616,736	95,858,130	114,206,370	31,718,399	75,933,533	855,932,586
Total financial liabilities as of December 31, 2023	287,904,673	89,884,928	60,362,020	156,146,557	808,683	123,775,339	718,882,200
Total interest re-pricing gap as of December 31, 2023	170,694,745	(10,268,192)	35,496,110	(41,940,187)	30,909,716	(47,841,806)	137,050,386

3.3. Liquidity risk

Liquidity risk specifies the Bank's inability to replace withdrawn funds and meet consequential payment obligations due to the fall of financial liabilities.

The consequence may be the failure to meet obligations to repay depositors and fulfill commitments to lend.

Liquidity Risk Management Organization and Measurement Tools

Liquidity Risk is governed by Asset and Liability Committee (ALCO) and Board Risk Committee (BRC) subject to provisions of Treasury Policy Guide (TPG).

Board Risk Committee (BRC): Provides oversight of risk management functions and assesses compliance to the set risk strategies and policies approved by the Board of Directors (BoD) through periodic reports submitted by the Risk Group. The committee makes recommendations to the BoD with regards to risk management strategies and policies (including those related to capital adequacy, liquidity management, various types of risks: credit, market, operation, compliance, reputation and any other risks the Bank may be exposed to).

Asset & Liability Committee (ALCO): Optimises the allocation of assets and liabilities, taking into consideration expectations of the potential impact of future interest rate fluctuations, liquidity constraints, and foreign exchange exposures. ALCO monitors the Bank's liquidity and market risks, economic developments, market fluctuations, and risk profile to ensure ongoing activities are compatible with the risk/ reward guidelines approved by the BoD.

Treasury Policy Guide (TPG): The purpose of the TPG is to document and communicate the policies that govern the activities performed by the Treasury Group and monitored by Risk Group. The main measures and monitoring tools used to assess the Bank's liquidity risk include regulatory and internal ratios, gaps, Basel III liquidity ratios, asset and liability gapping mismatch, stress testing, and funding base concentration. More conservative internal targets and Risk Appetite indicators (RAI) against regulatory requirements are set for various measures of Liquidity and Funding Concentration Risks.

At the end of year, the Basel III Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) maintained strong and well above regulatory requirements.

The Bank maintained a solid LCY & FCY Liquidity position with decent buffers to meet both the global and local increase in risk profile. CIB will continue with its robust Liability strategy with reliance on customer deposits (stable funding) as the main contributor of total liabilities, and low dependency on the Wholesale Funding. CIB has ample level of High Quality Liquid Assets (HQLA) based on its LCY & FCY Sovereign Portfolio investments, which positively reflects the Bank's solid Liquidity Ratios and Basel III LCR & NSFR ratios, with a large buffer maintained above the Regulatory ratios requirements.

3.3.1. Liquidity risk management process

The Bank's liquidity management process is carried by the Assets and Liabilities Management Department and monitored independently by the Risk Management Department, and includes projecting cash flows by major currency under various stress scenarios and considering the level of liquid assets necessary in relation thereto:

- Maintaining an active presence in global money markets to enable this to happen.
- Maintaining a diverse range of funding sources with back-up facilities
- Monitoring balance sheet liquidity and advances to core funding ratios against internal and CBE regulations.
- Managing the concentration and profile of debt maturities.

Monitoring and reporting takes the form of cash flow measurement and projections for the next day, week and month respectively, as these are key periods for liquidity management. The starting point for those projections is an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets.

3.3.2. Funding approach

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

3.3.3. Non-derivative cash flows

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

Dec.31, 2024	<u>Up to 1 month</u>	<u>One to three months</u>	<u>Three months to one year</u>	<u>One year to five years</u>	<u>Over five years</u>	<u>Total</u>
Financial liabilities						
Due to banks	2,441,383	-	-	-	-	2,441,383
Due to customers	101,348,113	109,871,388	301,479,758	563,044,483	18,359,616	1,094,103,358
Issued debt instruments	16,767	31,911	148,739	5,172,710	-	5,370,127
Other loans	39,963	400,705	2,567,007	19,128,652	14,367,883	36,504,210
Total liabilities (contractual and non contractual maturity dates)	103,846,226	110,304,004	304,195,504	587,345,845	32,727,499	1,138,419,078
Total financial assets (contractual and non contractual maturity dates)	298,164,069	164,683,982	305,808,215	599,186,506	127,958,789	1,495,801,561
Dec.31, 2023	<u>Up to 1 month</u>	<u>One to three months</u>	<u>Three months to one year</u>	<u>One year to five years</u>	<u>Over five years</u>	<u>Total</u>
Financial liabilities						
Due to banks	11,971,567	65,462	552,098	-	-	12,589,127
Due to customers	61,187,716	76,925,779	193,715,435	414,820,323	12,533,110	759,182,363
Issued debt instruments	10,189	19,720	90,384	3,257,074	-	3,377,367
Other loans	137,513	215,330	658,073	5,372,219	12,080,624	18,463,759
Total liabilities (contractual and non contractual maturity dates)	73,306,985	77,226,291	195,015,990	423,449,616	24,613,734	793,612,616
Total financial assets (contractual and non contractual maturity dates)	276,249,364	75,194,481	209,938,489	321,079,772	116,723,952	999,186,058

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

Assets available to meet all of the liabilities and to cover outstanding loan commitments include cash, due from CBE and due from banks, treasury bills, other government notes, loans and advances to banks and customers. In the normal course of business, a proportion of customer loans contractually repayable within one year will be extended. In addition, some treasury bills have been pledged. The Bank would also be able to meet unexpected net cash outflows by selling securities and accessing additional funding sources.

3.3.4. Derivative cash flows

The Bank's derivatives include:

Foreign exchange derivatives: exchange traded options and over-the-counter (OTC), exchange traded forwards currency options that will be settled on a gross basis. Interest rate derivatives: interest rate swaps, forward rate agreements, OTC and exchange traded interest rate options, other interest rate contracts futures, and exchange traded that will be settled on a net basis.

