Housing and Development Bank
Separate Financial Statements
For The Year Ended
31 December 2025

Accountability State Authority

Bakertilly Mohamed Hilal - Wahid Abdel Ghaffar
Public Accountants & Consultants

AUDITORS' REPORT

To The Shareholders of Housing and Development Bank - Egypt (S.A.E)

Report on the Separate Financial Statements

We have audited the accompanying separate financial statements of **Housing and Development Bank - Egypt (S.A.E)**, represented in the separate statement of financial position as of 31 December 2025, and the related separate statements of income, comprehensive income, cash flows and changes in equity for the financial year then ended, and a summary of significant accounting policies and other related 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 financial statements in accordance with the rules of preparation and presentation of Banks' financial statements and basis of recognition and measurement issued by the Central Bank of Egypt on 16 December 2008 as amended by the regulations issued on 26 February 2019 and in light of the prevailing Egyptian laws. Management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; this 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 Egyptian Auditing Standards and in 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 that the financial statements are free from material misstatements.

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 risk assessment of material misstatement of the separate 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 separate 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 separate 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 aspects, the separate financial position of **Housing and Development Bank - Egypt (S.A.E)** as of 31 December 2025 and its separate financial performance and its separate cash flows for the year then ended in accordance with the rules of the preparation and presentation of the banks' financial statements, basis of recognition and measurement issued by the Central Bank of Egypt on 16 December 2008 as amended by the regulations, issued on 26 February 2019 and in light of prevailing Egyptian laws and regulations related to the preparation of the separate financial statements.

Translation of Auditors' report originally issued in Arabic

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Report on Other Legal and Regulatory Requirements

The Bank maintains proper accounting records that comply with the laws and the Bank's Articles of Association and the financial statements are in agreement thereto.

The financial information included in the Board of directors' report, prepared in accordance with the provisions of Law No.159 of 1981 and its executive regulations is in agreement with the Bank's accounting records within the limit that such information is recorded therein.

Auditors

Rania Salah El-Din Mohamed Tawfik
Accountability State Authority

Amr Wahid Abdel Ghaffar
merican Institute of Certified Public Accountants Member
Egyptian Society of Accountants & Auditors Member
Independent Auditors Record No. (406)
at the Egyptian Financial Regulatory Authority
CBE Register No. (623)
Bakertilly Mohamed Hilal - Wahid Abdel Ghaffar
Public Accountants & Consultants

Cairo: 16 February 2026

Housing And Development Bank

Separate Financial Position
As at 31 December 2025

	Note No.	31/12/2025 EGP	31/12/2024 EGP
Assets			
Cash and balances with central bank of egypt	16	27,864,309,275	18,642,075,071
Due from banks	17	19,377,794,890	49,140,861,474
Loans & facilities to customers	18	60,282,728,303	50,989,489,873
Financial assets			
Financial assets at fair value through profit and loss	19	267,660,105	187,375,950
Financial assets at fair value through other comprehensive income	20	98,227,128,296	34,377,531,372
Financial assets at amortized costs	20	13,139,316,954	17,015,721,300
Financial assets in subsidiaries and associates	21	2,385,848,032	2,194,604,842
Housing projects	22	1,784,978,941	1,449,204,800
Investments property	23	65,421,865	72,812,828
Intangible assets	24	484,661,688	546,688,349
Other assets	25	4,293,939,854	3,549,485,226
Deferred tax assets	32	229,558,905	164,399,994
Fixed assets	26	1,400,931,113	1,125,638,120
Total assets		**229,804,278,221**	**179,455,889,199**
Liabilities and equity			
Liabilities			
Due to banks	27	621,732	2,034,043,365
Customers' deposits	28	179,127,804,268	144,959,299,997
Other loans	29	167,873,248	236,690,866
Dividends payable		34,033,960	21,682,091
Other liabilities	30	7,203,695,794	4,617,742,578
Other provisions	31	1,449,575,629	973,874,586
Current income tax liabilities		4,116,166,317	2,256,743,098
Retirement benefit obligations	33	161,282,610	110,877,616
Total liabilities		**192,261,053,558**	**155,210,954,197**
Equity			
Issued and paid-up capital	34	5,313,000,000	5,313,000,000
Amounts reserved for issued and paid-in capital increase	34	5,313,000,000	-
Reserves	35	9,609,581,354	7,913,460,311
Retained earnings (included net profit of the year)	35	17,276,153,979	11,106,295,940
Other comprehensive income	35	31,489,330	(87,821,249)
Total shareholders'equity		**37,543,224,663**	**24,244,935,002**
Total liabilities and shareholders'equity		**229,804,278,221**	**179,455,889,199**

*The accompanying notes are an integral part of the financial statements and are to be read therewith

*Audit report attached.

Gamal Mahmoud Soliman
Chief Financial Officer

Hassan Ismail Ghanem
CEO & Managing Director

Auditors

Rania Salah El-Din Mohamed Tawfik
Accountability State Authority

Amr Wahid Abdel Ghaffar
Bakertilly Mohamed Hilal - Wahid Abdel Ghaffar
Public Accountants & Consultants

Housing And Development Bank

Separate Income Statement
For the year Ended 31 December 2025

	Notes	Form 01/01/2025 to 31/12/2025	Form 01/01/2024 to 31/12/2024
	No.	EGP	EGP
Interest from loans and similar income	6	40,105,337,085	29,039,174,868
Interest on deposits and similar expense	6	(12,518,310,411)	(10,117,183,990)
Net interest income		**27,587,026,674**	**18,921,990,878**
Fees and commissions revenue	7	1,310,927,297	1,116,765,165
Fees and commissions expense	7	(185,302,305)	(162,791,094)
Net fees and commission income		**1,125,624,992**	**953,974,071**
Dividends income	8	244,034,075	231,386,504
Net trading income	9	132,762,062	98,691,496
Housing projects profits'	10	573,161,706	339,293,890
(Loss) from financial investments	20	(4,128,000)	(5,839)
Credit impairment reversal (losses)	13	(639,049,047)	(1,475,941,929)
General and administrative expenses	11	(5,390,485,819)	(3,689,714,474)
Other provisions reversal (expense)	31	(526,643,222)	(368,525,717)
Other operating revenues (expense)	12	98,325,764	(842,209)
Net profit before income tax for the year		**23,200,629,185**	**15,010,306,671**
Income tax expense	14	(5,994,823,474)	(3,970,512,469)
Net profit for the year after income tax		**17,205,805,711**	**11,039,794,202**
Earnings per share for the year	15	**28.68**	**18.41**

Housing And Development Bank

Separate Statement of Comprehensive Income
For the year Ended 31 December 2025

	Notes	Form 01/01/2025 to 31/12/2025 EGP	Form 01/01/2024 to 31/12/2024 EGP
Net profit for the year		**17,205,805,711**	**11,039,794,202**
comprehensive income items			
Change in fair value of financial assets at fair value through other comprehensive income	**20**	171,224,328	292,504,709
Expected credit loss of debt instruments at fair value through other comprehensive income	**35**	(13,388,275)	25,245,614
Deferred tax	**35**	(38,525,474)	(65,813,560)
Total comprehensive income items		**119,310,579**	**251,936,763**
Total comprehensive income for the year		**17,325,116,290**	**11,291,730,965**

Housing And Development Bank

Separate Statement of Cash Flow
For the year Ended 31 December 2025

	Notes	Form 01/01/2025 to 31/12/2025	Form 01/01/2024 to 31/12/2024
		EGP	EGP
Cash Flows From Operating activities			
Profit before income tax		**23,200,629,185**	**15,010,306,671**
Adjustments to settle the net profit with the cash flow from operating activities:			
Depreciation and amortization	**26،24،23**	552,962,796	346,043,796
Credit impairment losses	**13**	639,049,047	1,475,941,929
Impairment losses from other assets and housing projects (Reversal)	**12**	19,076,538	28,959,955
Other provisions-charged during the year	**31**	527,310,306	370,266,444
Revaluation difference of financial assets at fair value through profit and loss	**9**	(93,282,362)	(46,958,423)
Impairment of financial Investments	**20**	-	5,839
Impairment of equity instruments of associate and subsidiaries companies	**20**	4,128,000	-
Amortization discount of issuing financial investments.	**20**	(15,093,305)	(4,687,954)
Dividends income	**8**	(244,034,075)	(231,386,504)
Utilization of other provision	**31**	(50,942,179)	(17,365,373)
Provisions no longer required	**31**	(667,084)	(1,740,727)
Gain from selling fixed assets	**12**	(615,479)	(842,291)
Operating income before changes in assets and liabilities resulting from operating activities		**24,538,521,388**	**16,928,543,362**
Net decrease (increase) in assets			
Due from banks		(8,807,054,764)	(3,201,480,165)
Financial assets at fair value through profit and loss		12,998,207	35,305,657
Loans and advances to customers		(9,930,776,008)	(10,516,326,765)
Housing Projects and investments properties		(335,065,137)	(250,459,378)
Other assets		3,487,286,845	1,409,396,894
Net decrease (increase) in assets			
Due to banks		(2,033,421,633)	(282,951,429)
Customers' deposits		34,168,504,271	43,685,531,751
Other liabilities		(1,750,719,288)	(1,374,629,939)
Retirement benefit obligations		50,404,994	22,144,206
Income tax paid		(4,239,084,640)	(3,055,625,488)
Net cash flows from operating activities		**35,161,594,235**	**43,399,448,706**
Cash flows from investing activities			
Payments for purchase of fixed assets		(509,899,446)	(255,604,392)
Proceeds from selling fixed assets		622,221	862,349
Payments for purchase of financial assets (Bonds) other than at fair value through profit and loss		(6,377,508,517)	(1,147,303,276)
Proceeds from sale of financial assets(Bonds) other than at fair value through profit and loss		2,257,046,267	6,263,557,718
Net financial investments (Treasury bills) other than at fair value through profit and loss		(35,463,624,342)	(7,516,134,883)
Payments for acquisition of associates and subsidiary companies		(195,371,190)	-
Payments for purchase of intangible assets		(249,654,465)	(559,790,151)
Dividends income		219,561,939	158,029,036
Net cash flows used in investments activities		**(40,318,827,533)**	**(3,056,383,599)**
Cash flows from Financing activities			
Long-term loans		(374,701,555)	(337,679,093)
Dividends paid		(3,904,148,132)	(2,335,402,671)
Net cash flows used in financing activities		**(4,278,849,687)**	(2,673,081,764)
Net (decrease) increase in cash and cash equivalents during the year		(9,436,082,985)	37,669,983,343
Cash and cash equivalent at the beginning of the year		67,757,427,529	30,087,444,186
Cash and cash equivalents at the end of the year		**58,321,344,544**	67,757,427,529
Cash and cash equivalents are represented in:			
Cash and balances with Central Bank of Egypt		27,864,309,275	18,642,075,071
Due from banks		19,382,220,862	49,145,806,594
Financial assets at fair value through Profit and Loss		103,988,248,495	48,612,300,846
Obligatory reserve balance with CBE		(26,362,772,000)	(17,555,717,236)
Financial assets other than at fair value through profit and loss with maturity more than 3 Months		(66,550,662,088)	(31,087,037,746)
Cash and cash equivalents at the end of the year	**37**	**58,321,344,544**	67,757,427,529

Housing And Development Bank

Separate Change In Shareholders' Equity Statement
For the year Ended 31 December 2025

	Paid-in-capital	Issued and paid-up capital	Legal reserves	General reserve	Special Reserve	Other reserve	Reserve of General Banking Risk	General risk reserve	Retained earnings	Other comprehensive income	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Balance as of 1 January 2024	5,313,000,000	-	963,277,177	3,190,977,430	9,344,966	38,080,781	-	89,215,810	6,092,797,701	(339,758,012)	15,356,935,853
Dividends paid for the year 2023	-	-	-	-	-	-	-	-	(2,343,900,000)	-	(2,343,900,000)
Transferred to reserves	-	-	301,545,034	3,316,000,000	-	105,211	4,913,902	-	(3,622,564,147)	-	-
Selling of equity instruments at fair value through OCI	-	-	-	-	-	-	-	-	427,000	-	427,000
Transferred to banking sector support and development fund	-	-	-	-	-	-	-	-	(60,258,816)	-	(60,258,816)
Net change in other comprehensive income items	-	-	-	-	-	-	-	-	-	251,936,763	251,936,763
Net profit for the year 2024	-	-	-	-	-	-	-	-	11,039,794,202	-	11,039,794,202
Balances as of 31 December 2024	5,313,000,000	-	1,264,822,211	6,506,977,430	9,344,966	38,185,992	4,913,902	89,215,810	11,106,295,940	(87,821,249)	24,244,935,002
Balance as of 1 January 2025	5,313,000,000	-	1,264,822,211	6,506,977,430	9,344,966	38,185,992	4,913,902	89,215,810	11,106,295,940	(87,821,249)	**24,244,935,002**
Dividends paid for the year 2024	-	-	-	-	-	-	-	-	(3,916,500,000)	-	**(3,916,500,000)**
Transferred to reserves	-	-	551,989,710	6,450,000,000	-	842,291	6,289,042	-	(7,009,121,043)	-	-
Issued and paid-up capital increase	-	5,313,000,000	-	(5,313,000,000)	-	-	-	-	-	-	-
Transferred to banking sector support and development fund	-	-	-	-	-	-	-	-	(110,326,629)	-	**(110,326,629)**
Net change in other comprehensive income items	-	-	-	-	-	-	-	-	-	119,310,579	**119,310,579**
Net profit for the year 2025	-	-	-	-	-	-	-	-	17,205,805,711	-	**17,205,805,711**
Balances as of 31 December 2025	**5,313,000,000**	**5,313,000,000**	**1,816,811,921**	**7,643,977,430**	**9,344,966**	**39,028,283**	**11,202,944**	**89,215,810**	**17,276,153,979**	**31,489,330**	**37,543,224,663**

Housing And Development Bank

Separate Profit Appropriation Statement
For the year Ended 31 December 2025

	31/12/2025	31/12/2024
	EGP	EGP
Net Profit for the year (as derived from the Income Statement)	**17,205,805,711**	11,039,794,202
Deduct		
Profits from the sale of fixed assets transferred to the capital reserve in pursuant to the provisions of the law	(615,479)	(842,291)
General banking risk reserve	(6,289,042)	(6,289,042)
Net Distributable Annual Profit	**17,198,901,190**	**11,032,662,869**
Opening Balance of Retained Earnings	70,348,268	66,074,738
Retained Earnings during the year	-	427,000
Total	**17,269,249,458**	**11,099,164,607**
Distributed as follows:-		
Statutory Reserve	**860,259,512**	551,989,710
General Reserve	**9,940,000,000**	6,450,000,000
Shareholder Dividends (cash distribution of EGP 8/share)	**4,250,400,000**	2,656,500,000
Employees' share of profits	**1,886,961,340**	1,200,000,000
Members of the Board of Directors Remuneration	**80,000,000**	60,000,000
Banking system support and development fund *	**171,989,012**	110,326,629
Ending Balance of Retained Earnings	**79,639,594**	70,348,268
Total	**17,269,249,458**	**11,099,164,607**

- According to the provision No. 178 from Central Bank Law No.194 for year 2020 by deducting amount not more than 1% of the net income attributed to distribution to the Support and development of banking sector fund.

1. Background

Housing and Development bank provides Banking Services for Corporates rather than Investments, retail Banking Services in the Arab republic of Egypt through 100 branches, and hires 3269 employees at the date of the financial position.

Housing and Development bank is an Egyptian Joint Stock company established as Investments and Business Bank on 30 June 1979 by virtue, ministerial Decree from minister of economy foreign trade No.147 for a year 1979 and it handles its activity through the head office in Giza governorate and the bank is listed in the Egyptian Stock Market for Securities.

2. Summary of Significant 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 the years presented, unless otherwise stated.

A. Basis of Preparation

The financial statements are prepared in accordance with Central bank of Egypt instructions approved by its board of directors on 16 December 2008, with consideration to requirements of IFRS 9 (Financial instruments) in accordance with the instructions issued by central bank of Egypt on 28 January 2018, in addition to the historical cost basis, modified by the revaluation of financial assets and liabilities originally valued with fair value through profits and losses, and financial assets at fair value through other comprehensive income, and all financial derivatives contracts.

These separate financial statements were prepared in accordance with relevant local laws, investment in associates are presented in bank's separate financial statement and valued according to cost less impairment loss method.

These separate financial statements had been prepared in accordance with the instructions of the Central Bank of Egypt (CBE) rules that had been in force until 31 December 2018; that have been changed under central bank of Egypt instructions issued on 26 February 2019, regarding the implementation of IFRS 9 – financial instruments.