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

Dec.31, 2024	<u>Up to 1 month</u>	<u>One to three months</u>	<u>Three months to one year</u>	<u>One year to five years</u>	<u>Total</u>
Liabilities					
Derivatives financial instruments					
Foreign exchange derivatives	37,684	2,982	-	-	40,666
Interest rate derivatives	-	-	59,905	-	59,905
Total	37,684	2,982	59,905	-	100,571
Total as of Dec. 31, 2023	22,199	16,822	6,895	95,018	140,934
Off balance sheet items					
Dec.31, 2024	<u>Up to 1 year</u>	<u>1-5 years</u>	<u>Over 5 years</u>	<u>Total</u>	
Letters of credit, guarantees and other commitments	169,536,332	88,297,610	30,251,074	288,085,016	
Total	169,536,332	88,297,610	30,251,074	288,085,016	
Total as of Dec. 31, 2023	112,440,402	48,167,837	13,826,592	174,434,831	
Dec.31, 2024	<u>Up to 1 year</u>	<u>1-5 years</u>	<u>Total</u>		
Credit facilities commitments	4,661,895	1,957,876	6,619,771		
Total	4,661,895	1,957,876	6,619,771		
Total as of Dec. 31, 2023	4,273,566	1,078,987	5,352,553		

3.4. Fair value of financial assets and liabilities

3.4.1. Financial instruments not measured at fair value

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

	<u>Book value</u>		<u>Fair value</u>	
	Dec.31, 2024	Dec.31, 2023	Dec.31, 2024	Dec.31, 2023
Financial assets				
Gross due from banks	270,089,658	230,709,611	270,942,963	231,443,734
Gross loans and advances to banks	9,863,221	823,739	9,697,155	815,060
Gross loans and advances to customers	389,574,961	265,103,674	391,039,366	267,321,303
Financial investments:				
Financial Assets at Amortized cost	167,736,005	38,037,650	167,104,571	36,249,803
Total financial assets	837,263,845	534,674,674	838,784,055	535,829,900
Financial liabilities				
Due to banks	2,317,715	12,427,384	2,317,761	12,460,019
Due to customers	967,895,387	675,310,076	971,590,917	679,145,586
Issued debt instruments	5,067,781	3,073,349	5,076,291	3,074,203
Other loans	23,962,389	12,483,907	24,242,886	12,613,487
Total financial liabilities	999,243,272	703,294,716	1,003,227,855	707,293,295

Fair values of financial instruments

The following table provides the fair value measurement hierarchy of the assets and liabilities according to EAS.

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

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

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

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the bank can access at the measurement date.

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - Unobservable inputs for the asset or liability.

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (level 2)	Valuation techniques (level 3)	
Dec.31, 2024				
Measured at fair value:				
Financial assets				
Financial Assets at Fair Value through OCI	142,130,887	90,899,016	-	233,029,903
Total	142,130,887	90,899,016	-	233,029,903
Derivative financial instruments:				
Financial assets	-	-	819,711	819,711
Financial liabilities	-	-	100,571	100,571
Total	-	-	920,282	920,282
Assets for which fair values are disclosed:				
Financial Assets at Amortized cost	167,104,571	-	-	167,104,571
Loans and advances to banks	-	-	9,697,155	9,697,155
Loans and advances to customers	-	-	391,039,366	391,039,366
Total	167,104,571	-	400,736,521	567,841,092
Liabilities for which fair values are disclosed:				
Issued debt instruments	-	5,076,291	-	5,076,291
Other loans	-	24,242,886	-	24,242,886
Due to customers	-	-	971,590,917	971,590,917
Total	-	29,319,177	971,590,917	1,000,910,094

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (level 2)	Valuation techniques (level 3)	
Dec.31, 2023				
Measured at fair value:				
Financial assets				
Financial Assets at Fair value through OCI	114,372,488	117,918,110	-	232,290,598
Total	114,372,488	117,918,110	-	232,290,598
Derivative financial instruments:				
Financial assets	-	-	1,101,896	1,101,896
Financial liabilities	-	-	140,934	140,934
Total	-	-	1,242,830	1,242,830
Assets for which fair values are disclosed:				
Financial Assets at Amortized cost	36,249,803	-	-	36,249,803
Loans and advances to banks	-	-	815,060	815,060
Loans and advances to customers	-	-	267,321,303	267,321,303
Total	36,249,803	-	268,136,363	304,386,166
Liabilities for which fair values are disclosed:				
Issued debt instruments	-	3,074,203	-	3,074,203
Other loans	-	12,613,487	-	12,613,487
Due to customers	-	-	679,145,586	679,145,586
Total	-	15,687,690	679,145,586	694,833,276

Fair value of financial assets and liabilities

Due from banks

The fair value of deposits at banks is estimated based on the discounted cash flows of these contracts, using the effective interest rate.

Loans and advances to banks

The fair value of loans and advances to banks is represented by the present value of expected future cash flows. These cash flows are discounted using the effective interest rate to determine the fair value.

Loans and advances to customers

The expected fair value of loans and facilities is represented by the present value of future expected cash inflows. These cash flows are discounted using the effective interest rate to calculate the fair value.

Financial Investments

Investment securities include financial assets at amortized cost while fair value through OCI is being revaluated.

Fair value for amortized cost assets is based on market prices.

If this data is not available, the fair value is estimated using financial market prices for traded securities with similar credit characteristics, maturity dates, and rates.

For equity shares listed in an active market, they are evaluated based on market prices. Otherwise, an external valuator are relied upon to evaluate those stocks.

Due to other banks and customers

The estimated fair value of demand deposits, which include non-interest-bearing deposits, is represented by the amount payable on demand. The fair value of time deposits and other loans not traded in active markets is determined based on discounted cash flows, using the effective interest rate.

Issued debt instruments

The total fair value is calculated based on a discounted cash flow model using the effective interest rate.

3.5 Capital management

For capital management purposes, the Bank's capital includes total equity as reported in the balance sheet plus some other elements that are managed as capital. The Bank manages its capital to ensure that the following objectives are achieved:

- Complying with the legally imposed capital requirements in Egypt.
- Protecting the Bank's ability to continue as a going concern and enabling the generation of yield for shareholders and other parties dealing with the bank.
- Maintaining a strong capital base to enhance growth of the Bank's operations.

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

Central Bank of Egypt requires the following:

- Maintaining EGP 5 billion as a minimum requirement for the issued and paid-in capital, noting that at the reporting date the issued and paid up capital has reached EGP 30.4 billion.
- Maintaining a minimum level of capital adequacy ratio of 12.75%, calculated as the ratio between total value of the capital elements, and the risk-weighted assets and contingent liabilities of the Bank (credit risk, market risk and operational risk). While taking into consideration the conservation buffer, and D-SIBs required by CBE.

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

Tier one:

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

Tier two:

Tier two consists of stage one of Expected Credit Loss (ECL) for debt instrument, loans and credit facilities capped by 1.25% risk weighted assets and contingent liabilities, subordinated loans/deposits (amortizing 20% of its carrying amount in each year of the remaining five years to maturity) and 45% of the increase in fair value than book value for the investments in subsidiaries and associates.

When calculating the numerator of capital adequacy ratio, total amount of subordinated loans (deposits) should not exceed 50 % of Tier 1.

Assets risk weight scale ranging from zero to 400% is based on the counterparty risk to reflect the related credit risk scheme, taking into consideration the cash collaterals and guarantees according to CBE regulations. Similar criteria are used for off balance sheet items after applying conversion factors to reflect the nature of contingency and the potential loss of those amounts. The Bank has complied with all local capital adequacy requirements for the current year.

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

3.5.1 Capital Adequacy Ratio

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

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

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

3.5.2 Leverage ratio

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

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

For December 2024 NSFR ratio record 238% (LCY 239% and FCY 236%), and LCR ratio record 1037% (LCY 1709% and FCY 403%).

For December 2023 NSFR ratio record 253% (LCY 264% and FCY 229%), and LCR ratio record 1342% (LCY 2250% and FCY 175%).

3.6 Critical accounting estimates and judgments

The Bank makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year.

Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances and available information. Uncertainty about these assumptions and

estimates could result in outcomes that require adjustments to the carrying amount of assets or liabilities affected in future periods.

3.7 Fair value of derivatives

The fair value of financial instruments that are not quoted in active markets are determined by using valuation techniques. these valuation techniques (as models) are validated and periodically reviewed by qualified personnel independent of the area that created them.

All models are certified before they are used, and models are calibrated to ensure that outputs reflect actual data and comparative market prices. For practicality purposes, models use only observable data; however, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect reported fair value of financial instruments.

4. Segment analysis by business segment

The Bank is divided into the following business segments:

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

Inter-segment activities which is affected by the Bank's normal course of business. Assets and liabilities of each segment include operating assets and liabilities as displayed in the Financial Statements.

Dec.31, 2024	<u>Corporate banking</u>	<u>SME's</u>	<u>Investments</u>	<u>Retail banking</u>	<u>Asset Liability Management</u>	<u>Total</u>
Net revenue according to business segment *	60,907,399	9,515,044	18,709,616	20,419,590	9,336,810	118,888,459
Expenses according to business segment	(31,894,156)	(2,611,270)	(121,966)	(6,837,791)	(22,335)	(41,487,518)
Profit before tax	29,013,243	6,903,774	18,587,650	13,581,799	9,314,475	77,400,941
Income tax	(8,236,440)	(1,959,882)	(5,276,765)	(3,855,676)	(2,644,245)	(21,973,008)
Profit for the year	20,776,803	4,943,892	13,310,885	9,726,123	6,670,230	55,427,933
Total assets	336,980,205	11,740,156	401,637,430	74,343,035	384,617,722	1,209,318,548
Total liabilities	399,462,254	91,318,692	-	536,867,966	29,983,458	1,057,632,370

* Represents the net interest income and other income.

Dec.31, 2023	<u>Corporate banking</u>	<u>SME's</u>	<u>Investments</u>	<u>Retail banking</u>	<u>Asset Liability Management</u>	<u>Total</u>
Net revenue according to business segment	21,809,637	6,953,542	7,613,362	16,303,694	8,388,368	61,068,603
Expenses according to business segment	(10,760,117)	(1,913,988)	(2,143,821)	(5,118,488)	(607,205)	(20,543,619)
Profit before tax	11,049,520	5,039,554	5,469,541	11,185,206	7,781,163	40,524,984
Income tax	(3,205,635)	(1,462,052)	(1,586,798)	(3,244,999)	(2,257,434)	(11,756,918)
Profit for the year	7,843,885	3,577,502	3,882,743	7,940,207	5,523,729	28,768,066
Total assets	201,580,703	8,211,322	270,999,772	56,742,099	294,993,246	832,527,142
Total liabilities	285,414,218	60,305,027	-	369,124,148	27,383,743	742,227,136

5. Segment analysis by geographical segment

Dec.31, 2024	<u>Greater Cairo</u>	<u>Alex, Delta & Sinai</u>	<u>Upper Egypt</u>	<u>Total</u>
Revenue according to geographical segment	103,634,536	11,407,670	3,846,253	118,888,459
Expenses according to geographical segment	(36,957,475)	(2,957,601)	(1,572,442)	(41,487,518)
Profit before tax	66,677,061	8,450,069	2,273,811	77,400,941
Income tax	(18,928,654)	(2,398,852)	(645,502)	(21,973,008)
Profit for the year	47,748,407	6,051,217	1,628,309	55,427,933
Total assets	1,128,927,977	64,483,232	15,907,339	1,209,318,548
Total liabilities	796,030,520	211,231,928	50,369,922	1,057,632,370

Dec.31, 2023	<u>Greater Cairo</u>	<u>Alex, Delta & Sinai</u>	<u>Upper Egypt</u>	<u>Total</u>
Revenue according to geographical segment	51,100,964	8,531,843	1,435,796	61,068,603
Expenses according to geographical segment	(18,402,481)	(2,115,141)	(25,997)	(20,543,619)
Profit before tax	32,698,483	6,416,702	1,409,799	40,524,984
Income tax	(9,486,331)	(1,861,583)	(409,004)	(11,756,918)
Profit for the year	23,212,152	4,555,119	1,000,795	28,768,066
Total assets	777,717,138	45,036,445	9,773,559	832,527,142
Total liabilities	559,104,069	151,824,454	31,298,613	742,227,136

6 . Net interest income

	Dec.31, 2024	Dec.31, 2023
Interest and similar income		
- Banks	47,654,216	29,971,279
- Clients	63,136,349	36,498,229
Total	110,790,565	66,469,508
Treasury bills, bonds and other governmental notes	63,752,692	32,809,190
Debt instruments at fair value through OCI and AC	7,508,661	4,408,569
Total	182,051,918	103,687,267
Interest and similar expense		
- Banks	(10,190,185)	(2,462,374)
- Clients	(78,711,160)	(47,087,041)
Total	(88,901,345)	(49,549,415)
Repos	(19,188)	(156,017)
Other loans	(2,137,347)	(1,115,442)
Issued debt instruments	(177,615)	(119,630)
Total	(91,235,495)	(50,940,504)
Net interest income	90,816,423	52,746,763

7 . Net fee and commission income

	Dec.31, 2024	Dec.31, 2023
Fee and commission income		
Fee and commissions related to credit	4,687,413	3,284,557
Custody fee	755,738	551,324
Other fee	7,350,634	5,210,123
Total	12,793,785	9,046,004
Fee and commission expense		
Other fee paid	(5,728,572)	(3,612,232)
Total	(5,728,572)	(3,612,232)
Net income from fee and commission	7,065,213	5,433,772

8 . Dividend income

	Dec.31, 2024	Dec.31, 2023
Financial assets at fair value through OCI	71,568	170,638
Subsidiaries and associates	29,924	16,591
Total	101,492	187,229

9 . Net trading income

	Dec.31, 2024	Dec.31, 2023
Profit (Loss) from foreign exchange transactions	20,753,518	4,080,479
Profit (Loss) from forward foreign exchange deals revaluation	(539,674)	(64,227)
Profit (Loss) from interest rate swaps revaluation	21,150	291,504
Profit (Loss) from currency swap deals revaluation	(54,006)	(401,470)
Profit (Loss) from financial assets at fair value through P&L	265,006	17,562
Total	20,445,994	3,923,848

10 . Administrative expenses

	Dec.31, 2024	Dec.31, 2023
Staff costs		
Wages and salaries	(6,938,813)	(5,186,718)
Social insurance	(288,575)	(354,136)
Other benefits	(424,353)	(282,763)
Other administrative expenses*	(5,682,178)	(3,942,119)
Total	(13,333,919)	(9,765,736)

* The expenses related to the activity for which the bank obtains a commodity or service, donations and depreciation.