Effect of implementation IFRS 9 on Accounting Policies

IFRS 9- Financial Instruments:

The Bank applied the instructions of the Central Bank of Egypt (CBE) rules IFRS 9 "Financial Instruments" dated February 26, 2019 starting from 1 January 2019, Requirements of IFRS 9 represents material change than required under Egyptian accounting standard no. 26 "financial instrument- recognition and measurement" especially when related to classification, measurement and disclosure of financial assets and some of financial liabilities, the following summarize the main accounting policies changes resulted from applying the required standards:

Classification of financial assets and liabilities

Financial assets have been classified through three main categories as the following:

- Financial assets at amortized cost.
- Financial assets at fair value through other comprehensive income.
- Financial assets at fair value through profit and loss.

Based of IFRS 9, financial assets have been classified according to how they are managed (the entity's business model) and their contractual cash flow characteristics. Therefore, Egyptian accounting standard no. (26) is no longer applied (Held to maturity, Loans and available for sale).

The implicit derivative contracts shall not be separated when derivatives are associated with a financial asset and therefore the implicit derivative contract is fully classified according to the related financial asset.

The change in financial liabilities at fair value through profit or loss is presented as follows:

- The change in the fair value related to the change in the degree of the credit rating is presented in other comprehensive income.
- The remaining amount of the change in fair value under (net income from financial assets at fair value through profit or loss) is presented in the income statement.

Impairment of financial assets

IFRS 9 and Central Bank of Egypt (CBE) instructions replaced the impairment loss model recognized according to EAS 26 with expected credit loss (ECL) model, also, IFRS 9 & CBE instructions requires from the bank to implement the measurement of expected credit loss (except for measured at fair value through profit and loss and fair value through other comprehensive income).

The bank excludes the following from the calculation of expected credit losses:

- Deposits at banks with a maturity date of one month and less than the date of the financial position.
- Current accounts at banks.
- Balances at the Central Bank in local currency.
- Debt instruments issued by the Egyptian government in local currency.

Provision shall be identified based on the expected credit losses relating to probability of default over the next 12 months unless the credit risk has increased substantially since inception.

Segment reporting

An operating segment is a group of assets and operations providing products or services whose risks and benefits are different from those associated with products or services provided by other operating segments. A geographical segment provides products or services within a specific economic environment characterized by risks and benefits different from those related to other geographical segments operating in a different economic environment.

B. Subsidiaries & Associates

B.1. Subsidiaries

Subsidiaries companies are the entities over which the bank owns directly or indirectly the power to govern the financial and operating policies generally accompanying a shareholding of more than one-half of the voting right. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the bank has the ability to control the entity.

B.2. Associates

Associates are the entities over which the bank owns directly or indirectly significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights.

Accounting for subsidiaries and associates in the separate financial statements are recorded by cost method, according to this method, investments are recorded at cost of acquisition including any good- will after deducting any impairment losses in value, and the dividends in the income statement are recorded in the adoption of the distribution of these profits and evidence of the bank's right to collect it.

C. Translation of Foreign Currencies

C.1. Functional and presentation currency

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

C.2. Functions and balances in foreign currencies

The bank maintains its accounts in Egyptian pound and transactions are recorded in foreign currencies during the financial year on the basis of prevailing exchange rates at the date of the transaction, monetary assets and liabilities denominated in foreign currencies are Re-evaluated at the end of the financial year on the basis of prevailing exchange rates at that date. Foreign exchange gains and losses resulting from the settlement and translation of such transactions and balances are recognized in the income statement and reported under the following items:

- Net income from financial assets at fair value through profit and loss of the assets/liabilities classified at the fair value through profits and losses according to their type.
- Shareholders' equity of financial derivatives as a coverage for cash flow/net investment or as a coverage for net investment.
- Other operating income (expenses) for the other items.

- Changes in fair value of financial instruments denominated in foreign currency classified at fair value through other comprehensive income (debt instruments) is analyzed between valuation differences from changes in amortized cost of the instrument, differences resulted from changes in the prevailing exchange rates, differences resulted from changes in the fair value of the instrument, and differences resulted from the impairment of the financial assets. Those changes are recognized in the income statement as income on loans and similar items regarding changes in amortized cost and differences related to changes in the exchange rate are recognized as other operating income(expense),

Changes in fair value are recognized in equity (Fair value Reserve, Financial assets at fair value through other comprehensive income).

• Evaluation differences resulting from non-monetary items include profit and loss resulting from changes in fair value such as equity instruments held at fair value through profit and loss, while evaluation differences resulting from equity instruments classified as financial assets at fair value through other comprehensive income are recognized in equity .

D. Financial Assets

D.1. Recognition

The Bank classifies its financial assets into the following categories: fair value through profit or loss (FVTPL), fair value through other comprehensive income (FVTOCI) and amortized cost. Management determines the classification of its investments at initial recognition.

D.2. Classification

Financial assets Policies applied starting from 1 January 2019:

At the time of initial recognition, the bank determines the classification of financial assets to be classified as amortized cost, fair value through other comprehensive income (FVTOCI) and fair value through profit or loss (FVTPL).

- Financial asset classified as amortized cost if the following two conditions are met and was not recognized at inception date by the bank as fair value through profit or loss:
- The financial asset is retained in the business model of financial assets held to collect contractual cash flow.
- The contractual terms of the financial asset at specific dates result in contractual cash flows of the asset represented only in the principal financial instrument amount and the return.

Financial assets classified as fair value through other comprehensive income if the following two conditions are met and was not recognized at inception date by the bank as fair value through profit or loss:

- The financial asset is retained in the business model of financial assets held to collect contractual cash flows and sales.
- The contractual terms of the financial asset at specific dates result in contractual cash flows of the asset represented only in the principal financial instrument amount and the return.

- Upon the initial recognition of an equity instrument that not held at fair value through profit and loss, the bank may make an irrevocable choice to present subsequent changes in the fair value through the other comprehensive income statement. This choice shall be made for each investment individually.
- The remaining financial assets are classified as investments at the fair value through profit or loss.
- In addition, upon the initial recognition, the bank may irrevocably allocate a financial asset measured at the fair value through profit or loss, although it meets the criteria of classification as a financial asset at amortized cost or at the fair value through other comprehensive income, if this action substantially reduces the inconsistency that may arise in the accounting measurement.

Business models Evaluation

1) Following debt and equity instruments are classified and measured according to the following:

Financial Instrument	Methods of Measurement According to the Business Model		
		Fair Value	
	Amortized Cost	Through Comprehensive Income	Through Profit or Loss
Equity Instruments		One-time irrevocable choice at the initial recognition	Normal transaction of equity instruments.
Debt Instruments	Business model of assets held to collect contractual cash flows.	Business model of assets held to collect contractual cash flows and sale.	Business model of assets held at fair value through profit and loss.

2) The bank prepares, documents and approves a business model in accordance with the requirements of the IFRS 9 in a way that reflects the Bank's strategy to manage the financial assets and their cash flows as follows:

Financial Asset	Business Model	Basic Characteristics
Financial assets at amortized cost	Business model of financial assets held to collect contractual cash flows	▪ The business model is aimed to retain the financial assets to collect the contractual cash flows of the investment principal amount and the revenues. ▪ The sale is an exceptional action comparing to the purpose of this model and the terms of the standard represented in the deterioration in the creditworthiness of the financial instrument issuer. ▪ Less sales in terms of frequency and value. ▪ The bank performs a clear and reliable documentation of the rationale of each sale process and its compliance with the requirements of the Standard.
Financial assets at fair value through comprehensive income	Business model of financial assets held for the collection of contractual cash flows and sale.	▪ Both the collection of contractual cash flows and sales are complementary to the objective of the model. ▪ Sales are high (in terms of frequency and value) compared to the business model held for the collection of contractual cash flows.
Financial assets at fair value through profit or loss	Other business models include (trading – managing the financial assets based on fair value - maximizing cash flows through sale)	▪ The business model is not aimed to retain the financial asset for the collection of contractual or this retained for the collection of contractual cash flows and sales. ▪ Collecting contractual cash flows is an exceptional action comparing to the model objective. ▪ Managing the financial assets at the fair value through profit or loss to avoid inconsistency in accounting measurement

- The bank shall evaluate the business model goals on the portfolio's level in which the financial asset is retained, being the way that reflects both the methods of work management and information provided. The information to be taken into consideration while evaluating the business model goals include the following:
  - The approved and documented policies and the objectives of the portfolio in addition to applying such policies in practical reality, specially whether the management strategy focuses only on collecting the contractual cash flows of the asset and retaining a certain return rate to meet the dates of financial assets' maturity with the dates of the liabilities' maturity that are funding such assets; or rather on generating cash flows through selling such assets.
  - The method of evaluating the portfolio's performance and reporting the same to the top management.
  - The risks affecting the business model performance including the nature of the financial assets retained within such model and the method of managing such risks.
  - The method of evaluating the performance of work managers (fair value and/ or returns on the portfolio /or both).
  - Frequency, value and timings of sales' transactions in the previous periods; the reasons of such transactions; as well as the expectations regarding the future sale activities. However, the information of the sales' activities is not taken into consideration separately, but rather as a part of a comprehensive evaluation of the method of carrying out the bank's goals regarding managing financial assets and how cash flows are generated.
- The financial assets, which are retained for the purpose of trading or those which are managed and evaluated based on the fair value, are calculated by the fair value through profits and losses because they are not retained for the purpose of collecting contractual cash flows and/ or selling financial assets.
- Evaluating whether the asset's contractual cash flows represent payments that are only limited to the original amount of the instrument and the return.

  For the purpose of carrying out this evaluation, the bank defines the original amount of the financial instrument as the fair value of the financial asset at initial recognition. The return is defined as the consideration of the time value of money, the credit risks attached to the original amount during a certain period of time, other basic lending risks and costs (such as the risks of liquidity and administrative costs), and profit margin.

  For the bank to determine whether the asset's contractual cash flows are payments that are limited to the asset and return on the financial instrument, the bank puts the contractual terms of the instrument into consideration. This includes evaluating whether the financial instrument includes contractual terms that may change the timing or amount of contractual cash flows, which may lead to non-acceptance of such terms.

  For the purpose of carrying out the above evaluation, the Bank needs to take the following into consideration:
  - Potential events that may change the timing or amount of contractual cash flows;
  - Characteristics of the financial leverage (rate of return, time limits, currency…)
  - Terms of prompt payment and extension of time limits;
  - The terms that may limits bank's ability to claim cash flows from certain assets;
  - The characteristics that may amend the consideration of the time value of money (re-estimating the return rate on a periodical basis).
- The bank does not reclassify groups of financial assets unless the business model is changed, which rarely happens, or does not happen except infrequently and immaterial or when the credit capacity of one of the debt instruments declines at amortized cost.

E. Offsetting between Financial Instruments

Financial assets and liabilities are offset when the bank has a legally enforceable right to offset the recognized amounts and it tends to settle this amount on a net basis, or realize the asset and settle the liability simultaneously.

Repos and reverse repos agreements related to treasury bills are netted on the balance sheet and disclosed under "treasury bills and other governmental notes" caption of the balance sheet.

F. Financial Derivatives Instruments and hedging accounting

- Derivatives are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including discounted cash flow models and options pricing models, as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

- Embedded derivatives are not isolated if they were included in a financial instrument that falls under the financial assets definition as per IFRS 9 "Financial Instruments.

- Recognizing the profits and losses resulted from the fair value depends on whether the derivative is a covering instrument provision and according to the nature of the covered item, the bank classifies some of the derivatives as one of the following:

  - Risk Hedging of the fair value of recognized assets and liabilities or confirmed commitments (fair value hedging).
  - Risk hedging of future highly expected cash flows related to a recognizes asset or liability or related to an expected transaction (cash flows hedging).
  - Hedging accounting is used for provision derivative for that purpose if the needed conditions are available.
  - At the initiation of the transaction the bank documents the relations between the covered items and hedging instruments, also the objectives of risk management and the strategy of having different hedging transactions. At the beginning of hedging and consciously, the bank documents the estimation of whether the derivative used in hedging transactions are effective in facing the changes in the fair value or cash flows of the covered items.

F.1. Fair value hedging

The changes in the fair value of qualified derivatives provisions for hedging of the fair value are recognized in the income statement, this with any change in the fair value related to the risk of the covered asset or liability.

The effective changes in the fair value of return transfers contracts and the related hedged items are added to the net return and effective changes in the fair value of the future currency contracts are added to net income from financial assets at fair value through profit and loss.
Inefficiency in all of the contracts and the related hedged items mentioned in the previous paragraph are added to the net income from financial assets at fair value through profit and loss.

If the hedging is no longer following the hedging accounting procedures, the modification added to the book value of the hedged items recorded by the amortized cost method, this is through charging it against the profits and losses along the year till its maturity. Amendments in hedged equity instrument's book value remain within the shareholders' equity till it has been excluded.

F.2. Cash flows hedging

The effective part in the changes in the fair value of the qualified derivative provision to hedge the cash flows is recognized as shareholders' equity, while the profit and losses related to the ineffective part are recognized immediately as (net income from financial assets at fair value through profit and loss) in the income statement.

The amounts accumulated in the shareholders' equity are transferred to the income statement in the same period that the hedged item has an effect on profits and losses, profits and losses related to the effective part of the currency transfers and options are added to the net financial assets at fair value through profit and loss item.

When the hedging instrument is being due or sold, or when the hedging is no longer following the hedging accounting procedures, the profits and losses accumulated in the shareholders' equity in that time remain within the shareholders' equity item and it is recognized in the income statement when the expected transaction is finally recognized. But if the expected transaction is no longer expected to occur then the profits and losses accumulated in the shareholders' equity are immediately transferred to the income statement.

F.3. Unqualified derivative for hedging accounting

Changes in the fair value of the unqualified derivatives of hedging accounting are being recognized in the (net income from financial assets at fair value through profit and loss) item. In the income statement, the profits and losses resulted from the changes in the fair value is recognized as (net income of classified financial instruments valued by the fair value of profits and losses), this is through the profits and losses resulted from the changed in the fair value of derivatives managed in relation to the classified assets and liabilities at fair value through profits and losses.

G. Recognizing first day's deferred profits and losses:

Regarding the tools that evaluate the fair value, the transaction price is considered to be the best instrument to evaluate the fair value on the transaction date (fair value of delivered or received return) unless the fair value of the instrument on that date is indicated depending on the transaction's price in published market or using evaluation modules. When the bank has a long-term transaction, its fair value is specified using evaluation modules that their inputs may not all be from the published market ratios or prices, those financial instruments are recognized according to transaction price which is the best indication of the fair value.

Although the value calculated from evaluation modules may be different, and the difference between the transaction price and the amount resulted from the module is not immediately recognized as first day's profits and losses and it is listed as

other assets in the case of loss, and as other liabilities in the case of profit. The timing of recognizing the deferred profit and loss is specified separately for each case through its amortization on the transaction or when it is possible to identify the instrument's fair value using published market's inputs or by approving it when adjusting the transactions, the instruments is measured by the fair value, the subsequent changes in the fair value are immediately recognized in the income statement.

H. Interest Income and Expense

Interest income and expense for all interest-bearing financial instruments, except for those classified as financial assets designated at fair value through profit or loss, are recognized within '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 year. 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 year 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 are an integral part of the effective interest rate, transaction costs and all other premiums or discounts. Interest income on loans is recognized on accrual basis except for the interest income on non-performing loans, which ceases to be recognized as revenue when the recovery of interest or principle is in doubt and are rather recorded off balance sheet as follows:

- When it is collected and this is after redeeming all dues of consumer loans and personnel mortgages also small loans for economic activities.
- For corporate loans, interest income is recognized on a cash-basis after the bank collects 25 % of the rescheduled installments and when these installments continue to be paid for at least one year. If a loan continues to be performing thereafter, interest accrued on the principal then outstanding starts to be recognized in revenues. Interest that is written off prior to the date when the loan becomes performing is not recognized in profit or loss except when the total balance of loan, prior to that date, is paid in full.

I. Fees and Commissions

Fees charged for servicing a loan or facility, 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 the cash basis – only when interest income on those fees and commissions that are an integral part of the effective interest rate of a financial asset are treated as adjustment to the effective interest rate of that financial asset.

Commitment fees received by the bank to originate a loan are deferred if it is probable that the bank will enter into a specific lending arrangement and are regarded as a compensation for an ongoing involvement with the acquisition of the financial instrument and recognized as an adjustment to the effective interest rate. If the commitment expires without the bank making the loan, the fees are recognized as revenue on expiry.

Fees related to debt instruments which are measured at fair value are recognized under revenue at initial recognition. The fees for promotion of joint loans are recognized within revenues upon completing the promotion process without retaining any part of the loan by the bank, or if the bank maintains a part thereof with the actual interest rate available to other participants.