11 . Other operating income (expenses)

	Dec.31, 2024	Dec.31, 2023
Profits (losses) from revaluation of non-trading assets and liabilities by FCY	(15,457,960)	(756,492)
Profits from selling property and equipment	2,246	1,663
Release (charges) of other provisions	(3,398,987)	(2,833,219)
Other income (expenses)	(4,830,662)	(2,902,556)
Total	(23,685,363)	(6,490,604)

12 . Impairment release (charges) for credit losses

	Dec.31, 2024	Dec.31, 2023
Loans and advances to customers and banks	(4,719,426)	(2,334,846)
Due from banks	93	49,042
Financial securities	251,097	(2,001,475)
Total	(4,468,236)	(4,287,279)

13 . Adjustments to calculate the effective tax rate

	Dec.31, 2024	Dec.31, 2023
Profit before tax	77,400,941	40,524,984
Tax rate	22.50%	22.50%
Income tax based on accounting profit	17,415,212	9,118,121
Add / (Deduct)		
Non-deductible expenses	8,258,523	4,859,295
Tax exemptions	(13,093,490)	(7,458,312)
Withholding tax	9,392,763	5,237,814
Income and Deferred tax	21,973,008	11,756,918
Effective tax rate	28.39%	29.01%

14 . Earnings per share

	Dec.31, 2024	Dec.31, 2023
Net profit for the year, available for distribution	55,428,315	28,763,709
Board members' bonus*	(178,000)	(110,239)
Staff profit sharing*	(5,542,832)	(2,876,371)
Profits attributable to shareholders	49,707,483	25,777,099
Weighted average number of shares	3,032,982	3,032,982
Basic earning per share	16.39	8.50
By issuance of ESOP earning per share will be:		
Average number of shares including ESOP shares	3,070,752	3,070,752
Diluted earning per share	16.19	8.39

* Proposed amounts are subject to change according to GAM decision.

15 . Cash and balances at the central bank

	Dec.31, 2024	Dec.31, 2023
Cash	21,637,856	7,463,707
Obligatory reserve balance with CBE		
- Current accounts	114,528,064	64,283,636
Total	136,165,920	71,747,343
Non-interest bearing balances	136,165,920	71,747,343

16 . Due from banks

	Dec.31, 2024	Dec.31, 2023
Current accounts	8,403,491	4,743,930
Deposits	261,686,167	225,965,681
Expected credit losses	(217)	(192)
Total	270,089,441	230,709,419
Central banks	99,637,072	198,023,653
Local banks	101,775,461	7,418,937
Foreign banks	68,676,908	25,266,829
Total	270,089,441	230,709,419
Non-interest bearing balances	2,123,705	2,469,381
Floating interest bearing balances	44,712,342	98,470,020
Fixed interest bearing balances	223,253,394	129,770,018
Total	270,089,441	230,709,419
Current balances	270,089,441	226,075,641
Non-Current balances	-	4,633,778
Total	270,089,441	230,709,419

17 . Treasury bills and Other Governmental notes

	Dec.31, 2024	Dec.31, 2023
91 Days maturity	1,096,750	718,500
182 Days maturity	14,747,975	6,619,200
273 Days maturity	9,502,200	9,998,675
364 Days maturity	72,707,618	51,590,470
Unearned interest	(8,916,960)	(4,911,765)
Total Treasury bills	89,137,583	64,015,080
Repos - Treasury bills	(563,568)	(611,377)
Net	88,574,015	63,403,703
Other Governmental notes	-	50,000,000
Total Treasury bills and other governmental notes	88,574,015	113,403,703

18 . Loans and advances to banks, net

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

Analysis for ECL of loans and advances to banks

	Dec.31, 2024	Dec.31, 2023
Beginning balance of the year	(1,291)	(10,213)
Released (charged) during the year	(131,405)	8,922
Exchange revaluation difference	(795)	-
Ending balance of the year	(133,491)	(1,291)

19 . Loans and advances to customers, net

	Dec.31, 2024	Dec.31, 2023
Individual		
- Overdraft	3,691,074	2,922,161
- Credit cards	15,027,813	10,297,598
- Personal loans	54,878,117	42,508,494
- Mortgage loans	5,773,316	4,336,631
Total 1	79,370,320	60,064,884
Corporate and Business Banking		
- Overdraft	86,877,125	54,824,060
- Direct loans	142,330,243	98,468,654
- Syndicated loans	79,963,890	51,311,552
- Other loans	1,033,383	434,524
Total 2	310,204,641	205,038,790
Total Loans and advances to customers (1+2)	389,574,961	265,103,674
Less:		
Unamortized bills discount	(238,286)	(509,523)
Unamortized syndicated loans discount	(84,093)	(145,003)
ECL	(45,260,455)	(29,127,204)
Suspended credit account	(3,036,429)	(1,497,199)
Net loans and advances to customers	340,955,698	233,824,745
Distributed to		
Current balances	195,793,447	126,122,466
Non-current balances	145,162,251	107,702,279
Total	340,955,698	233,824,745

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

	Dec.31, 2024				
Individual Loans:	<u>Overdraft</u>	<u>Credit cards</u>	<u>Personal loans</u>	<u>Mortgage loans</u>	<u>Total</u>
Beginning balance	(4,355)	(723,525)	(1,418,318)	(84,261)	(2,230,459)
Released (charged) during the year	(6,513)	(1,292,174)	(385,224)	(2,476)	(1,686,387)
Written off during the year	3,038	69,410	190,105	1,638	264,191
Recoveries during the year	(1,595)	(69,878)	(85,661)	(548)	(157,682)
Ending balance	(9,425)	(2,016,167)	(1,699,098)	(85,647)	(3,810,337)

	Dec.31, 2024				
Corporate and Business Banking:	<u>Overdraft</u>	<u>Direct loans</u>	<u>Syndicated loans</u>	<u>Other loans</u>	<u>Total</u>
Beginning balance	(2,797,194)	(18,287,318)	(5,792,813)	(19,420)	(26,896,745)
Released (charged) during the year	(2,193,601)	3,394,495	(4,085,932)	(16,596)	(2,901,634)
Written off during the year	11,501	236,120	-	1,209	248,830
Recoveries during the year	(1,000)	(709,589)	-	-	(710,589)
ECL Transfer to Other provisions	-	-	1,276,440	-	1,276,440
Foreign currencies translation differences	(848,120)	(8,133,971)	(3,484,329)	-	(12,466,420)
Ending balance	(5,828,414)	(23,500,263)	(12,086,634)	(34,807)	(41,450,118)

	Dec.31, 2023				
Individual Loans:	<u>Overdraft</u>	<u>Credit cards</u>	<u>Personal loans</u>	<u>Mortgage loans</u>	<u>Total</u>
Beginning balance	(3,506)	(321,990)	(1,194,486)	(62,359)	(1,582,341)
Released (charged) during the year	(1,800)	(402,460)	(334,619)	(25,054)	(763,933)
Write off during the year	1,960	59,027	177,095	3,332	241,414
Recoveries during the year	(1,009)	(58,102)	(66,308)	(180)	(125,599)
Ending balance	(4,355)	(723,525)	(1,418,318)	(84,261)	(2,230,459)

	Dec.31, 2023				
Corporate and Business Banking:	<u>Overdraft</u>	<u>Direct loans</u>	<u>Syndicated loans</u>	<u>Other loans</u>	<u>Total</u>
Beginning balance	(2,502,614)	(15,167,970)	(5,140,282)	(8,807)	(22,819,673)
Released (charged) during the year	209,213	(2,298,467)	520,032	(10,613)	(1,579,835)
Write off during the year	2,529	2,234,286	-	-	2,236,815
Recoveries during the year	-	(51,666)	-	-	(51,666)
foreign currencies translation differences	(506,322)	(3,003,501)	(1,172,563)	-	(4,682,386)
Ending balance	(2,797,194)	(18,287,318)	(5,792,813)	(19,420)	(26,896,745)

20 . Derivative financial instruments

20.1 Derivatives

The Bank uses the following financial derivatives for hedging purposes and non hedging purposes.

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

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

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

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

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

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

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

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

Hereunder are the fair values of the booked financial derivatives:

20.1.1 For trading derivatives

	Dec.31, 2024			Dec.31, 2023		
	<u>Notional amount</u>	<u>Assets</u>	<u>Liabilities</u>	<u>Notional amount</u>	<u>Assets</u>	<u>Liabilities</u>
Foreign currencies derivatives						
- Forward foreign exchange contracts	2,504,361	25,118	24,029	4,491,601	578,528	37,765
- Swap deals	31,366,261	266	16,637	74,723,052	45,785	8,151
Total (1)		25,384	40,666		624,313	45,916
20.1.2 Fair value hedge						
-Interest rate derivatives	28,215,534	111,707	59,905	15,446,550	40,482	95,018
Total (2)		111,707	59,905		40,482	95,018
20.1.3 Cash flow hedge						
Cash flow hedge	21,567,522	682,620	-	3,089,310	437,101	-
Total (3)		682,620	-		437,101	-
Total financial derivatives (1+2+3)		819,711	100,571		1,101,896	140,934

20.2 Hedging derivatives

Fair value hedge

The Bank uses interest rate swap contracts to cover part of the risk of potential increase in fair value of its fixed rate customer deposits in foreign currencies. Net derivative value resulting from the related hedging instruments is EGP 51,802 thousand at the end of December 31, 2024 against EGP (54,536) thousand at December 31, 2023, resulting in profits from hedging instruments at December 31, 2024 of EGP 106,338 thousand against losses of EGP 85,016 thousand at December 31, 2023. Losses arose from the hedged items at December 31, 2024 reached EGP 89,590 thousand against Profits EGP 84,228 thousand at December 31, 2023.

Cash Flow Hedge

The bank uses the interest rate swap contracts to cover the interest rate risk associated with variable cash flows from assets or liabilities..

The interest rate swap contracts with a contractual/notional value of EGP 21,567,522 thousand and a fair value of EGP 682,620 thousand as at 31-December-2024 against a contractual/notional value of EGP 3,089,310 thousand and a fair value of EGP 437,101 thousand as at 31-December-2023 were designated as cash flow hedge for loans and subordinated loans with floating interest rates.

21 . Movement of financial investment securities:

	<u>Financial Assets at Fair Value through OCI</u>	<u>Financial Assets at Amortized cost</u>
Beginning balance as of 2023	202,916,225	34,178,753
Addition	129,292,929	9,142,334
Disposals	(98,908,718)	(6,125,452)
Profit (losses) from fair value difference	(5,800,792)	-
Exchange revaluation differences for foreign financial assets	4,790,954	651,479
Ending Balance as of Dec.31, 2023	232,290,598	37,847,114

	<u>Financial Assets at Fair Value through OCI</u>	<u>Financial Assets at Amortized cost</u>
Beginning balance as of 2024	232,290,598	37,847,114
Addition	112,821,260	128,648,360
Disposals	(140,257,110)	(1,870,762)
Profit (losses) from fair value difference	9,801,355	-
Exchange revaluation differences for foreign financial assets	18,373,800	2,652,244
Ending Balance as of December 31, 2024	233,029,903	167,276,956

21 . Financial investments securities

	<u>Dec.31, 2024</u>	
	<u>Financial Assets at Fair Value through OCI</u>	<u>Financial Assets at Amortized cost</u>
Investments listed in the market		
Governmental bonds	114,322,973	164,151,606
Securitized and other bonds	25,955,015	2,015,953
Equity instruments	159,066	-
Sukuk	1,693,833	-
Investments not listed in the market		
Treasury bills	88,574,015	-
Securitized and other bonds	1,163,813	1,109,397
Equity instruments	689,496	-
Mutual funds	471,692	-
Total	233,029,903	167,276,956

	Dec.31, 2023		
	Financial Assets at Fair Value through OCI	Financial Assets at Amortized cost	Total
Investments listed in the market			
Governmental bonds	86,841,424	37,411,623	124,253,047
Securitized and other bonds	26,535,662	363,647	26,899,309
Equity instruments	121,184	-	121,184
Sukuk	874,218	-	874,218
Investments not listed in the market			
Treasury bills and Other Governmental notes	113,403,703	-	113,403,703
Securitized and other bonds	3,299,797	71,844	3,371,641
Equity instruments	805,674	-	805,674
Mutual funds	408,936	-	408,936
Total	232,290,598	37,847,114	270,137,712

Classification and measurement of financial assets and financial liabilities:

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

Dec.31, 2024	Amortized cost	Debt financial Assets at Fair value through OCI	Equity financial Assets at Fair value through OCI	Financial Assets/Liabilities at Fair value through P&L	Total book value
Cash and balances with central bank	136,165,920	-	-	-	136,165,920
Due from banks	270,089,441	-	-	-	270,089,441
Treasury bills	-	88,574,015	-	-	88,574,015
Loans and advances to customers, net	340,955,698	-	-	-	340,955,698
Loans and advances to banks, net	9,555,410	-	-	-	9,555,410
Derivative financial instruments	-	-	-	819,711	819,711
Financial Assets at Fair value through OCI	-	143,135,634	1,320,254	-	144,455,888
Financial Assets at Amortized cost	167,276,956	-	-	-	167,276,956
Total 1	924,043,425	231,709,649	1,320,254	819,711	1,157,893,039
Due to banks	2,317,715	-	-	-	2,317,715
Due to customers	967,895,387	-	-	-	967,895,387
Derivative financial instruments	-	-	-	100,571	100,571
Issued debt instruments	5,067,781	-	-	-	5,067,781
Other loans	23,962,389	-	-	-	23,962,389
Other Provisions	18,613,060	-	-	-	18,613,060
Total 2	1,017,856,332	-	-	100,571	1,017,956,903
Total Financial Assets as of 31-Dec-2023	574,951,069	230,954,804	1,335,794	1,101,896	808,343,563
Total Financial Liabilities as of 31-Dec-2023	714,383,088	-	-	140,934	714,524,022