Fees and commissions that are earned on negotiating or participating in the negotiation of a transaction in favor of another entity, such as arrangements for the allotment of shares or another financial instrument or acquisition or sale of an enterprise on behalf of a client, are recognized as revenue when the transaction has been completed. Administrative consultations and other service fees are usually recognized as revenue on a straight-line basis over the year in which the service is rendered. Fees from financial planning management and custodian services provided to clients over long year are usually recognized as revenue on a straight-line basis over the year in which these services are rendered.

J. Dividends

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

K. Purchase & Resale Agreements, and (sale & Repurchase) Agreements

Financial instruments sold under repurchase agreements, are not derecognized from the books. These are shown in the assets side as an addition to the "treasury bills and other governmental notes" line item in the balance sheet. On the other hand, the bank's obligation arising from financial instruments acquired under resale agreements, is shown as a deduction from the "treasury bills and other governmental notes" line item in the balance sheet. Differences between the selling and repurchase price or between the purchase and resale price is recognized as interest expense or income throughout the year of agreements using the effective interest rate method.

L. Impairment of Financial Assets

The bank assembles debt instruments in groups with similar credit risks based on: the type of the banking product as per the retail product, the clients as per the corporate loans, and the recognized credit agency's classifications as per the balances at banks and sovereign debt.
The bank classifies debt instruments into three phases based on the quantitively and qualitative criteria provided in the (Central Bank of Egypt) CBE's instructions issued on Feb. 26, 2019.

The bank estimates, on the date of financial statements, the provision of the financial instrument's impairment losses for at a value that is equal to the expected credit losses (ECLs) for the lifetime of the financial instrument, except for the debt instruments with low credit risks or otherwise debt instruments whose credit risks did not significantly increase, at the financial position date, since the initial recognition.
The bank considers ECLs to be a potential weighted estimation of ECLs, which are estimated as follows:

ECLs are estimated in the first phase by calculating the current value of the total cash deficit calculated based on the historic probability of default ratios as amended by the expectations of macro-economic scenarios' average that would be the ratios of economic growth, inflation and unemployment for twelve months as per the debt instruments in the first phase or the lifetime of the asset as per the second phase.

As per the credit-impaired debt instruments (third phase), ECLs are calculated based on the difference between the asset's total book balance and the current value of the future expected cash flows.

Commitments related to loans and financial guarantees are considered as among the default value when calculated.
ECLs are calculated for the contracts of financial guarantees based on the difference between the payments expected to be paid to the guarantee holder less any other amounts that the Bank expects to redeem.

The bank shall not move the financial asset from the second phase to the first phase unless all the quantitive and qualitative elements of the first phase are met.

L.1.Financial assets at fair value through the other comprehensive income

Financial assets are measured at fair value through the other comprehensive income, whether they were listed on the Stock Exchange with inactive transactions or not listed, by determining the fair value through one of the accepted technical methods for determining the fair value. However, in case of not being able to determine the fair value of such stocks through a reliable method, they should be measured at replacement cost.

At the date of each financial position, the value of the debt instruments' ECLs are estimated by the bank and recognized in the statement of profits and losses, whereas the rest of differences like the change in the fair value are recognized in the other comprehensive income. In case the value rises, it should be expressed in the statement of profits and losses to the extent of what was previously charged during previous financial periods, provided that any increase should be recognized in value in the other comprehensive income. As per the equity instruments, all change differences are recognized at fair value in the other comprehensive income till the asset is disposed, and in such case, all those differences are carried to the retained earnings.

M. Evaluation of Housing Projects

The cost of works under constructions includes the cost of allocated lands for housing projects, the cost of the constructions therein, the borrowing costs that are capitalized during the borrowing period until related work is finished and all related expenses as works under constructions are considered one of the qualified assets to be charged with the borrowing costs which should be no more capitalized for the projects that its core activities needed to make it ready for its identified purposes or for selling it to other.

- Finished housing units are evaluated at lower of the cost or fair value; the fair value is evaluated in the light of detailed studies prepared by the bank specialists. In case the fair value is less than the cost, the difference is charged to reduce "profits of housing projects" item in the income statement. In case of an increase in the fair value, such increase shall be credited to the income statement to the extent previously charged to the income statement.
- The cost and selling price of housing units in some distinguished projects are calculated according to the privileges in location and area for each unit with no effect on the project's total cost.

Investments property

Investments property is represented in land & Buildings owned by the bank for gain rental revenues or capital appreciation. Therefore, it doesn't include real-estate assets used in the bank's operations or which was received in settlement of the bank's liability. Investment is accounted by the same method applied for fixed assets in which investments property are recorded at historical cost and depreciated using straight line method using appropriate depreciation rate and recognizing impairment loss if needed.

N. Intangible Assets

N.1. Computer programs

Expenses related to improvement & maintenance of computer programs are recognized as expenses in income statement when incurred. Recognized as an intangible asset expense related directly with definite programs and under the bank control & expected to generate economic benefits which exceed its cost for more than one year. Direct expenses include labor cost in the program improvement team in addition to appropriate average of related general expenses and it is recognized as an improvement cost in the expenses that leads to an increased expansion or performance of the computer program more than its original standards, it is added to the program cost.
Computer programs' cost which are recognized as an asset are amortized over its life time of not more than 3 years.

N.2. Other intangible assets

Represented in the intangible assets other than goodwill and computer programs for example (trademarks, license, and rental contracts benefits).

Other intangible assets are recorded by acquisition cost and is amortized by straight line method or the economic benefits expected, along its estimated useful life. Considering assets with no definite useful life, they are not amortized but its impairment loss is yearly examined and recorded (if found) in the income statement.

O. Fixed Assets

Land and buildings comprise mainly branches and offices. All fixed assets are carried at historical cost net of accumulated depreciation and impairment losses. Historical cost includes expenditures that are directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized separately, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. All other repairs and maintenance expenses are recognized in profit or loss within" other operating expenses" during the financial year in which they are incurred.

Fixed assets is depreciated using straight line (Except land) over their estimated useful lives to the extent of their estimated residual values based on the following annual rates:

Asset	Annual Depreciation Rate
Buildings & constructions	5%
Machinery and equipment	25%
Furniture	10%
Transportation vehicles	25%

- Re-establishing expenses related to the rented branches are amortized through the estimated production life or the year of the rent contract whichever less.
- Facilities and instalments are depreciated over 3 years.

- The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. The recoverable amount of an asset is the higher of the asset's net realizable value or value in use. Gains and losses on disposals are determined by comparing proceeds with relevant carrying amount. These are included in profit or loss in other operating income (expenses) in the income statement.

P. Non-Financial Asset Impairment

Assets without definite useful life are not amortized & they are being tested annually for impairment. Assets are tested for impairment whenever events or circumstances indicated that the book value may not be recoverable.
Then the impairment loss is recognized & and the carrying amount of an asset is reduced to the extent that such carrying amount exceeds recoverable amount. The recoverable amount represents the higher of the asset's net selling value or value in use. In order to estimate the impairment, asset is joined to smallest possible cash generating unit.
Non-financial assets with impairment are being reviewed to assess whether or not, all or part of such impairment loss should be reversed through profit and loss.

Q. Rental

Payments are recorded in operating rent account after deducting any discounts received from the lesser in the expenses in the income statement according to straight line method within the contract year.

R. 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; they include cash and balances due from central bank of Egypt-other than those within the mandatory reserve, current accounts with banks and financial assets other than fair value through profit and loss.

S. Provisions

Provisions for restructuring costs and legal claims are recognized when the Bank has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.
Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations is remote. When a provision is wholly or partially no longer required, it shall be reversed through profit and loss under other operating income (expense). An appropriate interest rate is used to measure the present value of liabilities' payments that are determined to be settled after one year from balance sheet date. This interest rate is not affected by the taxes' ratios which reflect the cash time value and if it's due in less than a year estimated value of the liability is calculated and if it has an important effect, it's recognized by the present value.

T. Financial collateral contracts

Financial collateral contract is the contract issued by the bank to collateral loans or debit current accounts presented to its customers from other parties and it is required from the bank to pay certain payments to compensate the beneficiaries of carried loss because debit payment in the due date according to the debt instrument's conditions. These financial collaterals are presented to banks, financial institutions and other parties on behalf of the bank's customers.

Initial recognition in the financial statements is recorded by the fair value at the date of granting the collateral which may reflect the collateral fees. Later on, the bank's liability is measured by the virtue of the collateral on the basis of the initial recognition amount less the amortization to recognize the collateral fees in the income statement by the straight line method over the collateral lifetime, or the best estimation of the needed payments to adjust any financial liability resulted from the financial collaterals on the balance sheet date which is higher. These estimations are specified according to the experience in similar transactions and historical losses and also by the management's judgment.
Any increase in the liabilities resulted from financial collaterals, is recognized in the income statement as other operating revenues (expenses).

U. Employees Benefits

U.1. Pension Liabilities

The bank is committed to pay the contributions to the Social Insurance Public Authority, with no other liabilities after paying these contributions. Those contributions are recorded yearly in the income statement in its maturity year and are listed as labor benefits.

The bank has insurance fund for the employees of the bank, which was founded in 1987 Working according to law no. 54 for year 1975 and its executive regulations, in the purpose of granting compensation and insurance benefits for the members, this pension fund and its amendments are implemented on all of the employees of the bank's head office and its branches.

The bank is committed to pay the annual and monthly subscription to the fund according to the funds regulation and its amendments. No other liabilities on the bank after the payment of the subscription. Those subscriptions are recognized as administrative expenses when they come due. The prepaid subscriptions are recognized as assets to the limit that the deposit leads to reduce the future payments or to a refund.

U.2. Retirement Liabilities

The bank has applies a defined medical system for its employees and the retired ones. According to the above mentioned system, the bank's liabilities are represented in the difference between both the present value of liabilities in the balance sheet date and the fair value of its assets including settlements resulted from actuarial profit/loss and also the cost of previous service. Those liabilities are determined annually by independent actuarial expert using the "estimated added unit approach" and are determined through estimated future out cash flow applying interest ratios on bonds with maturities similar to that of the liabilities in "other liabilities" item.

Actuarial profit/loss resulted from settlements together with amendments in the medical system are charged to the income statement
The cost of the previously recognized service is charged directly to the income statement as (general & administrative expense) unless changes that have been made on the policies state that worker should stay for a specified year, in this case the cost of the service is amortized using straight-line method.

U.3. Share based payments
The bank operates an equity-settled, share-based compensation plan. The fair value of the employees services received in exchange for the grant of the options is recognized as an expense.

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.

V. Income Taxes
Income tax expense on the year's profit or loss includes the sum of the tax currently payable and deferred tax and is recognized in the income statement, except when they relate to items that are recognized directly in equity, in which case the tax is also recognized in equity.
Income tax is recognized based on net taxable profit using the tax ratios applicable at the date of the budget in addition to tax adjustments for previous years.

Deferred taxes is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax assets and liabilities are measured at the tax ratios that are expected to apply in the year in which the liability is settled or the asset realized, based on tax ratios (and tax laws) that have been enacted or substantively enacted by the end of the reporting year. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at the end of each reporting year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. However, when it is expected that the tax benefit will increase, the carrying amount of deferred tax assets shall increase to the extent of previous reduction.

W. Borrowing
Loans obtained by the bank are initially recognized at fair value net of transaction costs incurred in connection with obtaining the loan. Borrowings are subsequently measured at amortized cost, with the difference between net proceeds and the value to be paid over the borrowing year, recognized in profit or loss using the effective interest rate method.

X. Capital
X.1. Cost of capital
The issuance expenses that are related directly with issuing new shares or shares of acquiring entity or issuance options, are presented as a deduction from shareholders' equity and the net revenues after tax.

X.2. Dividends
Dividends are recognized when the general assembly of shareholders approves them. Dividends include the employees' profit share and the board of directors' remuneration as prescribed by the bank's articles of association and the corporate law.

Y. Trust Activities
Trust activities are the assets' opposition and managing for individuals and funds. Its values and profits are not recognized in the bank's financial statements because they are not owned by the bank.

Z. Comparative Figures
Comparative figures are reclassified, where necessary, to conform with changes in the current year's presentation.

3. Management of Financial Risks

The bank, as a result of conducting its activities, is exposed to various financial risks. Since financial activities are based on the concept of accepting risks and analysing and managing individual risks or group of risks together, the bank aims at achieving a well-balanced risks and relevant rewards, as appropriate and to reduce the probable adverse effects on the bank's financial performance. The most important types of risks are credit risk, market risk, liquidity risk and other operating risks. The market risk comprises foreign currency risk, interest rate risk and other pricing risks.

The risk management policies have been laid down to determine and analyse the risks, set limits to the risks and control them through reliable methods and up–to–date systems. The bank regularly reviews the risk management policies and systems and amendments thereto, so that they reflect the changes in markets, products and services and the best up-to–date applications. Risks are managed in accordance with preapproved policies by the board of directors. The risk management department identifies, evaluates and covers financial risks, in close collaboration with the bank's various operating units. The board of directors provides written rules which cover certain risk areas, such as credit risk, foreign exchange risk, interest rate risk and the use of derivative and non-derivative financial instruments. Moreover, the risk department is responsible for the year review of risk management and the control environment independently.

A. Credit Risk

The bank is exposed to the credit risk which is the risk resulting from failure of the client to meet its contractual obligations towards the Bank. The credit risk is considered to be the most significant risk for the bank, therefore requiring careful management. The credit risk manifests itself in the lending activities and debt instruments in bank's assets as well as off balance sheet financial instruments, such as loans commitments. The credit risk management and control are centralized in a credit risk management team in Bank Risk management department and reported to the Board of Directors and head of each business unit regularly.

A.1. Measuring the Credit Risk

Loans and facilities to banks and clients

In measuring credit risk of loan and advances to customers and to banks at a counterparty level, the Bank's rating system is based on the following components:

- The probability of default' by the client or counterparty on its contractual obligations.
- Current exposures to the counterparty and its likely future development, from which the bank derives the (exposure at default).

These credit risk measurements, which reflect expected loss. The operational measurements can be contrasted with impairment allowances required in accordance with the Central Bank of Egypt's instructions approved by the board of directors on 16 December 2008, which are based on losses that have been incurred at the balance sheet data (the 'incurred loss model') rather than expected losses.

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

Bank's internal ratings scale

Bank's Rating	Description of the grade
1	Good debts
2	Normal watch-list
3	Special watch-list
4	Non-performing loans

The position exposed to default depends on the amounts that the Bank expects to be outstanding when delay occurs. For instance, for the loans, the position would be the nominal value; for commitments, the Bank includes all the amounts already withdrawn in addition to the other amounts that are expected to be withdrawn till the date of delay, if any. Presumptive loss represents the Bank's expectations of the amount of loss when the debt is claimed in case of delay. This is expressed by the loss percentage in the debt, which certainly differs according to the type of debtor, the priority of claim, and the availability of guarantees or other credit coverage means.

Debt Instruments

As per debt instruments, the bank uses external classifications or any equivalent in credit risks' management. However, if such evaluations are not available, similar methods are used to the ones applied to credit clients. Such investments in securities are considered a means to obtain a better credit quality and at the same time it provides an available source for meeting the financing requirements.

A.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 quarterly.

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:

Collaterals

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

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

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 where their fair value is positive), which in relation to derivatives is only a small fraction of the contract, or negotiable 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.

Commitments Related to Credit

The primary purpose of these instruments is to ensure that funds are available to a customer as required. Collaterals and standby letter 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, collaterals 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.

A.3. Impairment and Provisions Policies

Policies The internal rating systems previously described focus more on credit-quality mapping from the inception of the lending and investment activities. In contrast, impairment provisions are recognized for financial reporting purposes only for losses that have been incurred at the balance sheet date based on objective evidence of impairment due to the different methodologies applied, the amount of incurred credit losses provided for in the financial statements are usually lower than the amount determined from the expected loss model that is used for internal operational management and Central Bank of Egypt's regulation purposes.

The impairment provision shown in the balance sheet at the period is derived from each of the three internal rating stages. However, the majority of the impairment provision comes from the bottom two stages.

The table below shows the percentage of the banks in balance sheet items relating to loans and advances and the associated impairment provision for each of the bank's internal rating categories:

31/12/2025 **Bank's Rating**	**Loans and facilities %**	**Impairment losses provision %**
Stage 1	92.83%	27.17%
Stage 2	2.17%	12.44%
Stage 3	5%	60.39%
	100%	100%

Loans and facilities include loans used limit and percentage of loans agreements, according to the volume of expected used limit in addition to financial collateral contracts.

The bank's policy requires to review of all financial of relative importance at least annually or more regularly when individual circumstances require. Impairment allowances on individually assessed accounts are determined by an evaluation of the incurred loss at balance-sheet date on a case-by-case basis, and are applied to all individually significant accounts. The assessment normally encompasses collateral held (including re-confirmation of its enforceability) and the expected collection for that individual account.

Impairment loss provision is formed based on homogenous assets using the historical experience of loan loses, available personal judgment of bank management and statistical methods.

A.4. Bank Risks Measurement General Model

In addition to the categories of measuring credit worthiness the management makes sub-groups more detailed according to the Central Bank of Egypt's rules. Assets facing credit risk are classified to detailed conditions relying greatly on customer's information, activities, financial position and his regular payments to his debts.

The bank calculates the provisions needed for impairment of assets exposed to credit risk including commitments related to the credit based on special percentages determined by Central Bank of Egypt. In the case of increase of impairment loss provision needed according to credit worthiness as per Central Bank of Egypt over the impairment loss for the purpose of preparing the financial statement according to the Central Bank of Egypt approved by the Board of Directors as on February 26, 2019, regarding the implementation of IFRS 9, the general banking risk reserve is included in owners' equity deducted from the retained earning with this increase, this reserve is modified on a regular basis with the increase and decrease, which equals the increase in provisions and this reserve is not distributed.

And this are categories of institutional worthiness according to internal ratings compared with Central Bank of Egypt's ratings and ratios of provisions needed for assets impairment related to credit risk:

Classification of the Central Bank of Egypt	Classification Significance	Required provision rate	Internal classification	Internal classification Significance
1	Low risks	Zero	1	Performing loans
2	Average Risk	1%	1	Performing loans
3	Satisfactory risks	1%	1	Performing loans
4	Reasonable Risk s	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 Debt	100%	4	Non-performing loans

A.5. Maximum limits for Credit Risk before Collateral.

	31/12/2025 EGP	31/12/2024 EGP
Items exposed to credit risks		
Due from banks	**19,382,220,862**	49,145,806,594
Loans and facilities to customers		
Retail loans		
Overdrafts	**388,155,090**	519,469,285
Credit cards	**765,345,264**	278,134,177
Personal loans	**17,359,156,214**	13,175,246,515
Real estate loans	**14,419,934,595**	13,638,871,993
Corporate loans:		
Overdrafts	**5,744,512,294**	8,702,324,724
Direct loans	**21,091,219,795**	15,214,819,645
Syndicated loans	**5,814,305,460**	4,272,842,456
Specialized loans:		
Direct loans	**134,464,314**	170,892,885
Financial assets:		
Debt instruments	**13,970,330,295**	18,215,170,587
Other assets	**4,293,939,854**	3,549,485,226
Total	**103,363,584,037**	126,883,064,087

A.6. Loans and Facilities

Following is the position of loans and facilities balances:

	31/12/2025 EGP Loans & advances to customers	31/12/2024 EGP Loans & advances to customers
Neither past dues nor subject to impairment	**61,008,198,640**	50,999,065,857
Past due but not subject to impairment	**1,428,842,686**	1,347,249,249
Individually subject to impairment	**3,280,051,700**	3,626,286,574
Total	**65,717,093,026**	55,972,601,680
Less:		
Impairment loss provision	**(5,429,267,585)**	(4,972,951,669)
Interest in suspense	**(5,097,138)**	(10,160,138)
Net	**60,282,728,303**	50,989,489,873

Loans and facilities impairment reached EGP 637,537,578 compared to EGP 1,441,173,564 in the comparative year. Item No. (18) Includes additional information about provision for impairment losses on Loans and facilities to banks and customers.

The following table showing total Loans & Facilities stages during the year:

31/12/2025	Stage 1 12 Months	Stage 2 Lifetime	Stage 3 Lifetime	Total
Retail	31,386,142,412	773,252,489	773,196,262	32,932,591,163
Corporate	29,622,056,228	655,590,197	2,506,855,438	32,784,501,863
	61,008,198,640	**1,428,842,686**	**3,280,051,700**	**65,717,093,026**

The following table showing Impairment loss provision in stages during the year:

31/12/2025	Stage 1 12 Months	Stage 2 Lifetime	Stage 3 Lifetime	Total
Retail	204,528,040	142,080,108	707,757,556	1,054,365,704
Corporate	1,270,838,191	533,114,825	2,570,948,865	4,374,901,881
	1,475,366,231	**675,194,933**	**3,278,706,421**	**5,429,267,585**

The following table showing total Loans & Facilities stages during the year:

31/12/2024	Stage 1 12 Months	Stage 2 Lifetime	Stage 3 Lifetime	Total
Retail	25,612,117,747	625,550,509	1,374,053,714	27,611,721,970
Corporate	25,386,948,110	721,698,740	2,252,232,860	28,360,879,710
	50,999,065,857	**1,347,249,249**	**3,626,286,574**	**55,972,601,680**

The following table showing Impairment loss provision in stages during the year:

31/12/2024	Stage 1 12 Months	Stage 2 Lifetime	Stage 3 Lifetime	Total
Retail	119,956,230	119,028,290	820,881,136	1,059,865,656
Corporate	946,858,164	711,799,270	2,254,428,579	3,913,086,013
	1,066,814,394	**830,827,560**	**3,075,309,715**	**4,972,951,669**

The following table provides information on the quality of financial assets during the year:

31/12/2025

Due from banks / **Credit rating**	**Stage 1 12 Months**	**Stage 2 Lifetime**	**Stage 3 Lifetime**	**Total**
Good debts	3,059,487,794	16,322,733,068	-	19,382,220,862
Normal watch-list	-	-	-	-
Non-performing loan	-	-	-	-
Total	**3,059,487,794**	**16,322,733,068**	-	**19,382,220,862**
Allowance for impairment losses	-	**(4,425,972)**	-	(4,425,972)
Book value	**3,059,487,794**	**16,318,307,096**	-	**19,377,794,890**

Financial assets at amortized cost / **Credit rating**	**Stage 1 12 Months**	**Stage 2 Lifetime**	**Stage 3 Lifetime**	**Total**
Good debts	13,202,138,625	768,191,670	-	13,970,330,295
Normal watch-list	-	-	-	-
Non-performing loan	-	-	-	-
Total	**13,202,138,625**	**768,191,670**	-	**13,970,330,295**
Allowance for impairment losses	-	**(25,175,929)**	-	(25,175,929)
Book value	**13,202,138,625**	**743,015,741**	-	**13,945,154,366**

Retail Loans & Facilities / **Credit rating**	**Stage 1 12 Months**	**Stage 2 Lifetime**	**Stage 3 Lifetime**	**Total**
Good debts	31,386,142,412	-	-	31,386,142,412
Normal watch-list	-	773,252,489	-	773,252,489
Non-performing loan	-	-	773,196,262	773,196,262
Total	**31,386,142,412**	**773,252,489**	**773,196,262**	**32,932,591,163**
Allowance for impairment losses	**(204,528,040)**	**(142,080,108)**	**(707,757,556)**	(1,054,365,704)
Book value	**31,181,614,372**	**631,172,381**	**65,438,706**	**31,878,225,459**

Corporate Loans & Facilities / **Credit rating**	**Stage 1 12 Months**	**Stage 2 Lifetime**	**Stage 3 Lifetime**	**Total**
Good debts	29,622,056,228	-	-	29,622,056,228
Normal watch-list	-	655,590,197	-	655,590,197
Non-performing loan	-	-	2,506,855,438	2,506,855,438
Total	**29,622,056,228**	**655,590,197**	**2,506,855,438**	**32,784,501,863**
Allowance for impairment losses	**(1,270,838,191)**	**(533,114,825)**	**(2,570,948,865)**	(4,374,901,881)
Book value	**28,351,218,037**	**122,475,372**	**(64,093,427)**	**28,409,599,982**

31/12/2024

Due from banks / **Credit rating**	**Stage 1 12 Months**	**Stage 2 Lifetime**	**Stage 3 Lifetime**	**Total**
Good debts	44,658,119,514	4,487,687,080	-	49,145,806,594
Normal watch-list	--	-	-	-
Non-performing loan	--	-	-	-
Total	**44,658,119,514**	**4,487,687,080**	**-**	**49,145,806,594**
Allowance for impairment losses	-	**(4,945,120)**	**-**	**(4,945,120)**
Book value	**44,658,119,514**	**4,482,741,960**	**-**	**49,140,861,474**

31/12/2024

Financial assets at amortized cost / **Credit rating**	**Stage 1 12 Months**	**Stage 2 Lifetime**	**Stage 3 Lifetime**	**Total**
Good debts	17,841,069,929	374,100,658	-	18,215,170,587
Normal watch-list	-	-	-	-
Non-performing loan	-	-	-	-
Total	**17,841,069,929**	**374,100,658**	**-**	**18,215,170,587**
Allowance for impairment losses	-	**(9,757,037)**	**-**	**(9,757,037)**
Book value	**17,841,069,929**	**364,343,621**	**-**	**18,205,413,550**

31/12/2024

Retail Loans & Facilities / **Credit rating**	**Stage 1 12 Months**	**Stage 2 Lifetime**	**Stage 3 Lifetime**	**Total**
Good debts	25,612,117,747	-	-	25,612,117,747
Normal watch-list	-	625,550,509	-	625,550,509
Non-performing loan	-	-	1,374,053,714	1,374,053,714
Total	**25,612,117,747**	**625,550,509**	**1,374,053,714**	**27,611,721,970**
Allowance for impairment losses	**(119,956,230)**	**(119,028,290)**	**(820,881,136)**	**(1,059,865,656)**
Book value	**25,492,161,517**	**506,522,219**	**553,172,578**	**26,551,856,314**

31/12/2024

Corporate Loans & Facilities / **Credit rating**	**Stage 1 12 Months**	**Stage 2 Lifetime**	**Stage 3 Lifetime**	**Total**
Good debts	25,386,948,110	-	-	25,386,948,110
Normal watch-list	-	721,698,740	-	721,698,740
Non-performing loan	-	-	2,252,232,860	2,252,232,860
Total	**25,386,948,110**	**721,698,740**	**2,252,232,860**	**28,360,879,710**
Allowance for impairment losses	**(946,858,164)**	**(711,799,270)**	**(2,254,428,579)**	**(3,913,086,013)**
Book value	**24,440,089,946**	**9,899,470**	**(2,195,719)**	**24,447,793,697**

A.7. Acquisition of collaterals:

Assets owned through possession are classified among other assets in the balance sheet
Those assets are sold whenever practical according to The Central Bank of Egypt regulations to dispose those assets in a specified year.

	Book Value	
	31/12/2025	31/12/2024
	EGP	EGP
Land	**13,751,400**	13 751 400
Housing units	**3,012,588**	1
Hotel	**39,806,406**	49,139,024
	56,570,394	62,890,425

A.8. The concentration of financial assets exposed to credit risks:

Geographical segments

The following table represents the analysis of the most important bank's credit risks measured at the book value, allocated according to the geographical segment at 31 December 2025 While preparing this table, risks were allocated to the geographical segments according to the areas related to the bank's customers.

	Arab Republic of Egypt			
	Greater Cairo	**Alexandria, Delta and Sinai**	**Upper Egypt**	**Total**
Due from banks	19,382,220,862	--	--	19,382,220,862
Loans and Advance to Customers				
Retail Loans:				
Overdrafts	150,315,063	197,218,532	40,621,495	388,155,090
Credit cards	765,345,264	--	--	765,345,264
Personal loans	8,981,973,260	5,960,920,082	2,416,262,872	17,359,156,214
Real Estate loans	8,395,127,405	4,323,717,873	1,701,089,317	14,419,934,595
Corporate Loans:				
Overdrafts	3,404,342,703	2,052,785,485	287,384,106	5,744,512,294
Direct loans	18,866,465,238	2,115,941,623	108,812,934	21,091,219,795
Syndication loans	5,476,063,552	147 982 885	190 259 023	5,814,305,460
Specialized Loans:				
Other loans	134,464,314	--	--	134,464,314
Financial Assets				
Debt Instruments	13,970,330,295	--	--	13,970,330,295
Other Assets	4,089,150,154	141,989,465	62,800,235	4,293,939,854
Total as of 31 December 2025	**83,615,798,110**	**14,940,555,945**	**4,807,229,982**	**103,363,584,037**
Total as of 31 December 2024	109,255,254,830	13,057,290,879	4,570,518,378	126,883,064,087

The following table represents the analysis of the most important bank's credit risk in book value, allocated according to the customers' activity:
(EGP)

	Financial Institutions	Agricultural	Industrial Institutions	Commercial	Services	Real Estate Activity	Governmental Sector	Other Activities	Individuals	Total
Due from banks	15 909 152 198	--	--	--	--	--	3 473 068 664	--	--	**19 382 220 862**
Loans &Facilities										
Retail										
Overdrafts	--	--	--	--	--	--	--	--	388 155 090	**388 155 090**
Credit Cards	--	--	--	--	--	--	--	--	765 345 264	**765 345 264**
Personal loans	--	--	--	--	--	--	--	--	17 359 156 214	**17 359 156 214**
Real Estate	--	--	--	--	--	--	--	--	14 419 934 595	**14 419 934 595**
Corporate										
Overdraft	499 998 628	5 137 820	1 529 589 163	963 146 899	780 262 676	1 963 590 184	--	2 786 924	--	**5 744 512 294**
Direct Loans	5 649 720 019	6 883 371	3 496 348 335	1 995 980 637	3 340 391 223	6 589 326 580	--	12 569 630	--	**21 091 219 795**
Syndicated	--	--	1 448 731 793	823 059 129	1 540 563 088	2 001 951 450	--	--	--	**5 814 305 460**
Specialized Loans										
Direct Loans	--	--	--	--	--	--	134 464 314	--	--	**134 464 314**
Financial investments										
Debt Instruments	--	--	--	--	768 191 670	--	13 202 138 625	--	--	**13 970 330 295**
Other Assets	787 192 651	--	--	--	1 898 342 988	62 622 955	206 182 337	13 246 139	1 326 352 784	**4 293 939 854**
Total as of 31 December 2025	**22 846 063 496**	**12 021 191**	**6 474 669 291**	**3 782 186 665**	**8 327 751 645**	**10 617 491 169**	**17 015 853 940**	**28 602 693**	**34 258 943 947**	**103 363 584 037**
Total as of 31 December 2024	11 305 427 590	38 904 076	7 055 795 759	3 629 822 095	6 185 509 240	7 600 401 152	62 700 588 668	28 540 753	28 338 074 754	126 883 064 087

B. Market Risk

The bank is exposed to market risks, which is the risk of fluctuation in fair value or future cash flows of a financial instrument due to changes in market prices. Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market ratios or prices.

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B.1. Market Risk Measurement Techniques:

Value at risk

The bank applies "value at risk" methodology (VAR) to its trading portfolios, to estimate the market risk of its positions held and it's been monitoring daily.

VAR is a statistically based estimate of the potential loss on the current portfolio resulting from adverse market movements. It expresses the 'maximum' amount the bank might lose, by using certain level of confidence (98%). There therefore a specified statistical probability (2%) that actual loss could be greater than the VAR estimate. The VAR model assumes a certain 'holding period' (10 days) before closing the opened quarters, and it is assumed that the movement of the market during the retention period will follow the same movement pattern that occurred during the previous ten days.

The bank is assessing the historical movements in the market prices based on volatilities and correlations data for the past two years while collecting the historical data for the past five years and the bank applies these historical changes in rates, prices and indicators directly to the current positions, and this way is known as a simulated historical method and the actual outputs are monitored on regular basis to measure the appropriate assumptions and factors used to measure VAR. The use of this approach does not prevent losses outside of these limits in the event of more significant market movements.

Stress testing

Stress tests provide an indication of the potential size of losses that could arise under extreme market conditions. Therefore, bank designs stress tests according to its activities by using typical analysis to specific scenarios.

B.2. Foreign exchange risk

The Bank takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange ratios on its financial position and cash flows. 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 currency exchange rate risk and bank's financial instruments at carrying amounts, categorized by currency.

Foreign currency of financial instruments concentration risk

31 December 2025	US Dollar	Euro	Sterling Pound	Other Currencies
Financial Assets:				
Cash and balances with Central Bank	11,339,184	522,444	35,346	1,211,365
Due from banks	55,543,410	11,979,615	320,705	5,374,595
Loans & facilities to customers	19,514,441	80,297	1,653	5,758
Financial investments				
Financial Assets at fair value through other comprehensive income	24,471,774	1,002,214	-	-
Other Financial assets	305,843	156,450	1,949	2,738
Total financial assets	**111,174,652**	**13,741,020**	**359,653**	**6,594,456**
Financial liabilities:				
Due to banks	-	-	-	-
Customer's deposits	102,158,200	12,709,431	310,586	4,657,208
Other Financial liabilities	5,332,174	897,607	452	1,610,210
Total financial liabilities	**107,490,374**	**13,607,038**	**311,038**	**6,267,418**
Net financial position as of 31 December 2025	**3,684,278**	**133,982**	**48,615**	**327,038**
31 December 2024				
Total financial assets	135,787,594	5,368,724	295,663	6,694,874
Total financial liabilities	135,124,912	5,344,428	295,227	5,733,115
Net financial position as of 31 December 2024	662,682	24,296	436	961,759

B.3.Interest rate Risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest ratios and fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes ratios in market interest rates. Interest margins may increase as a result of such changes but profit may decrease in the event that unexpected movements arise. The board sets limits on the level of mismatch of interest rate reprising that may be undertaken, which is monitored daily by treasury Dept.