21.1 Profits (Losses) on financial investments

	Dec.31, 2024	Dec.31, 2023
Profit (Loss) from selling FVOCI financial instruments	459,337	205,344
Profit from selling shares of associates	-	7,466
Released (Impairment) for investment in associates and subsidiaries	-	(1,435,819)
Total	459,337	(1,223,009)

22 . Investments in subsidiaries and associates

Dec.31, 2024	<u>Company's country</u>	<u>Company's assets</u>	<u>Company's liabilities (without equity)</u>	<u>Company's revenues</u>	<u>Company's net profit (loss)</u>	<u>Investment book value</u>	<u>Stake %</u>
Subsidiaries							
- Damietta shipping & marine services	Egypt	140,924	4,779	126,322	120,545	97,991	49.95
- Commercial International Bank (CIB) Kenya	Kenya	6,721,152	5,300,024	784,212	(254,412)	355,274	100.00
- Commercial International for Finance	Egypt	1,129,119	890,684	94,866	12,426	259,900	99.96
-Commercial International Africa Holding Company*	Mauritius	-	-	-	-	-	100.00
Associates							
- TCA Properties	Egypt	1,531,763	1,458,913	68,725	(72,560)	158,360	37.00
- Al Ahly Computer	Egypt	87,825	47,861	124,562	10,502	-	39.33
Total		9,610,783	7,702,261	1,198,687	(183,499)	871,525	

* The bank established a subsidiary under the name (Commercial International Africa Holding Company) in the state of Mauritius, which owns 100% stake, and the company's activity did not begin until the date of preparing the financial statements.

Dec.31, 2023	<u>Company's country</u>	<u>Company's assets</u>	<u>Company's liabilities (without equity)</u>	<u>Company's revenues</u>	<u>Company's net profit (loss)</u>	<u>Investment book value</u>	<u>Stake %</u>
Subsidiaries							
- Damietta shipping & marine services	Egypt	79,011	2,397	64,358	61,014	97,991	49.95
- Commercial International Bank (CIB) Kenya	Kenya	3,463,032	2,627,118	456,182	7,792	355,274	100.00
- Commercial International for Finance	Egypt	46,196	20,239	13,517	(34,043)	59,900	99.83
Associates							
- TCA Properties	Egypt	1,508,346	1,364,689	56,196	(89,746)	158,360	37.00
- Al Ahly Computer	Egypt	30,031	30,620	48,038	(20,097)	-	39.33
Total		5,126,616	4,045,063	638,291	(75,080)	671,525	

23 . Other assets

	Dec.31, 2024	Dec.31, 2023
Accrued revenues	35,151,259	13,018,038
Prepaid expenses	1,434,589	892,438
Advances to purchase fixed assets	5,367,781	1,906,547
Accounts receivable (after deducting the provision)*	2,077,822	3,011,250
Assets acquired as settlement of debts	40,809	49,019
Insurance	102,972	51,775
Total	44,175,232	18,929,067

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

This item includes other assets that are not classified under specific items of balance sheet assets, such as: accrued income and prepaid expenses, custodies, debit accounts under settlement and any balance that has no place in any other asset category.

24 . Property and equipment

	Land	Premises	IT	Vehicles	Dec.31, 2024 Fitting -out	Machines and equipment	Furniture and furnishing	Total
Cost at Jan 01, 2024 (1)	229,669	1,230,946	4,573,936	224,748	1,018,249	938,396	162,279	8,378,223
Additions during the year	-	93,207	1,424,428	19,824	287,183	360,141	37,314	2,222,097
Disposals during the year	-	(22,230)	(30,432)	-	(31,011)	(20,486)	(2,527)	(106,686)
Cost at end of the year (2)	229,669	1,301,923	5,967,932	244,572	1,274,421	1,278,051	197,066	10,493,634
Accumulated depreciation at beginning of the year (3)	-	591,348	3,182,771	91,695	915,794	729,113	129,566	5,640,287
Depreciation for the year	-	58,226	774,418	758	97,761	129,990	17,260	1,078,413
Disposals during the year	-	(22,230)	(30,432)	-	(31,011)	(20,486)	(2,527)	(106,686)
Accumulated depreciation at end of the year (4)	-	627,344	3,926,757	92,453	982,544	838,617	144,299	6,612,014
Ending net assets (2-4)	229,669	674,579	2,041,175	152,119	291,877	439,434	52,767	3,881,620
Beginning net assets (1-3)	229,669	639,598	1,391,165	133,053	102,455	209,283	32,713	2,737,936

	Land	Premises	IT	Vehicles	Dec.31, 2023 Fitting -out	Machines and equipment	Furniture and furnishing	Total
Cost at Jan 01, 2023 (1)	229,669	1,170,233	3,514,649	185,552	980,692	868,485	155,586	7,104,866
Additions during the year	-	65,363	1,078,265	39,196	37,557	88,468	9,143	1,317,992
Disposals during the year	-	(4,650)	(18,978)	-	-	(18,557)	(2,450)	(44,635)
Cost at end of the year (2)	229,669	1,230,946	4,573,936	224,748	1,018,249	938,396	162,279	8,378,223
Accumulated depreciation at beginning of the year (3)	-	541,398	2,612,834	78,210	815,287	637,275	115,349	4,800,353
Depreciation for the year	-	54,600	588,915	13,485	100,507	110,395	16,667	884,569
Disposals during the year	-	(4,650)	(18,978)	-	-	(18,557)	(2,450)	(44,635)
Accumulated depreciation at end of the year (4)	-	591,348	3,182,771	91,695	915,794	729,113	129,566	5,640,287
Ending net assets (2-4)	229,669	639,598	1,391,165	133,053	102,455	209,283	32,713	2,737,936
Beginning net assets (1-3)	229,669	628,835	901,815	107,342	165,405	231,210	40,237	2,304,513

25 . Due to banks

	Dec.31, 2024	Dec.31, 2023
Current accounts	1,297,380	2,308,193
Deposits	1,020,335	10,119,191
Total	2,317,715	12,427,384
Central banks	714,368	618,597
Local banks	43,832	16,626
Foreign banks	1,559,515	11,792,161
Total	2,317,715	12,427,384
Non-interest bearing balances	1,297,380	1,976,181
Floating bearing interest balances	679,715	553,295
Fixed interest bearing balances	340,620	9,897,908
Total	2,317,715	12,427,384
Current balances	2,317,715	12,427,384

26 . Due to customers

	Dec.31, 2024	Dec.31, 2023
Demand deposits	368,583,912	255,561,871
Time deposits	191,512,601	116,020,391
Certificates of deposit	234,726,375	188,832,842
Saving deposits	164,067,251	107,332,593
Other deposits	9,005,248	7,562,379
Total	967,895,387	675,310,076
Corporate deposits	430,570,338	305,935,625
Individual deposits	537,325,049	369,374,451
Total	967,895,387	675,310,076
Non-interest bearing balances	162,273,902	121,799,158
Floating interest bearing balances	9,194,485	5,664,023
Fixed interest bearing balances	796,427,000	547,846,895
Total	967,895,387	675,310,076
Current balances	728,355,541	481,732,737
Non-current balances	239,539,846	193,577,339
Total	967,895,387	675,310,076

In 2024, Due to customers contains an amount of EGP 2,465 million representing guarantees of irrevocable commitments for documentary credits - export compared to EGP 1,931 million in 2023. The fair value of these deposits is approximately their present value.