The following table summarizes the risk that the bank faces the change in the return value including the book value of financial instruments allocated based on the re-pricing dates or due dates price whichever is sooner:

(Values in Egyptian thousands of pounds)

	Up to 1 month	More than 1 month to 3 months	More than 3 months to 1 year	More than 1 year to 5 years	Without return	Total
Financial Assets:						
Cash and Due from Central Bank	-	-	-	-	27,864,309	27,864,309
Due from banks	16,291,716	-	-	-	3,090,505	19,382,221
Loans & facilities to customers	3,471,073	4,041,729	15,680,040	42,524,251	-	65,717,093
Financial Assets:						
Fair value other than through profit and loss	62,677,546	14,146,795	44,608,618	228,623	-	121,661,582
Fair value through profit and loss	240,894	-	-	26,766	-	267,660
Other assets	-	-	-	4,236,249	31,493,023	35,729,272
Total financial assets	**82,681,229**	**18,188,524**	**60,288,658**	**47,015,889**	**62,447,837**	**270,622,137**
Financial liabilities						
Due to banks	-	-	-	-	622	622
Customer's deposits	10,337,201	8,806,894	9,769,962	75,883,403	74,330,344	179,127,804
Other loans	-	4,490	45,064	118,319	-	167,873
Other financial liabilities	-	-	-	27,541,115	63,784,723	91,325,838
Total financial liabilities	**10,337,201**	**8,811,384**	**9,815,026**	**103,542,837**	**138,115,689**	**270,622,137**
Yield Repricing gap	**72,344,028**	**9,377,140**	**50,473,632**	**(56,526,948)**	**(75,667,852)**	**-**

C. Liquidity Risk

Liquidity risk is the risk that the Bank is unable to meet its obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn. The consequence may be the failure to meet obligations to repay depositors and fulfill commitments to lend.

Liquidity Risk Management

The bank's liquidity management process is monitored by Risk Management Department, includes:

- Day-to-day funding, managed by monitoring future cash flows to ensure that requirements can be met. This includes replenishment of funds as they mature or is borrowed by customers. The bank maintains an active presence in global money markets to enable this to happen.
- Maintaining a portfolio of highly marketable assets that can easily be liquidated as protection against any unforeseen interruption to cash flow.
- Monitoring balance sheet liquidity ratios against internal requirements and central bank of Egypt.
- Managing the concentration and profile of debt maturities.

Monitoring and reporting take the form of cash flow measurement and projections for the next day, week and month respectively, as these are key years 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.

Risk Management Department also monitors unmatched medium-term assets, the level and type of un-drawn lending commitments, the usage of overdraft facilities and the impact of contingent liabilities such as standby letters of credit and guarantees.

Funding approach

Sources of liquidity are regularly reviewed by a separate team in Treasury department, to maintain a wide diversification by currency Geographic regions provider, product and term

The available assets to cover all the liabilities and the loan's obligations include cash, balances with Central bank, dues from banks, treasury bills, other governmental securities and loans and advances to customers and banks, customers' loans that are due within a year are extended partially for the ordinary activity of the bank. In addition, some of debt instruments, treasury bills and governmental securities are mortgaged to guarantee the liabilities, the bank has the ability to cover the net unexpected cash flows through the sale of financial securities and finding other funding resources.

Due from banks

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

Loans and Facilities to banks

Loans and banking facilities represented in loans not from deposits at banks. The expected fair value of the loans and facilities represents the discounted value of future cash flows expected to be collected. Cash flows are discounted using the current market rate to determine fair value.

Loans and Facilities to customers

Loans and advances are net of provisions for impairment. The estimated fair value of loans and advances represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market ratios to determine fair value.

Financial Assets

Investment securities include only interest-bearing assets held at amortized cost; financial assets classified at fair value through other comprehensive income are measured at fair value. Except for equity investments that bank was unable to reliably estimate their fair value, Fair value for assets held at amortized cost is based on market prices or broker/dealer price quotations. Where this information is not available, fair value is estimated using quoted market prices for securities with similar credit, maturity and yield characteristics.

Due to other banks and customers

The estimated fair value of deposits with no stated maturity, which includes non-interest-bearing deposits, is the amount repayable on demand.

The estimated fair value of fixed interest-bearing deposits and other loans not quoted in an active market is based on discounted cash flows using interest ratios for new debts with similar remaining maturity.

D. Capital Management

The Bank's objectives when managing capital, which consists of other items in addition of owner's equity stated in balance sheet are:

- To comply with the legal requirements for capital in Egypt.
- To safeguard the Bank's ability to continue as ongoing concern so that it can continue to provide returns for Shareholders and stakeholders and other parties that deal with the bank.
- To maintain a strong capital base to support the development of its business.

  Capital adequacy and the use of regulatory capital are monitored daily by the Bank's management, employing techniques based on the guidelines developed by the Basel Committee as implemented by the Central bank Of Egypt, for supervisory purposes.

  The required information is filed with the Authority on a quarterly basis. Central Bank of Egypt requires the following:
- Holding the minimum level of the issued and paid in capital of EGP 5 billion.
- Maintaining a ratio of total regulatory capital to the risk weighted asset and contingent liability equal or above the agreed minimum of 10%.

The bank's branches are working under the regulations of the banking sector in Egypt.

The nominator of capital adequacy standard consists of two tiers:

Tier One:

Tier one, consisting of paid-in capital (after deducting the book value of treasury shares), and retained earnings and reserves resulting from the distribution of profits with the exception of banking risk reserve and deducting there from previously recognized goodwill and any transferred loss.

Tier Two:

Qualifying subordinated loan capital, which consists of the general risk reserve according to the principles of credit issued by the Central Bank of Egypt for not more than 1.25% of total assets and contingent liabilities weighted with risk, loans / subordinated deposits with a maturity term exceeding five years. (with consumption of 20% of their value in each year of the last five years of the schedule) and 45% of the increase between the fair value and book value for each of the financial assets in Associates and subsidiaries and 45% from Special Reserve.

When calculating the total dominator of capital adequacy, it shall not exceed the capital cushions (Qualifying subordinated loan capital) for share capital and loans not to increase (deposits) support for half of the share capital.

Assets are risk weighted ranging from zero to 100% classified by the relation of the debtor to all each asset to reflect the credit risk associated with it, taking the cash collateral account. These are used for the treatment of off-balance sheet items after adjustments to reflect the nature of contingency and the potential loss of those amounts.

The bank had complied with all the local capital requirements.

The following table summarizes basic and syndicated capital components and the capital adequacy ratio.

	31/12/2025	31/12/2024
	EGP	EGP
Capital adequacy ratio according to Basel II		
Capital		
(Tier 1 capital) basic capital		
Issued and paid in-capital	**5,313,000,000**	5,313,000,000
Amounts reserved for issued and paid-in capital increase	**5,313,000,000**	0
Reserves	**9,620,217,928**	7,925,356,734
Retained earnings	**198,787,385**	133,156,623
Total deduction from invested basic capital	**(1,145,087,426)**	(962,671,188)
Other comprehensive income	**110,360,153**	(56,309,246)
Total basic capital	**19,410,278,040**	12,352,532,923
Net income for the period / Year	**13,439,425,353**	11,039,794,202
Total paid up capital and additional paid up capital and retained earnings	**32,849,703,393**	23,392,327,125
(Tier 2 capital) syndicated capital,		
45% from Special Reserve	**4,205,235**	4,205,235
Impairment loss for loans facilities and regular contingent	**834,260,802**	660,115,702
Total Syndicated Capital	**838,466,037**	664,320,937
Total capital	**33,688,169,430**	24,056,648,062
Risk-weighted assets and contingent liabilities:		
Total Credit Risk	**66,740,864,173**	52,809,256,191
Total Market Risk	**385,108,500**	250,080,000
Total Operational Risk	**7,750,490,805**	6,047,715,806
Total	**74,876,463,478**	59,107,051,997
Capital Adequacy ratio (%)	**44.99**	40.70

According to the balances of consolidation statements which agreed with the instructions of the Central Bank of Egypt (CBE) issued in 18 December 2012

Financial leverage

	31/12/2025	31/12/2024
	EGP	EGP
Tier one capital after exclusions	**32,849,703,393**	23,392,327,125
Total on-balance sheet exposures, derivatives contracts and financial papers operations	**243,891,268,000**	166,469,107,000
Total off balance sheet exposures.	**3,328,428,000**	3,186,467,000
Total exposures on-balance sheet and off-balance sheet.	**247,219,696,000**	169,655,574,000
Financial leverage ratio %	**13.29**	**13.79**

4. 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 info.

A. Impairment losses on loans and facilities

The Bank reviews its loan portfolios to assess impairment at least on a quarterly basis and based on personal basis it determine whether impairment loss should be recorded in the income statement, the Bank makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of loans before the decrease can be identified with an individual loan in that portfolio .This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in a Bank, or national or local economic conditions that correlate with defaults on assets in the Bank. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling its future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

B. Fair value of derivatives

The fair values of financial instruments that are not quoted in active markets are determined by using valuation techniques. Where valuation techniques (for example, models) are used to determine fair values, they are validated and periodically reviewed.

C. Financial assets classified as amortized cost

The non-derivative financial assets with fixed or determinable payments and fixed maturity are being classified as amortized cost. This classification requires significant judgment. In making this judgment, the Bank evaluates its intention and ability to hold such investments to maturity. If the Bank fails to keep these investments to maturity other than for the specific circumstances- for example selling insignificant amount near to the maturity date.

D. Income taxes

The bank is subject to income tax in a number of tax circles for its branches which requires the use of significant estimates to determine the total income tax provision. There's a number of operations and accounts that are difficult to determine its final tax expense accurately. The bank created provisions for the expected results of the tax inspection that is being conducted and to account for probable additional tax. When there is a difference between the final results of the tax and the pre-recorded amounts, these differences will be adjusted against the income tax and the deferred income tax provision.

5. Segment Analysis

A. Segment Analysis of activities

Segment activity includes operational procedures and the assets that are used in providing banking services and managing the risk related to it and the return relevant to that activity that may differ from any other activities and the segment analysis of operations according to banking operations includes the following:

Corporate, medium &small sized enterprise
This includes current accounts (debit/credit), deposits, loans & facilities and financial derivatives.

Investments
Includes merging of companies, financing companies restructuring & financial tools.

Retail
Includes current, saving & deposit accounts, credit cards, and personal & real estate loans.

Other activities
Includes other banking activities as money management.

Transactions between business segments according to normal business activities and it includes operational assets and liabilities as presented in the Banks's balance sheet.

Revenues and Expenses according to segment activity

					EGP
The year ended on 31 December 2025	**Corporate**	**Investment**	**Individuals**	**Other activities**	**Total**
Segment activity revenues	10,869,887,354	8,781,579,034	10,649,776,962	12,183,933,483	**42,485,176,833**
Segment activity expenses	(6,078,196,910)	(1,420,699,973)	(7,517,697,716)	(3,081,655,865)	**(18,098,250,464)**
Segment operation results	4,791,690,444	7,360,879,061	3,132,079,246	9,102,277,618	**24,386,926,369**
Unclassified expenses	--	--	--	--	**(1,186,297,184)**
Net income for the year before taxes	--	--	--	--	**23,200,629,185**
Taxes	--	--	--	--	**(5,994,823,474)**
Net income for the year	--	--	--	--	**17,205,805,711**

					EGP
The year ended on 31 December 2024	**Corporate**	**Investment**	**Individuals**	**Other activities**	**Total**
Segment activity revenues	8,260,021,213	5,872,147,151	8,419,057,367	8,307,014,589	**30,858,240,320**
Segment activity expenses	(5,333,567,960)	(1,697,779,766)	(5,418,995,376)	(1,581,317,494)	**(14,031,660,596)**
Segment operation results	2,926,453,253	4,174,367,385	3,000,061,991	6,725,697,095	**16,826,579,724**
Unclassified expenses	--	--	--	--	**(1,816,273,053)**
Net income for the year before taxes	--	--	--	--	**15,010,306,671**
Taxes	--	--	--	--	**(3,970,512,469)**
Net income for the year	--	--	--	--	**11,039,794,202**

B. Analysis of Geographical Segments

EGP

The year ended on 31 December 2025	Greater Cairo	Alexandria, Delta& Sinai	Upper Egypt	Total
Revenues &expenses in accordance with geographical segment				
Geographical segment revenues	34,880,270,733	4,954,094,661	2,650,811,439	**42,485,176,833**
Geographical segment expenses	(14,964,967,798)	(3,070,027,123)	(1,249,552,727)	**(19,284,547,648)**
Sector's profit results	19,915,302,935	1,884,067,538	1,401,258,712	**23,200,629,185**
Net income for the year before tax	-	-	-	**23,200,629,185**
Taxes	-	-	-	**(5,994,823,474)**
Net income for the year	-	-	-	**17,205,805,711**
Assets and liabilities in accordance with geographical segment				
Assets of geographic segment	174,871,307,514	40,123,193,981	12,924,183,925	**227,918,685,420**
Unspecified assets	-	-	-	**1,885,592,801**
Total assets	174,871,307,514	40,123,193,981	12,924,183,925	**229,804,278,221**
Liabilities of geographic segment	138,999,001,906	40,239,126,441	13,022,925,211	**192,261,053,558**
Other items of the geographical segment				
Depreciations	(507,103,236)	(27,879,943)	(12,264,958)	**(547,248,137)**
Impairment loss	-	-	-	**(639,049,047)**

EGP

The year ended on 31 December 2024	Greater Cairo	Alexandria, Delta& Sinai	Upper Egypt	Total
Revenues &expenses in accordance with geographical segment				
Geographical segment revenues	26,119,415,557	3,145,268,161	1,593,556,602	**30,858,240,320**
Geographical segment expenses	(13,004,414,993)	(2,104,229,768)	(739,288,888)	**(15,847,933,649)**
Sector's profit results	13,115,000,564	1,041,038,393	854,267,714	**15,010,306,671**
Net income for the year before tax	-	-	-	**15,010,306,671**
Tax	-	-	-	**(3,970,512,469)**
Net income for the year	-	-	-	**11,039,794,202**
Assets and liabilities in accordance with geographical segment				
Assets of geographic segment	144,679,938,129	24,822,004,037	8,281,620,564	**177,783,562,730**
Unspecified assets	-	-	-	**1,672,326,469**
Total assets	144,679,938,129	24,822,004,037	8,281,620,564	**179,455,889,199**
Liabilities of geographic segment	122,602,635,705	24,580,965,647	8,027,352,845	**155,210,954,197**
Other items of the Geographical Segment				
Depreciations	(304,470,918)	(25,895,032)	(9,965,174)	**(340,331,124)**
Impairment loss	-	-	-	**(1,475,941,929)**

C. Banking and housing activities

The bank's main activity is banking activity and other activities related to banking, which represented in the receiving deposits from customers and other sources of funds from the banking system and the Central Bank of Egypt. These funds are used in lending activities to other companies, retail banking products of various types and short and long term investments activities through financial markets and other financial assets and provide banking services of all kinds as the bank of the leading banks in banking with full and permanent commitment to the Banking Law No. 194 of 2020 and the instructions of the Central Bank of Egypt about the rules related to the banking system, including the commercial banks operating in the Arab Republic of Egypt, In order to maximize the return on shareholders 'equity and to complement the Bank's view of the integration of the banking services, the Bank may in some cases consider investing part of the shareholders' equity and long-term savings instruments in some of the equity instruments in some companies engaged in real estate development activity or entering into some housing projects to serve and integrate banking activities in order to maximize the return on assets and shareholders' equity with emphasis on the Bank's strategy of continuing as a banking institution representing housing activities not only an essential part of the bank but also helps to develop and enhance the bank's presence among the leading banks in providing banking services, the most important of which is to be the main arm of one of its clients, which aims at housing development within the framework of the Country's plan in economic and social development as well as the rest of the bank's corporate clients. The Bank aims to maintain excellent banking relationships with them as part of its banking business.