27 . Issued debt instruments

Interest rate

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

28 . Other loans

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

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

29 . Other liabilities

	Dec.31, 2024	Dec.31, 2023
Accrued interest payable	3,831,275	3,807,422
Accrued expenses	4,427,099	2,542,423
Accounts payable	12,813,436	11,435,939
Other credit balances	275,689	521,796
Total	21,347,499	18,307,580

30 . Other provisions

Dec.31, 2024	<u>Beginning balance</u>	<u>Net charged / released during the year</u>	<u>Exchange revaluation difference</u>	<u>Net utilized / recovered during the year</u>	<u>Ending balance</u>
Provision for legal claims*	7,246	108,738	3,596	(232)	119,348
Provision for contingent	10,663,851	875,012	4,058,498	-	15,597,361
Provision for other claim**	417,275	2,377,298	111,132	(9,354)	2,896,351
Total	11,088,372	3,361,048	4,173,226	(9,586)	18,613,060

Dec.31, 2023	<u>Beginning balance</u>	<u>Net charged / released during the year</u>	<u>Exchange revaluation difference</u>	<u>Net utilized / recovered during the year</u>	<u>Ending balance</u>
Provision for legal claims*	7,456	1,400	448	(2,058)	7,246
Provision for contingent	6,674,314	2,811,978	1,180,071	(2,512)	10,663,851
Provision for other claim **	383,522	2,221	32,812	(1,280)	417,275
Total	7,065,292	2,815,599	1,213,331	(5,850)	11,088,372

* There is a number of existing filed cases against the bank on December 31, 2024 for which no provisions are made as the bank doesn't expect to incur losses.

** To face the potential risk of banking operations.

31 . Equity

31.1 Capital

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

	Dec.31, 2024	Dec.31, 2023
Authorized Capital	100,000,000	100,000,000
Issued and paid up capital	30,431,580	30,195,010
Number of outstanding shares in thousands	3,043,158	3,019,501

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

31.2 Reserves

According to The Bank status 5% of net profit is used to increase the legal reserve to reaches 50% of The Bank's issued and paid in capital.
Central Bank of Egypt approval for usage of special reserve is required.

32 . Deferred tax assets (Liabilities)

Deferred tax assets and liabilities are attributable to the following:

	<u>Assets (Liabilities)</u> Dec.31, 2024	<u>Assets (Liabilities)</u> Dec.31, 2023
Fixed assets (depreciation)	(173,063)	(83,567)
Other provisions (excluded loan loss, contingent liabilities and income tax provisions)	1,637,212	782,899
Change in fair value of investments through OCI	743,979	1,399,815
Other Balance Sheet Revaluation	(815,974)	(1,183,449)
Other investments impairment	395,979	395,979
Employee stock ownership plan (ESOP)	420,352	334,352
Interest rate swaps revaluation	(4,759)	(65,588)
Forward foreign exchange deals revaluation	133,578	104,782
Ending Balance	2,337,304	1,685,223

	<u>Assets (Liabilities)</u> Dec.31, 2024	<u>Assets (Liabilities)</u> Dec.31, 2023
Movement of Deferred Tax Assets and Liabilities:		
Beginning Balance	1,685,223	24,240
Additions / disposals through OCI	(655,836)	341,943
Additions / disposals through P&L	1,307,917	1,319,040
Ending Balance	2,337,304	1,685,223

33 . Share-based payments

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

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

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

Details of the outstanding tranches are as follows:

Maturity date	EGP	EGP	<u>No. of shares</u> <u>in thousand</u>
	<u>Exercise price</u>	<u>Fair value</u>	
2025	10.00	28.43	27,840
2026	10.00	34.09	26,000
2027	10.00	66.15	22,034
Total			75,874

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

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

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

34 . Reserves and retained earnings

	Dec.31, 2024	Dec.31, 2023
Legal reserve	6,208,674	4,770,354
General reserve	62,422,792	39,840,707
Capital reserve	22,818	21,155
Retained earnings	56,260,451	29,230,360
Reserve for financial assets at fair value through OCI	(7,095,741)	(16,808,265)
Reserve for employee stock ownership plan	1,868,235	1,486,010
Banking risks reserve	17,924	15,230
General risk reserve	1,549,445	1,549,445
Ending balance	121,254,598	60,104,996
34.1 Banking risks reserve	Dec.31, 2024	Dec.31, 2023
Beginning balance	15,230	11,981
Transferred to banking risk reserve	2,694	3,249
Ending balance	17,924	15,230
34.2 Legal reserve	Dec.31, 2024	Dec.31, 2023
Beginning balance	4,770,354	3,963,946
Transferred to legal reserve	1,438,320	806,408
Ending balance	6,208,674	4,770,354
34.3 Reserve for financial assets at fair value through OCI	Dec.31, 2024	Dec.31, 2023
Beginning balance	(16,808,265)	(13,138,461)
Transferred to RE from financial assets at fair value through OCI	(370,224)	(95,308)
Net unrealised gain/(loss) on financial assets at fair value through OCI	9,145,519	(5,458,849)
Effect of ECL in fair value of debt instruments measured at fair value through OCI	937,229	1,884,353
Ending balance	(7,095,741)	(16,808,265)
34.4 Retained earnings	Dec.31, 2024	Dec.31, 2023
Beginning balance	29,230,360	16,497,346
Transferred to reserves	(23,398,943)	(12,388,223)
Dividend paid	(5,366,429)	(3,738,888)
Net profit for the year	55,427,933	28,768,066
Transferred (from) to banking risk reserve	(2,694)	(3,249)
Transferred to RE from financial assets at fair value through OCI	370,224	95,308
Ending balance	56,260,451	29,230,360
34.5 Reserve for employee stock ownership plan	Dec.31, 2024	Dec.31, 2023
Beginning balance	1,486,010	1,895,435
Transferred to reserves	(623,125)	(1,164,242)
Cost of employees stock ownership plan (ESOP)	1,005,350	754,817
Ending balance	1,868,235	1,486,010
34.6 General risk reserve	Dec.31, 2024	Dec.31, 2023
Beginning balance	1,549,445	1,549,445
Ending balance	1,549,445	1,549,445