The distribution of revenues, expenses and profits on both banking and real estate activity as at 31 December 2025 is as follows:

(Values in Egyptian thousands of pounds)

From 01/01/2025 till 31/12/2025

	Housing	**Banking**	**Total**
Interest on loans and similar income	-	40,105,337	40,105,337
Interest on deposits and similar expenses	-	(12,518,310)	(12,518,310)
Net interest income	**-**	**27,587,027**	**27,587,027**
Fees and commissions income	143,910	1,167,017	1,310,927
Fees and commissions expenses:	-	(185,302)	(185,302)
Net fees and commissions income	**143,910**	**981,715**	**1,125,625**
Dividends income	-	244,034	244,034
Net trading income	-	132,762	132,762
Housing projects income	573,162	-	573,162
Loss from financial investments	-	(4,128)	(4,128)
Impairment of loss provision (Reverse)	-	(639,049)	(639,049)
Administrative expenses	(473,266)	(4,917,220)	(5,390,486)
Other Provisions Reverse (expense)	-	(526,643)	(526,643)
Other operating revenues (expenses)	97,152	1,173	98,325
Net profit before taxes	**340,958**	**22,859,671**	**23,200,629**
Income tax expenses	(91,212)	(5,903,611)	**(5,994,823)**
Net profit for the year	**249,746**	**16,956,060**	**17,205,806**

(Values in Egyptian thousands of pounds)

	From 01/01/2024 till 31/12/2024		
	Housing	**Banking**	**Total**
Interest on loans and similar income	-	29,039,175	29,039,175
Interest on deposits and similar expenses	-	(10,117,184)	(10,117,184)
Net interest income	**-**	**18,921,991**	**18,921,991**
Fees and commissions income	182,321	934,444	1,116,765
Fees and commissions expenses:	-	(162,791)	(162,791)
Net fees and commissions income	**182,321**	**771,653**	**953,974**
Dividends income	-	231,387	231,387
Net income from financial assets at fair value through profit and loss	-	98,691	98,691
Housing projects income	339,294	-	339,294
loss from financial investments	-	(6)	(6)
Impairment of loss provision (Reverse)	-	(1,475,942)	(1,475,942)
Administrative expenses	(497,248)	(3,192,466)	(3,689,714)
Other Provisions Reverse (expense)	-	(368,526)	(368,526)
Other operating revenues (expenses)	62,550	(63,392)	(842)
Net profit before taxes	**86,917**	**14,923,390**	**15,010,307**
Income tax expenses	(19,556)	(3,950,957)	**(3,970,513)**
Net profit for the year	**67,361**	**10,972,433**	**11,039,794**

6. NET INTREST INCOME

	2025	2024
	EGP	EGP
Interest received from loans and similar items:		
Loans and advances to customers	**13,589,025,707**	11,138,241,181
Financial investment (other than that at fair value through profit and loss)	**17,665,724,916**	11,935,881,459
Deposits and current accounts	**8,850,586,462**	5,965,052,228
	40,105,337,085	29,039,174,868
Interest on deposits and similar expenses:		
Deposits and current accounts:		
Banks	**(38,074,782)**	(146,895,323)
Customers	**(12,347,510,471)**	(9,807,562,838)
Total	**(12,385,585,253)**	(9,954,458,161)
Other financial institutions loans	**(132,725,158)**	(162,725,829)
Total	**(12,518,310,411)**	(10,117,183,990)
Net interest income	**27,587,026,674**	18,921,990,878

7. Net fees & commissions income

	2025	2024
	EGP	EGP
Fees & commissions income :		
Fees & commissions related to credit	**201,696,572**	183,903,993
Institutions Financing fees	**270,437,164**	222,655,996
Other fees	**838,793,561**	710,205,176
Total	**1,310,927,297**	1,116,765,165
Fees and commission expenses:		
Other paid fees	**(185,302,305)**	(162,791,094)
Net income from fees and commissions	**1,125,624,992**	953,974,071

8. Dividends Income

	2025	2024
	EGP	EGP
Financial assets at fair value through profit and loss	**--**	525,000
Financial assets at fair value through other comprehensive income	**10,826,626**	8,316,969
Subsidiaries and associates	**233,207,449**	222,544,535
Total	**244,034,075**	231,386,504

9. Net trading income

	2025	2024
	EGP	EGP
Foreign trade profit	**39,479,700**	51,733,073
Financial investments held at fair value through profit and loss	**93,282,362**	46,958,423
Total	**132,762,062**	**98,691,496**

10. Revenue from housing projects

	2025	2024
	EGP	EGP
Sales of housing properties	**458,016,578**	266,097,177
Cost of sold properties	**(54,128,063)**	(50,444,485)
Revenue from properties	**403,888,515**	215,652,692
Other housing revenues	**169,273,191**	123,641,198
Total	**573,161,706**	339,293,890

11. Administrative expenses

	2025	2024
Staff cost	**EGP**	EGP
Wages and salaries	**1,886,961,340**	1,215,539,659
Social insurances	**95,731,608**	77,588,618
Retirement benefit cost	**25,000,000**	17,696,606
Operation utilities	**2,450,109,964**	1,765,195,737
Current expenses	**831,397,841**	559,370,520
Portion of social and athletic activities	**4,299,506**	8,107,756
Donations	**96,985,560**	46,215,578
Total	**5,390,485,819**	3,689,714,474

12. Other operating (Expenses) / revenues

	2025	2024
	EGP	EGP
Revaluation profits (losses) of assets and liabilities balances in foreign currencies with monetary nature other than held at fair value through profit and loss or classified at inception at fair value through profit and loss	**2,004,207**	(41,396,765)
Gain from selling properties plants & equipment	**615,479**	842,291
Impairment of other assets and projects	**(19,076,538)**	(28,959,955)
Rents collected	**97,152,494**	62,549,618
Others	**17,630,122**	6,122,602
Total	**98,325,764**	(842,209)

13. Credit impairment (losses) / reversal

	2025	2024
	EGP	EGP
Loan and customer advances	**(637,537,578)**	(1,441,173,564)
Due from banks	**519,148**	(455,958)
Debt instruments at amortized cost	**(15,418,892)**	(9,066,793)
Debt instruments at fair value through other comperhensive income	**13,388,275**	(25,245,614)
Total	**(639,049,047)**	(1,475,941,929)

14. Income tax expenses

	2025	2024
	EGP	EGP
Current taxes	**(6,098,507,859)**	(3,985,540,742)
Deferred taxes	**103,684,385**	15,028,273
Total	**(5,994,823,474)**	(3,970,512,469)

Settlements to calculate actual income tax expenses

	2025	2024
	EGP	EGP
Accounting profit before tax	**23,200,629,185**	15,010,306,671
Tax rate	**22.5%**	22.5%
Total tax	**5,220,141,567**	3,377,319,001
Add :		
Non-deductible expenses	**1,154,334,446**	870,058,376
The impact of provisions	**174,819,438**	138,201,942
The impact of depreciations	**(7,823,523)**	(41,441,790)
Withholding tax	**24,403,408**	23,164,900
Tax on treasury bills in foreign currency	**2,676,503,881**	1,864,711,454
Deduct:		
Tax exemptions	**(3,143,871,358)**	(2,246,473,141)
Income tax expenses	**6,098,507,859**	3,985,540,742
The price of the actual tax	**26.3%**	26.6%

15. Earnings per share for the year

Earnings per share are calculated by dividing the net profit for the year attributable to the equity shareholders by the weighted average number of shares outstanding during the year.

	2025	2024
	EGP	EGP
Net profit for the year	17,205,805,711	11,039,794,202
Board of directors' remunerations *	(80,000,000)	(60,000,000)
Employees' portion in profit *	(1,886,961,340)	(1,200,000,000)
Net profit for the year available for shareholders	**15,238,844,371**	**9,779,794,202**
Weighted average number of shares	531,300,000	531,300,000
Basic earnings per share for the year	**28.68**	**18.41**

*Estimated amounts to be approved by the general assembly meeting by the bank's shareholders at the end of the year

16. Cash and balances with central bank

	31/12/2025	31/12/2024
	EGP	EGP
Cash	**1,501,537,275**	1,086,357,835
Due from central bank within the mandatory reserve ratio	**26,362,772,000**	17,555,717,236
	27,864,309,275	18,642,075,071
Non-interest bearing balances	**27,864,309,275**	18,642,075,071

17. Due from banks

	31/12/2025	31/12/2024
	EGP	EGP
Current accounts	**3,090,504,674**	165,561,277
Deposits	**16,291,716,188**	48,980,245,317
Impairment loss provision	**(4,425,972)**	(4,945,120)
	19,377,794,890	49,140,861,474
Central bank excluding mandatory reserve	**3,473,068,664**	44,045,678,866
Local banks	**15,847,900,478**	5,007,871,096
Foreign banks	**56,825,748**	87,311,512
	19,377,794,890	49,140,861,474
Non-interest bearing balances	**3,090,504,674**	165,561,277
Interest bearing balances (fixed rate)	**16,287,290,216**	48,975,300,197
	19,377,794,890	49,140,861,474
Current balances	**19,377,794,890**	49,140,861,474

18. Loans & Facilities to customers

	31/12/2025	31/12/2024
Retail	**EGP**	EGP
Overdrafts	**388,155,090**	519,469,285
Credit cards	**765,345,264**	278,134,177
Personal loans	**17,359,156,214**	13,175,246,515
Real estate loans	**14,419,934,595**	13,638,871,993
Total	**32,932,591,163**	27,611,721,970
Institutions including small loans for economic activities		
Overdrafts	**5,744,512,294**	8,702,324,724
Direct loans	**21,091,219,795**	15,214,819,645
Syndicated loans	**5,814,305,460**	4,272,842,456
other loans*	**134,464,314**	170,892,885
Total	**32,784,501,863**	28,360,879,710
Total loans& facilities to customers	**65,717,093,026**	55,972,601,680
Less:		
Impairment loss provision	**(5,429,267,585)**	(4,972,951,669)
Interest in suspense	**(5,097,138)**	(10,160,138)
	60,282,728,303	50,989,489,873
Current balances	**6,981,716,760**	9,907,554,315
Non-current balances	**58,735,376,266**	46,065,047,365
	65,717,093,026	55,972,601,680

* Subsidized loans are paid regularly within the governmental plan for sociable development,

Impairment of loan loss provision
Movement analysis of impairment of loan and facilities loss provision to customers

	31/12/2025	31/12/2024
	EGP	EGP
Balance at the beginning of the year	**4,972,951,669**	3,561,202,384
Impairment loss during the year	**637,537,578**	1,441,173,564
Amounts written off during the year	**(349,555,881)**	(190,771,684)
Recovered amounts during the year	**188,704,331**	37,869,356
Foreign currency revaluation difference	**(20,370,112)**	123,478,049
Balance at the end of the year	**5,429,267,585**	4,972,951,669

19. Financial assets at fair value through profit and loss

	31/12/2025	31/12/2024
	EGP	EGP
Financial assets portfolios managed by others	**267,660,105**	187,375,950
Total financial assets at fair value through profit and loss	**267,660,105**	187,375,950

20. Financial Assets (other than those at fair value through profit and loss)

	31/12/2025	31/12/2024
Financial assets at fair value through other comprehensive income	EGP	EGP
Debt instrument :		
Listed in stock market	**107,462,628,418**	39,476,759,537
Unearned interest	**(6,084,333,573)**	(1,605,327,025)
Selling of debt instrument with obligation of rebuying	**(3,379,789,397)**	(3,685,673,334)
Equity instrument :		-
Unlisted in stock market	**127,957,537**	114,012,856
Mutual fund's instrument established according to the issued ratios	**100,665,311**	77,759,338
Total financial assets at fair value through other comprehensive income	**98,227,128,296**	34,377,531,372

Financial Assets at Amortized Cost:

Debt instruments -at amortized cost:		
Debt instrument (listed)	**13,970,330,295**	18,215,170,587
Unearned interest	**(805,837,412)**	(1,189,692,250)
Provision of debt instrument impairment losses	**(25,175,929)**	(9,757,037)
Total financial assets at amortized cost	**13,139,316,954**	17,015,721,300
Total financial assets	**111,366,445,250**	51,393,252,672
Current balances	**111,137,822,402**	51,201,480,478
Non-current balances	**228,622,848**	191,772,194
	111,366,445,250	51,393,252,672
Debt instruments – interest bearing (fixed)	**111,137,822,402**	51,201,480,478

	Financial assets at fair value through other comprehensive income	Financial assets at amortized cost	Total
	EGP	EGP	EGP
Balance at the beginning of 1 January 2025	**34,377,531,372**	**17,015,721,300**	**51,393,252,672**
Net movement of purchases and (selling)	63,371,245,404	(3,874,835,504)	**59,496,409,900**
Amortization of discount issuance	1,243,255	13,850,050	**15,093,305**
Change in fair value	171,224,328	-	**171,224,328**
Selling of debt instrument with obligation of rebuying	305,883,937	-	**305,883,937**
Change in instruments impairment loss	-	(15,418,892)	**(15,418,892)**
Balance as of 31 December 2025	**98,227,128,296**	**13,139,316,954**	**111,366,445,250**
Balance at the beginning of 1 January 2024	**43,201,786,950**	**2,592,518,213**	**45,794,305,163**
Net movement of purchases and (selling)	(9,372,050,823)	14,423,591,961	5,051,541,138
Amortization of (premium) discount issuance	(3,989,965)	8,677,919	4,687,954
Change in fair value	292,504,709	-	292,504,709
Selling of debt instrument with obligation of rebuying	259,280,501	-	259,280,501
Change in instruments impairment loss	-	(9,066,793)	(9,066,793)
Balance as of 31 December 2024	34,377,531,372	17,015,721,300	51,393,252,672

Change in fair value of equity instrument at fair value through other comprehensive income	**2025** EGP	**2024** EGP
Change in fair value of equity instrument at fair value through other comprehensive income	**171,224,328**	292,504,709
Total	**171,224,328**	292,504,709

Financial investments Loss	**2025** EGP	**2024** EGP
Impairment of equity instruments	-	(5,839)
Impairment of equity instruments of associate and subsidiaries companies	**(4,128,000)**	-
Total	(4,128,000)	(5,839)

21. Investments in subsidiaries & associates

	31/12/2025						
	Total assets	Total liabilities without shareholders' equity	Revenues	Net profit of the company	Sharing value	Direct sharing percentage	Direct and indirect sharing percentage
	EGP	EGP	EGP	EGP	EGP		
First: Subsidiaries							
Holding company for development and investment	969,460,083	92,622,308	110,707,551	75,261,934	533,600,000	92%	92%
Housing and development company for real estate investment ******	8,136,241,673	6,416,339,311	1,169,441,889	364,878,091	374,000,000	55.21%	94.50%
Hemaya Company for the management of cities, tourist resorts and real estate *****	241,590,731	128,087,659	245,722,560	25,212,167	2,463,000	24.88%	94.70%
El-Tameer company for real estate mutual funds****	3,935,584	36,612	578,426	84,871	1	24%	93.83%
El-Tameer company for financing and real estate promotion	20,001,824	5,103,162	16,145,667	1,929,016	3,900,000	39%	94.20%
Development for Technological Services (DTS) Company	46,877,398	11,685,335	58,729,175	63,682	4,000,000	40%	86.92%
El-Tameer company for security and transportation	83,765,913	37,809,136	169,868,076	7,544,175	8,000,000	40%	95.77%
HD for leasing	1,995,361,191	1,655,300,314	389,365,276	29,796,302	119,366,343	60%	97.10%
Second: Associate companies							
El-Tameer company for housing and utilities	827,857,682	508,642,852	468,868,991	78,240,978	5,250,000	35%	35%
El-Tameer Company for Real Estate Finance	17,882,395,635	15,194,966,187	3,528,152,651	464,634,329	366,404,560	24.84%	24.84%
Hyde Park for Real Estate Development Company	30,486,071,941	25,751,582,468	4,132,352,692	975,871,943	415,957,000	36.90%	53.66%
City edge real estate development	23,631,916,231	18,697,144,685	2,994,186,982	996,168,336	552,907,125	24.57%	25.76%
Obelisk for mutual funds investment*	--	--	--	--	1	30%	49.32%
HD company for securities**	--	--	--	--	1	10.80%	47.78%
Misr Sinai for tourism***	--	--	--	--	1	30%	30%
Balance at the end of the year	**84,325,475,886**	**68,499,320,029**	**13,284,119,936**	**3,019,685,824**	**2,385,848,032**		

- The financial data of the subsidiaries and associate companies were extracted from the financial statements on September 30, 2025.
**The bank sharing value in HD company for securities is EGP 6 628 000 and the impairment has been formed for the company with amount of EGP 4 128 000 during the year and in previous years, it amounted to EGP 2 499 999 the sharing value after the impairment is 1 EGP,
*****El-Tameer company for assets management was merged with Hemaya Company for the management of cities, tourist resorts and real estate, based on the decision of the General Authority for Investment dated April 22, 2025.
***** El-Tameer company for real estate development and investment was merged with Housing and development company for real estate investment, based on the decision of the General Authority for Investment dated April 28, 2025

21. Investments in subsidiaries associates- continued

31/12/2024

	Total assets	Total liabilities without shareholders' equity	Revenues	Net profit of the company	Sharing value	Direct sharing percentage	Direct and indirect sharing percentage
	EGP	EGP	EGP	EGP	EGP		
First: Subsidiaries							
Holding company for development and investment	848,606,417	67,796,773	97,949,786	85,552,421	533,600,000	92%	92%
Housing and development company for real estate investment	5,192,013,279	3,804,496,776	705,093,883	217,797,798	300,000,000	60%	94.96%
El-Tameer company for assets management	100,761,489	68,824,980	153,409,811	11,748,806	942,000	15.70%	62.62%
Hemaya Company for the management of cities, tourist resorts and real estate	91,285,063	54,112,998	180,750,296	9,517,982	1,521,000	39%	85.92%
El-Tameer company for real estate mutual funds****	3,991,954	1,622	582,410	201,173	1	24%	93.83%
El-Tameer company for financing and real estate promotion	18,482,393	3,375,674	10,040,918	1,330,800	3,900,000	39%	94.20%
Development for Technological Services (DTS) Company	79,636,451	35,638,424	65,953,091	9,489,118	4,000,000	40%	86.92%
El-Tameer company for real estate development and investment	225,327,323	338,859	4,840,374	4,231,832	74,000,000	37%	92.77%
El-Tameer company for security and transportation	69,479,595	30,174,239	127,030,857	6,036,129	8,000,000	40%	94.82%
HD for leasing	1,907,835,854	1,654,758,247	400,775,585	22,917,321	119,366,343	60%	97.10%
Second: Associate companies							
El-Tameer company for housing and utilities	610,967,863	328,304,541	420,348,683	78,174,634	5,250,000	35%	35%
El-Tameer Company for Real Estate Finance	12,319,962,329	11,942,995,455	2,240,418,484	277,996,853	175,161,370	24.84%	24.84%
Hyde Park for Real Estate Development Company	22,676,614,273	18,913,073,118	3,629,400,070	639,064,464	415,957,000	36.90%	53.66%
City edge real estate development	17,808,981,139	13,649,960,624	3,975,711,134	1,280,568,846	552,907,125	24.57%	25.76%
Obelisk for mutual funds investment*	--	--	--	--	1	30%	49.32%
HD company for securities**	--	--	--	--	1	10.80%	47.78%
Misr Sinai for tourism***	--	--	--	--	1	30%	30%
Balance at the end of the year	**61,953,945,422**	**50,553,852,330**	**12,012,305,382**	**2,644,628,177**	**2,194,604,842**		

* The bank sharing value in obelisk company for portfolio management and mutual funds is EGP 750 000 and the impairment has been formed for the company with amount of EGP 749 999, the sharing value after the impairment is EGP 1,

***The bank sharing value is Misr Sinai company for tourism is 29 983 200 EGP and the impairment has been formed for company with amount of EGP 29 983 199, the sharing value after the impairment is EGP 1,

***** The bank sharing value in El-Tameer company for real estate mutual funds is EGP 1 200 000 and the impairment has been formed for the company with amount of EGP 1,199 999, the sharing value after the impairment is EGP 1, according to the company's extraordinary general assembly decision on March 30, 2023 to liquidate the company,

22. Housing projects

	31/12/2025	31/12/2024
	EGP	EGP
Lands allocated for housing projects	**187,494,549**	187,107,785
Under construction projects	**1,376,389,500**	987,343,358
Finished projects	**227,619,991**	281,278,756
Housing projects provision	**(6,525,099)**	(6,525,099)
Balance at the end of the year	**1,784,978,941**	1,449,204,800

Projects under constructions includes EGP 240,457 Million, represents borrowing costs, the bank has charged to the projects under constructions at a borrowing and discount ratios announced by CBE.
The total built up area of the units and available for sale reached 3056 meters, administrative and commercial buildings reached 1366 meters and the lands 105043 meter.

Impairment of housing projects

	31/12/2025	31/12/2024
	EGP	EGP
Balance at the beginning of the year	6,525,099	7,602,033
Utilized during the year	-	(1,076,934)
Balance at the end of the year	**6,525,099**	6,525,099

23. Investments property

	31/12/2025	31/12/2024
	EGP	EGP
Total investments	**151,594,949**	153,276,287
Accumulate depreciation	**(78,782,121)**	(73,956,494)
Net book value at the beginning of the year	**72,812,828**	79,319,793
Additions	**448,473**	596,233
Disposals	**(3,321,526)**	(2,277,571)
Accumulated depreciation of disposals	**1,196,749**	887,045
Depreciation of the year	**(5,714,659)**	(5,712,672)
Net book value at the end of the year	**65,421,865**	72,812,828

Investments properties rented for the bank's companies and others with yearly renewal contracts and with depreciation calculated for the rented units at 5% annually,
Investments properties revaluated to the fair value by an amount of EGP 1.496 billion as of 31 December 2025 by an evaluator with a recognized professional certificate and has an experience of real estate.

24. Intangible assets

	31/12/2025	31/12/2024
Computers programs	**EGP**	EGP
Beginning cost of the year	**1,255,989,365**	696,199,214
Additions during the year	**249,654,465**	559,790,151
Ending cost of the year	**1,505,643,830**	1,255,989,365
Accumulated amortiazation at the beginning of the year	**(709,301,016)**	(546,619,969)
Amortiazation during the year	**(311,681,126)**	(162,681,047)
Accumulated amortiazation at the end of the year	**(1,020,982,142)**	(709,301,016)
Net book value at the end of the year	**484,661,688**	546,688,349

25. Other assets

	31/12/2025	31/12/2024
	EGP	EGP
Accrued revenues	**1,406,511,540**	1,468,964,825
Prepaid expenses	**202,163,210**	172,694,161
Advanced payments for purchasing fixed assets	**1,923,002,850**	1,284,781,993
Advanced payments for contractors	**284,932,395**	154,311,355
Insurance and consignment	**11,586,899**	10,960,382
Debit accounts under settlement	**368,957,903**	205,107,845
Assets reverted to banks in settlement of debts	**56,570,394**	62,890,425
Others	**40,214,663**	189,774,240
Balance at the end of the year	**4,293,939,854**	**3,549,485,226**

26. Fixed assets

	Lands	Buildings & Constructions	Transportation vehicle	Machinery & Equipment	Furniture	Facilities & Installments	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Balance at 1 January 2024							
Cost	206,235,275	927,831,987	42,618,662	930,283,872	143,805,584	40,697,990	**2,291,473,370**
Accumulated depreciation	-	(319,534,621)	(39,135,596)	(769,647,482)	(82,131,203)	(34,482,227)	**(1,244,931,129)**
Net book value at 1 January 2024	**206,235,275**	**608,297,366**	**3,483,067**	**160,636,390**	**61,674,381**	**6,215,763**	**1,046,542,242**
Additions	204,215	40,196,750	29,865,000	165,290,168	10,617,523	10,821,264	**256,994,920**
Disposals	-	(610,420)	(1,173,568)	(125)	-	-	**(1,784,113)**
Disposals - accumulated depreciation	-	381,513	1,153,511	124	-	-	**1,535,148**
Depreciation expense	-	(44,920,688)	(4,932,955)	(107,702,519)	(11,870,067)	(8,223,848)	**(177,650,077)**
Net book value at 31 December 2024	**206,439,490**	**603,344,521**	**28,395,055**	**218,224,038**	**60,421,837**	**8,813,179**	**1,125,638,120**
Balance at 1 January 2025							
Cost	206,439,490	967,418,317	71,310,094	1,095,573,915	154,423,107	51,519,254	**2,546,684,177**
Accumulated depreciation	-	(364,073,796)	(42,915,040)	(877,349,877)	(94,001,270)	(42,706,075)	**(1,421,046,058)**
Net book value at 1 January 2025	**206,439,490**	**603,344,521**	**28,395,055**	**218,224,038**	**60,421,837**	**8,813,179**	**1,125,638,120**
Balance at 31 December 2025							
Net book value at 1 January 2025	206,439,490	603,344,521	28,395,055	218,224,038	60,421,837	8,813,179	**1,125,638,120**
Additions	11,390	48,430,045	41,374,900	388,967,527	19,278,039	13,962,323	**512,024,224**
Disposals	-	(5,499,360)	(1,189,500)	(16,894,091)	-	(107,873)	**(23,690,824)**
Disposals - accumulated depreciation	-	4,341,882	1,189,495	16,887,356	-	107,871	**22,526,604**
Depreciation expense	-	(47,127,827)	(13,598,414)	(150,361,334)	(13,200,382)	(11,279,054)	**(235,567,011)**
Net book value at 31 December 2025	**206,450,880**	**603,489,261**	**56,171,536**	**456,823,496**	**66,499,494**	**11,496,446**	**1,400,931,113**
Balance at 31 December 2025							
Cost	206,450,880	1,010,349,002	111,495,494	1,467,647,351	173,701,146	65,373,704	**3,035,017,577**
Accumulated depreciation	-	(406,859,741)	(55,323,959)	(1,010,823,855)	(107,201,652)	(53,877,258)	**(1,634,086,465)**
Net book value at 31 December 2025	**206,450,880**	**603,489,261**	**56,171,536**	**456,823,496**	**66,499,494**	**11,496,446**	**1,400,931,113**

27. Due to banks

	31/12/2025	31/12/2024
	EGP	EGP
Current accounts	**621,732**	491,365
Deposits	**-**	2,033,552,000
	621,732	2,034,043,365
Local banks	**-**	2,033,552,000
Foreign banks	**621,732**	491,365
	621,732	2,034,043,365
Non-interest bearing balances	**621,732**	491,365
Interest bearing balances (fixed rate)	**-**	2,033,552,000
	621,732	2,034,043,365
Current balances	**621,732**	2,034,043,365

28. Customers' deposits

	31/12/2025	31/12/2024
	EGP	EGP
Demand deposit	**61,356,624,169**	48,928,073,052
Time & call deposits	**18,749,097,718**	20,276,718,210
Saving certificates	**22,744,568,301**	14,996,457,374
Saving deposits	**12,911,794,809**	9,229,458,864
Other deposits	**63,365,719,271**	51,528,592,497
	179,127,804,268	144,959,299,997
Institutions deposits	**74,878,796,387**	64,488,631,696
Individual deposits	**104,249,007,881**	80,470,668,301
	179,127,804,268	144,959,299,997
Non-interest bearing balances	**74,330,344,341**	70,272,042,799
Interest bearing balances (variable rate)	**12,911,794,809**	9,229,458,864
Interest bearing balances (fixed rate)	**91,885,665,118**	65,457,798,334
	179,127,804,268	144,959,299,997
Current balances	**156,383,235,967**	129,962,842,623
Non-current balances	**22,744,568,301**	14,996,457,374
	179,127,804,268	144,959,299,997

29. Other loans

	Interest rate %	31/12/2025 EGP	31/12/2024 EGP
Long term loans			
Loans Granted from the CBE:			
Construction & Housing Organization	22.50%	**134,464,273**	170,892,841
Total loans granted from the CBE		**134,464,273**	170,892,841
Loans granted from the Social Fund for development	%14.75 ،%7	**24,087,100**	50,242,400
The Egyptian Company for real estate refinance loan	%11 ،%10.25	**9,321,875**	15,555,625
Total		**167,873,248**	236,690,866
Current balances		**49,554,318**	66,897,618
Non-current balances		**118,318,930**	169,793,248
		167,873,248	236,690,866

The bank fulfilled its commitments regarding those loans in terms of the principal amount & interest amount or any other conditions during the year and comparative year.

30. Other liabilities

	31/12/2025 EGP	31/12/2024 EGP
Accrued interest	**574,314,126**	624,213,690
Unearned revenue	**26,808,408**	15,907,228
Accrued expense	**626,393,390**	320,040,724
Creditors	**158,152,589**	77,188,430
Advanced reservation of lands and units	**1,322,975**	1,132,518
Down payments under installments	**427,435,400**	256,575,176
Checks under payment & credit accounts under settlement	**252,298,006**	185,560,251
Other credit balance	**5,136,970,900**	3,137,124,561
Balance at the end of the year	**7,203,695,794**	4,617,742,578

31. Other Provisions:

31/12/2025	Beginning balance	Formed Amounts	Utilized amounts	Amounts no longer required	Foreign currency revaluation difference	Ending Balance
Provision for contingent liabilities	289,126,339	268,311,148	-	-	-	**557,437,487**
Provisions for loans commitments	176,641,845	160,460,993	-	-	-	**337,102,838**
Provision for tax	254,766,161	2,300,000	(3,695,816)	-	-	**253,370,345**
Provision for legal claims	28,605,726	3,541,389	(256,380)	(667,084)	-	**31,223,651**
Provision for disaster aids	1,589,455	-	(1,225,483)	-	-	**363,972**
Community Contribution provision	86,164,849	31,295,777	-	-	-	**117,460,626**
Provision for operating losses	134,678,232	12,604,407	-	-	-	**147,282,639**
Loyalty Points Provision	2,301,979	48,796,592	(45,764,500)	-	-	**5,334,071**
Balance at the end of the year	**973,874,586**	**527,310,306**	**(50,942,179)**	**(667,084)**	-	**1,449,575,629**

31/12/2024	Beginning balance	Formed Amounts	Utilized amounts	Amounts no longer required	Foreign currency revaluation difference	Ending Balance
Provision for contingent liabilities	274,121,943	15,004,396	-	-	-	**289,126,339**
Provisions for loans commitments	114,909,009	61,732,836	-	-	-	**176,641,845**
Provision for tax	156,082,227	109,000,000	(10,316,066)	-	-	**254,766,161**
Provision for legal claims	15,132,119	14,683,649	(38,938)	(1,740,727)	569,623	**28,605,726**
Provision for disaster aids	1,027,432	2,000,000	(1,437,977)	-	-	**1,589,455**
Community Contribution provision	60,871,889	25,292,960	-	-	-	**86,164,849**
Provision for operating losses	-	134,678,232	-	-	-	**134,678,232**
Loyalty Points Provision	-	7,874,371	(5,572,392)	-	-	**2,301,979**
Balance at the end of the year	**622,144,619**	**370,266,444**	**(17,365,373)**	**(1,740,727)**	**569,623**	**973,874,586**

	31/12/2025			31/12/2024		
	Formed Amounts	Amounts No Longer Required	Total	Formed Amounts	Amounts No Longer Required	Total
Provision for contingent liabilities	(268,311,148)	-	(268,311,148)	(15,004,396)	-	**(15,004,396)**
Provision for loans commitments	(160,460,993)	-	(160,460,993)	(61,732,836)	-	**(61,732,836)**
Provision for tax	(2,300,000)	-	(2,300,000)	(109,000,000)	-	**(109,000,000)**
Provision for legal claims	(3,541,389)	667,084	(2,874,305)	(14,683,649)	1,740,727	**(12,942,922)**
Provision for disaster aids	-	-	-	(2,000,000)	-	**(2,000,000)**
Community Contribution provision	(31,295,777)	-	(31,295,777)	(25,292,960)	-	**(25,292,960)**
Provision for operating losses	(12,604,407)	-	(12,604,407)	(134,678,232)	-	**(134,678,232)**
Loyalty Points Provision	(48,796,592)	-	(48,796,592)	(7,874,371)	-	**(7,874,371)**
Total	**(527,310,306)**	**667,084**	**(526,643,222)**	**(370,266,444)**	**1,740,727**	**(368,525,717)**

32. Deferred income tax

Deferred income taxes have been totally calculated on the difference of the deferred taxes under the liabilities method using a tax rate of 22.5% in the current financial year.

Deferred income taxes resulted from previous periods tax loss is not recognized unless there is expected profit taxes can be used to decrease the previous periods' tax loss.

Deferred tax Assets / (liabilities)

	Deferred tax assets		Deferred tax liability	
	31/12/2025	31/12/2024	**31/12/2025**	31/12/2024
	EGP	EGP	**EGP**	EGP
Fixed assets and Intangible Assets	-	-	**(53,188,912)**	(45,226,930)
Change in financial assets at fair value through OCI	-	35,823,378	**(2,702,096)**	-
Provisions other than Loans impairment losses*	**285,449,913**	173,803,546	-	-
Total deferred tax asset / (Liability)	**285,449,913**	209,626,924	**(55,891,008)**	(45,226,930)
Net tax that resulted in asset / (Liability)	**229,558,905**	**164,399,994**		

* The deferred tax assets related to other provisions (Provisions other than loans impairment loss) were recognized, and this is due to that there is a reasonable assurance to get benefit from it, or the existence of an appropriate level to ensure the existence of sufficient future tax returns through which it is possible to benefit from these assets.