35 . Cash and cash equivalent

	Dec.31, 2024	Dec.31, 2023
Cash and balances at the central bank	136,165,920	71,747,343
Due from banks	270,089,658	230,709,611
Treasury bills and other governmental notes	88,574,015	113,403,703
Obligatory reserve balance with CBE	(114,528,064)	(64,283,636)
Due from banks with maturities more than three months	(65,753,867)	(4,942,896)
Treasury bills and other governmental notes with maturities more than three months	(87,518,918)	(112,721,932)
Total	227,028,744	233,912,193

36 . Contingent liabilities and commitments

36.1 Legal claims

- There is a number of existing cases against the bank on December 31, 2024 for which no provisions are made as the bank doesn't expect to incur losses from it.
- A provision for legal cases that are expected to generate losses has been created. (Note No. 30)

36.2 Capital commitments

36.2.1 Financial investments

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

	Investments value	Paid	Remaining
Financial Assets at Fair value through OCI	508,388	505,211	3,177

36.2.2 Fixed assets and branches constructions

The value of commitments for the purchase of fixed assets, contracts, and branches constructions that have not been implemented till the date of the financial statements amounted to EGP 439,730 thousand against EGP 396,683 thousand in 2023.

36.3 Letters of credit, guarantees and other commitments

	Dec.31, 2024	Dec.31, 2023
Letters of guarantee	257,270,373	160,735,346
Letters of credit (import and export)	19,009,107	9,068,007
Customers acceptances and other contingent liabilities	11,805,536	4,631,478
Total	288,085,016	174,434,831

36.4 Credit facilities commitments

	Dec.31, 2024	Dec.31, 2023
Credit facilities commitments	6,619,771	5,352,553

36.5 Lease commitments

The total minimum lease payments for non-cancellable operating leases are as follows:

	Dec.31, 2024	Dec.31, 2023
Not more than one year	344,947	223,456
More than one year and less than five years	613,077	659,897
More than five years	230,842	287,120

37 . Mutual funds

Osoul fund

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

Istethmar fund

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

Aman fund (CIB and Faisal Islamic Bank Mutual Fund)

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

Hemaya fund

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

Thabat fund

- The bank established CIB quarterly return fund for investing in debt instruments -Thabat in accordance with the provisions of the Capital Market Law 95 of 1992 under license no.613 issued from financial regulatory authority on December 28, 2010. CI Assets Management Co.- Egyptian joint stock co - manages the fund.

- The number of certificates issued reached 184,167 with redeemed value of EGP 91,780 thousands.
- The market value per certificate reached EGP 498.35 on December 31, 2024.
- The Bank's portion is 50,000 certificates with a redeemed value of EGP 24,918 thousands.

Takamol fund

- The bank established CIB accumulated fund -Takamol in accordance with the provisions of the Capital Market Law 95 of 1992 under license no.706 issued from financial regulatory authority on May 26, 2015. CI Assets Management Co.- Egyptian joint stock co - manages the fund.

- The number of certificates issued reached 118,017 with redeemed value of EGP 58,755 thousands.
- The market value per certificate reached EGP 497.85 on December 31, 2024.
- The Bank's portion is 50,000 certificates with a redeemed value of EGP 24,893 thousands.

38 . Transactions with related parties

All banking transactions with related parties are conducted in accordance with the normal banking practices and regulations applied to all other customers without any discrimination.

38.1 Loans, advances, deposits and contingent liabilities

	Dec.31, 2024	Dec.31, 2023
Loans, advances and other assets	1,613,758	941,131
Deposits and other liabilities	1,040,021	728,866
Contingent liabilities	61,007	-

38.2 Other transactions with related parties

	Dec.31, 2024		Dec.31, 2023	
	Income	Expenses	Income	Expenses
C-venture	11	3,840	716	1,284
Commercial International Bank (CIB) Kenya	4,560	7,820	1,024	4,335
Damietta shipping & marine services	14	1,861	14	625
Commercial International Finance Company	33,933	12,230	90	4,546
Al ahly computer	31	4	22	103
TCA Properties	137,458	-	151,493	-

39 . Main currencies positions

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

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

40 . Tax status

Corporate income tax

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

Salary tax

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

Stamp duty tax

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

41 . Other assets - net increase (decrease)

	Dec.31, 2024	Dec.31, 2023
Total other assets by beginning of the year	18,929,067	14,454,868
Assets acquired as settlement of debts	(49,019)	(124,098)
Advances to purchase fixed assets	(1,906,547)	(1,339,496)
Total 1	16,973,501	12,991,274
Total other assets by end of the year	44,175,232	18,929,067
Assets acquired as settlement of debts	(40,809)	(49,019)
Advances to purchase fixed assets	(5,367,781)	(1,906,547)
Sale of investments in associates	11,956	(11,956)
Impairment (Release) charge for other assets	37,940	17,620
Total 2	38,816,538	16,979,165
Change (1-2)	(21,843,037)	(3,987,891)

42 . Significant events during the year

- On the 1st of February 2024, the Monetary Policy Committee (MPC) decided to raise the Central Bank of Egypt's (CBE) overnight deposit rate, overnight lending rate, and the rate of the main operation by 200 basis points to 21.25 percent, 22.25 percent, and 21.75 percent, respectively. The discount rate was also raised by 200 basis points to 21.75 percent , which may affect the bank's policies in pricing current and future banking products.
- On the 6th of March 2024, the Monetary Policy Committee (MPC) decided to raise the Central Bank of Egypt's (CBE) overnight deposit rate, overnight lending rate, and the rate of the main operation by 600 basis points to 27.25 percent, 28.25 percent, and 27.75 percent, respectively. The discount rate was also raised by 600 basis points to 27.75 percent , which may affect the bank's policies in pricing current and future banking products.
- Based on the change in the US dollar exchange rate during the month of March from 31 pounds per dollar to 47 pounds per dollar, the values of assets and liabilities of monetary nature in foreign currencies, as well as the income statement, were affected by the results of evaluating the existing currency positions at the date of the financial position. For more details, refer to notes (9 & 11)
- In the last quarter of 2024, Egyptian Accounting Standard 51 "Financial Statements in the Economics of Hyperinflation" was issued by Prime Minister No. 3527 of 2024 with the aim of helping to revalue the assets and liabilities of the financial statements in a way that reflects the actual purchasing power assessed by the impact of inflation. CIB's management is following up the impact of the application of this standard to study the extent of its impact on the financial statements, and no instructions have been issued to apply this standard until the date of issuance of the bank's financial statements.

43 . Non current assets held for sale

	Dec.31, 2024	Dec.31, 2023
C-venture	159,828	159,828



THE BANK TO TRUST