Deferred tax Assets / (liabilities) transactions:

	Deferred tax assets		Deferred tax liability	
	31/12/2025	31/12/2024	**31/12/2025**	31/12/2024
	EGP	EGP	**EGP**	EGP
Beginning balances of the year	**209,626,924**	218,780,906	**(45,226,930)**	(3,595,625)
Additions during the year*	**111,922,101**	56,901,888	**(10,664,078)**	(41,631,305)
Disposals during the year**	**(36,099,112)**	(66,055,870)	**-**	-
Balance at the end of the year	**285,449,913**	209,626,924	**(55,891,008)**	(45,226,930)

***Additions (Liabilities) contain amount of EGP 2 702 096 million related to deferred tax included into OCI note number 35-H.**

****Disposals (Assets) contain amount of EGP 35 823 378 million related to deferred tax included into OCI note number 35-H.**

Unrecognized deferred tax assets

Deferred tax assets are not recognized for other items:

	31/12/2025	31/12/2024
	EGP	EGP
Loans impairment provision excluding the 80% during the year	**244,317,041**	223,782,825

33. Retirement benefit obligations

	31/12/2025 EGP	31/12/2024 EGP
Retirement benefit obligation as recorded in balance sheet:		
Medical benefit after retirement	**161,282,610**	110,877,616
Transactions of liabilities during the year represented as follows :		
Balance at the beginning of the year	**110,877,616**	88,733,410
Interest cost during the year	**17,702,260**	1,879,452
Actuarial losses	**80,000,000**	60,000,000
Paid contributions	**(47,297,266)**	(39,735,246)
Balance at the end of the year	**161,282,610**	110,877,616

Main actuarial assumption used represented in the following:

	Current year %	Comparison year %	
Discount rate	13.97%	13.97%	
Expected interest rate on assets	6%	6%	
Inflation rate used in medical services cost	15%	15%	
Death rates	(49-A52)	(49-A52)	British table

The assumptions related to the death rate are based on the announced recommendations, statistics, and experience in Egypt,

34. Capital

A- Authorized and paid-in Capital

The authorized capital is EGP 10 Billion, the issued and paid in capital is EGP 5,313 Billion totaling 531.30 million share each share par value is EGP 10,

1- The Bank's extraordinary general assembly approved on 5/11/2007 to increase the authorized capital from EGP 1000 million to EGP 3000 million, and the issued and paid in capital from EGP 550 million to EGP 1150 million with an increase amounted to EGP 600 million,

The newsletter subscription had been announced on 16/01/2008 for the first phase with an increase amounted to EGP 120 million at the face value for the initial shareholders, and it was completely accomplished and marked on the bank's commercial ledger,

The second phase had been announced from 23/3/2010 till 29/04/2010 and open subscription for the initial shareholders, and till 13/05/2010 for the new shareholders for 45 million shares at par value EGP 20 in addition to 25 piasters (issuance fee) and 3 million shares have been distributed to the employees at par value EGP 10 in addition to 25 piasters (issuance fee) and it was completely accomplished and marked on the bank's commercial register on 29/9/2010 accordingly the issued and paid capital has reached EGP 1150 million.

2- The Bank's extraordinary general assembly approved on 10/04/2014 increasing the issued and paid up capital from EGP 1150 million to EGP 1265 million by contribute EGP 115 million from the Legal reserve of year 2012 by one share for every ten share and marked on the bank's commercial register on 14/12/2014 accordingly the issued and paid capital has reached EGP 1265 million.

3- The Bank's extraordinary general assembly approved on 20/12/2017 to increase the issued and paid up capital from EGP 1265 million to EGP 1518 million by contribute EGP 253 million from the General reserve of the period ended 30 September 2017 by one share for every five shares and the procedures have been taken to be marked on the bank's commercial register on 17/05/2021 accordingly the issued and paid capital has reached EGP 1518 million.

4- The Bank's extraordinary general assembly approved on 30/3/2022 to increase the issued and paid up capital from EGP 1518 million to EGP 5313 million by contribute EGP 3283 million from the General reserve and EGP 512 million from the Retained Earnings by 2.5 free share for every share with Par value EGP 10 per share and the procedures have been taken to be marked on the bank's commercial register on 4/10/2022 accordingly the issued and paid capital has reached EGP 5313 million

Following are the shareholders who have over than 5% from the issued capital:

Contributors	Number of shares	Percentage of contribution	EGP in thousands
New urban communities authority	158,395,608	29,81%	1,583,956
Rolaco EGB for investments (Ali Hassan Ali Dayekh)	53,127,655	9.9996%	531,277
RIMCO CO. for investment	52,264,800	9.84%	522,648
Misr Life insurance company	48,295,170	9.090%	482,952
Misr insurance company	44,068,465	8.29%	440,685
Houses financial Mutual Fund	39,355,890	7.41%	393,559
Egyptian Endowments Authority	26,724,390	5.03%	267,244

B- Amounts reserved for capital increase

March 25, 2025, the Board of Directors approved increasing the authorized capital from EGP 10 billion to EGP 30 billion, and raising the issued and paid-in capital from EGP 5,313 million to EGP 10,626 million. This will be done by transferring EGP 5,313 million from the general reserve, granting one free share for each existing share, valued at ten pounds per share.

35. Reserves

	31/12/2025	31/12/2024
	EGP	EGP
General banking risks reserve	**11 202 944**	4 913 902
Legal reserve	**1 816 811 921**	1 264 822 211
General reserve	**7 643 977 430**	6 506 977 430
Special reserve	**9 344 966**	9 344 966
Other reserves	**39 028 283**	38 185 992
General risk reserve	**89 215 810**	89 215 810
Balance of reserves at the end of the year	**9,609,581,354**	7,913,460,311

The movement in reserves is as follows:

A- General banking risks reserve	31/12/2025	31/12/2024
	EGP	EGP
Beginning balance of the year	**4 913 902**	--
Transferred from retained earning	**6 289 042**	4 913 902
Ending balance of the year	**11,202,944**	4,913,902

B- Legal reserve	**31/12/2025**	31/12/2024
	EGP	EGP
Beginning balance of the year	**1 264 822 211**	963 277 177
Transferred from retained earnings	**551 989 710**	301 545 034
Ending balance of the year	**1,816,811,921**	1,264,822,211

C- General reserve	**31/12/2025**	31/12/2024
	EGP	EGP
Beginning balance of the year	**6 506 977 430**	3 190 977 430
Transferred from retained earnings	**6 450 000 000**	3 316 000 000
Amounts reserved for capital increase	**(5 313 000 000)**	--
Ending balance of the year	**7,643,977,430**	6,506,977,430

D- Special reserve	**31/12/2025**	31/12/2024
	EGP	EGP
Beginning balance of the year	**9 344 966**	9 344 966
Ending balance of the year	**9,344,966**	9,344,966

E- Other reserves	**31/12/2025**	31/12/2024
	EGP	EGP
Beginning balance of the year	**38 185 992**	38 080 781
Transferred from retained earnings	**842 291**	105 211
Ending balance of the year	**39,028,283**	38,185,992

F- General risk reserves :	**31/12/2025**	31/12/2024
	EGP	EGP
Beginning balance of the year	**89 215 810**	89 215 810
Ending balance of the year	**89,215,810**	89,215,810

G-Retained earnings	**31/12/2025**	31/12/2024
	EGP	EGP
Beginning balance of the year	**11 106 295 940**	6 092 797 701
Net profit during the year	**17 205 805 711**	11 039 794 202
Profit distribution of last financial year	**(2 656 500 000)**	(1 593 900 000)
Employee's share in profit	**(1 200 000 000)**	(700 000 000)
Board of director's rewards	**(60 000 000)**	(50 000 000)
Transferred from general banking risk reserve	**(6 289 042)**	(4 913 902)
Transferred to legal reserve	**(551 989 710)**	(301 545 034)
Transferred to general reserve	**(6 450 000 000)**	(3 316 000 000)
Transferred to other reserves	**(842 291)**	(105 211)
Selling of financial assets at fair value through other comprehensive income	--	427 000
Transferred to banking sector support and development fund*	**(110 326 629)**	(60 258 816)
Balance at the end of year	**17,276,153,979**	11,106,295,940

*****According to the provision No. 178 from Central Bank Law No.194 for year 2020 by deducting amount not more than 1% of the net income attributed to distribution to the Support and development of banking sector fund.

H-other comprehensive income	**31/12/2025**	31/12/2024
	EGP	EGP
Beginning balance of the year	**(87,821,249)**	(339,758,012)
Change in fair value of financial assets at fair value through other comprehensive income	**171,224,328**	292,504,709
Expected credit loss of debt instruments at fair value through other comprehensive income	**(13,388,275)**	25,245,614
Deferred tax	**(38,525,474)**	(65,813,560)
Ending balance of the year	**31,489,330**	(87,821,249)

The balance of other comprehensive income is as the following:

	31/12/2025	**31/12/2024**
	EGP	EGP
Fair value of financial assets at fair value through other comprehensive income	**12,009,313**	(159,215,015)
Expected credit loss of debt instruments at fair value through other comprehensive income	**22,182,113**	35,570,388
Deferred tax	**(2,702,096)**	35,823,378
Total other comprehensive income items	**31,489,330**	(87,821,249)

36. Dividends distributions

Dividends distributions is not recorded until approved by the shareholders general assembly meeting,

37. Cash and cash equivalents

For the purpose of cash flow presentation, the cash and cash equivalents comprise balances due within three months from the date of placement or acquisition.

	31/12/2025	31/12/2024
	EGP	EGP
Due from central bank	**1 501 537 275**	1 086 357 835
Due from banks	**19 382 220 862**	49 145 806 594
Financial assets other than at fair value through profit and loss	**37 437 586 407**	17 525 263 100
	58,321,344,544	67,757,427,529

38. Contingent liabilities and commitments

A- Capital commitments

The bank contracts of Capital commitments reached 448 550 148 EGP on 31 December 2025 compared to EGP 723 237 579 on comparative year representing in purchasing equipment and fixtures for branches and updating the core banking system, and the top management are confidence in generating net profits and in the existence of available liquidity to cover those obligations,

B- Operating commitments

The bank operating commitments amounted to EGP 60 624 795 on 31 December 2025 compared to EGP 63 208 732 on comparative year which represents in Operating lease contracts.

C- Contingent liabilities

	31/12/2025	31/12/2024
	EGP	EGP
Letters of Guarantee	**7 572 302 847**	6 483 050 335
Letters of Credit	**23 741 449**	23 831 474
Less:		
Collaterals	**(990 062 939)**	(567 804 096)
Contingent liabilities	**6,605,981,357**	5,939,077,713

39. Transactions with related parties

The bank has dealt with related parties through the banks normal activity which include loans, deposits and transactions in foreign currencies:

The transactions and balances of related parties at 31 December 2025 in the following:

	31/12/2025	31/12/2024
	EGP	EGP
Loans	**3 456 824 000**	2 007 751 000
Deposits	**141 867 000**	267 819 000

According to the instructions of the Central Bank of Egypt on August 23, 2011, and March 1, 2012, the average net monthly salaries and bonuses received by the top twenty earners of salaries and bonuses in the bank and its Subsidiaries and associates amounted to 16 721 610 Egyptian Pounds on December 31, 2025, compared to 10 347 068 Egyptian Pounds on the comparative year.

40. Mutual funds

El-Taameer Mutual Fund

The board of directors has agreed on September 10, 2007 to establish accumulated fund with regular dividends distribution called El- Taameer Mutual Fund for EGP (100) million, managed by Prime Company for Financial Investments,
The Central Bank of Egypt has agreed on Jan 30, 2008 to establish the fund under the license no, 449 approved by the Egyptian financial supervisory authority on March 18, 2008
The newsletter subscription for the fund has been announced on April 14, 2008, the subscription begun at May 4, 2008 and ended on 5 June 2008 the subscription reached EGP 141,2 million the bank's portion is 5% represented in (50000) ICs amounted to EGP (5) million with face value EGP 100/share.
The redemption value of the certificate on 31 December 2025 was EGP 761.29

Mawared Fund

The board of directors has agreed on April 27, 2009 to establish daily accumulated mutual Fund (Mawared) managed by Prime Company for Financial Investments. The Central Bank of Egypt has agreed on July 9, 2009 to establish the fund under the license no, 544 approved by the Egyptian financial supervisory authority on November 16 2009. The subscription begun at 21 December 2009 with bank’s portion of EGP 12 million that represents a share of 5% presented in 0.986 million certificates with a nominal value of EGP 10 each.
The redemption value of the certificate on 31 December 2025 was EGP 63.4654

41. Tax situation

Payroll tax

From beginning of the activity - 2004: The Bank's salary tax has been inspected, paid and settled,

The years from 2005 to 2007: The Bank's salary tax has been inspected, paid and settled

The years from 2008 to 2017: Inspection has been completed, the tax and penalties that resulted from the tax inspection has been paid according to the law of "excess due date against the delay"

The years from 2018 to 2022: Inspection has been completed; the tax that resulted from the tax inspection has been paid.

2023: The tax inspection is currently carried out for the year, the bank presented the annual tax settlement for the year, the bank pays the tax monthly and prepare the tax settlements in the due dates under law no, (91) Year 2005.

The years from 2024 to 2025: The bank pays the tax monthly and prepare the tax settlements in the due dates under law no, (91) Year 2005.

Stamp duty tax

Stamp tax under Law 111 of 1980 before amendment:

From beginning of the activity to 31/7/2006

The Bank's Stamp tax has been inspected, paid and settled until the end of Law 111 of 1980

Stamp tax under Law 111 of 1980 after amendment:

The period from 01/08/2006 till 31/03/2013

- The tax inspections were carried out until the end of Law No. 111 of 1980
- As of 01/08/2006 Law No. 143 of 2006 was implemented, as amended by Law No. 115 of 2008

The period from 01/04/2013 till 31/12/2015

- The tax inspection was conducted in accordance with the executive instructions issued by Tax Authority No. 61 for the year 2015. This resulted in an amount due to our bank, as determined by the Dispute Resolution Committee's decision, and the accrued tax has been paid accordingly.

The period from 01/01/2016 till 31/12/2020

- The tax inspection has been carried out in light of the executive instructions issued by tax authority No. 61 for the year 2015, and the assessment form was received, the points of disagreement were referred to the Dispute Resolution Committee. The dispute was settled amicably and is currently being approved by the higher Committee

The period from 01/01/2021 till 31/12/2025

- The tax inspection has not yet been carried out; the bank pays the stamp duty regularly on a quarterly basis

Corporate Income tax:

From 1980 to 2004: The Bank's corporate income tax has been inspected, paid and settled,

The years from 2005 to 2014

The tax inspection has been completed and resolved, and the dispute between the bank and the tax authority has been settled through the disputes committee, in accordance with Law No. 179 for the year 2016, which was renewed by Law No. 14 for the year 2018 concerning corporate income tax for the years 2005 to 2012. The resolution has been finalized with a signed recommendation from the Minister of Finance to conclude the disputes.

2015 - 2017: Tax inspection completed; internal committee procedures have been completed

2018 - 2019: The bank's corporate income tax has been inspected, and the due tax has been paid

The years from 2020 to 2022: The tax inspection is currently carried out for these years, The tax returns were submitted in accordance with the Income tax law No. 91 of 2005 and its amendments on the legal date and the tax was paid, and the examination was not notified.

The years from 2023 to 2024: The tax returns were submitted in accordance with the Income tax law No. 91 of 2005 and its amendments on the legal date and the tax was paid, and the examination was not notified

Real Estate tax:

The bank reviews the claims by the relevant sectors and has paid all claims received until the end of 2025.

42. Significant events

Our bank is monitoring the updates of the Russian – Ukrainian war and its impact on the Egyptian economy and the effects of the war on our clients in various economic activities and sectors. Accordingly our bank continues to implement the internal control procedures by monitoring and reviewing the level of the provisions as well as the loans and overdrafts wallet coverage ratio to mitigate any impact on it.

On October 23, 2024, Prime Ministers decision No. 3527 of 2024 was issued, establishing Egyptian Accounting Standard No. 51, which covers Financial Statements in Hyperinflationary Economy. As per Paragraph 6 of the standard, the start and end dates for the financial periods during which this standard applies will be set by a decision from the Prime Minister or their delegate.

During 2025, the Monetary Policy Committee (MPC) of the Central Bank of Egypt (CBE) decided, across its meetings, to lower the overnight deposit and lending rates, as well as the CBE's main operation rate, by 725 basis points (bps) to reach 20%, 21%, and 20.5%, respectively. Furthermore, the credit and discount rate were reduced by 725 bps to reach 20.5%. These adjustments may influence the Bank's future strategy regarding the pricing of its current and upcoming banking products.