Housing and Development Bank
Consolidated Financial Statements
For The Year Ended
31 December 2024

Accountability State Authority

BT 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 Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Housing and Development Bank - Egypt (S.A.E)**, represented in the consolidated statement of financial position as of 31 December 2024, and the related consolidated 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 Consolidated Financial Statements

These consolidated 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 consolidated 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 consolidated financial statements. The procedures selected depend on the auditors’ judgment, including risk assessment of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements.

Translation of Auditors' report originally issued in Arabic

Accountability State Authority	BT Mohamed Hilal - Wahid Abdel Ghaffar Public Accountants & Consultants

Opinion

In our opinion the consolidated financial statements referred to above, present fairly, in all material aspects, the consolidated financial position of **Housing and Development Bank - Egypt (S.A.E)** as of 31 December 2024 and its consolidated financial performance and its consolidated 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 consolidated financial statements.

MOHAMED HILAL & WAHID ABDEL GHAFFAR
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Auditors

Sameh Saad Mohamed Abel-Megeed	**Amr Wahid Abdel Ghaffar**
Accountability State Authority	Amr Wahid
	American 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)
	BT Mohamed Hilal - Wahid Abdel Ghaffar
	Public Accountants & Consultants
	Amr Wahid Abdel Ghaffar

Cairo: 20 February 2025

Housing And Development Bank
Consolidated Financial Position
As of 31 December 2024

	Note No.	31/12/2024 EGP	31/12/2023 EGP
Assets			
Cash and balances with central bank of egypt	16	**18,643,511,364**	15,513,075,202
Due from banks	17	**49,262,171,661**	14,112,626,162
Loans & facilities to customers	18	**50,403,269,019**	41,303,049,017
Financial assets			
Financial assets at fair value through profit and loss	19	**253,066,945**	210,570,457
Financial assets at fair value through other comprehensive income	20	**34,452,418,826**	43,297,860,785
Financial assets at amortized costs	20	**18,029,332,085**	3,117,035,243
Financial assets in subsidiaries and associates	21	**3,910,794,927**	3,013,896,701
Housing projects	22	**4,972,791,831**	3,212,312,228
Investments properties	23	**103,396,219**	111,990,863
Intangible assets	24	**548,020,089**	151,436,828
Other assets	25	**6,798,065,080**	5,294,870,343
Deferred tax assets	32	**172,424,638**	225,073,753
Fixed assets	26	**1,272,229,714**	1,180,226,051
Total assets		**188,821,492,398**	130,744,023,633
Liabilities and equity			
Liabilities			
Due to banks	27	**2,034,043,365**	2,316,994,794
Customers' deposits	28	**144,743,587,031**	101,005,114,485
Other loans	29	**1,299,120,812**	1,324,537,748
Dividends payable		**32,029,681**	21,474,312
Other liabilities	30	**9,023,675,758**	5,825,387,628
Provisions	31	**1,054,873,658**	725,961,456
Current income tax liabilities		**2,351,846,315**	1,383,871,218
Retirement benefit obligations	33	**110,877,616**	88,733,410
Total liabilities		**160,650,054,236**	112,692,075,051
Equity			
Issued and paid-up-capital	34	**5,313,000,000**	5,313,000,000
Reserves	35	**7,913,460,311**	4,290,896,164
Retained earnings (included net profit of the year)		**14,843,774,659**	8,610,296,099
Other comprehensive income	35	**(66,916,968)**	(307,688,714)
Total shareholders'equity		**28,003,318,002**	17,906,503,549
Non-controlling interest		**168,120,160**	145,445,033
Total shareholders' equity and non-controlling interest		**28,171,438,162**	18,051,948,582
Total liabilities and shareholders'equity and non-controlling interest		**188,821,492,398**	130,744,023,633

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

Gamal Mahmoud Soliman
Chief Financial Officer

Hassan Ismail Ghanem
CEO & Managing Director

Auditors

Sameh Saad Mohamed Abel-Megeed
Accountability State Authority

Amr Wahid Abdel Ghaffar
BT Mohamed Hilal - Wahid Abdel Ghaffar
Public Accountants and Consultants

MOHAMED HILAL & WAHID ABDEL GHAFFAR
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Housing And Development Bank

Consolidated Income Statement
For The Year Ended 31 December 2024

	Notes No.	From 01/01/2024 to 31/12/2024 EGP	From 01/01/2023 to 31/12/2023 EGP
Interest from loans and similar income	6	29,011,833,495	17,014,522,922
Interest on deposits and similar expense	6	(10,102,197,042)	(6,577,099,774)
Net interest income		18,909,636,453	10,437,423,148
Fees and commissions revenue	7	1,113,225,980	769,069,820
Fees and commissions expense	7	(162,791,094)	(65,531,362)
Net fees and commission income		950,434,886	703,538,458
Dividends income	8	11,842,803	8,567,583
Net trading income	9	104,037,908	110,886,351
Housing projects profits'	10	1,089,395,649	1,149,849,384
Subsidiaries revenues		898,759,580	565,959,545
Subsidiaries expenses		(1,114,597,953)	(679,165,341)
Bank portion in income of associates companies		1,229,877,085	537,526,185
(Loss) from financial investments	20	(5,839)	-
Credit impairment (losses) / reversal	13	(1,476,002,025)	(953,189,981)
Other provisions (expense) / reversal	31	(377,043,300)	(304,504,616)
General and administrative expenses	11	(3,723,551,120)	(2,789,286,913)
Other operating (expense) / revenues	12	54,873,704	15,625,893
Net profit before income tax		16,557,657,831	8,803,229,696
Income tax expense	14	(4,103,845,578)	(2,243,626,292)
Net profit for the year		12,453,812,253	6,559,603,404
Non-controlling interest in net income for the Year		27,991,704	20,048,594
Equity holders of the bank		12,425,820,549	6,539,554,810
Net income for the year		12,453,812,253	6,559,603,404
Earnings per share for the year	15	23.39	12.31

Housing And Development Bank

Consolidated Statement of Comprehensive Income
For The Year Ended 31 December 2024

	Notes	From 01/01/2024 to 31/12/2024	From 01/01/2023 to 31/12/2023
		EGP	EGP
Net profit for the year		**12,453,812,253**	6,559,603,404
Change in fair value of equity instruments of financial assets at fair value through other comprehensive income	**20**	**281,339,692**	(287,940,350)
Expected credit loss of debt instruments at fair value through other comprehensive income	**35**	**25,245,614**	6,762,834
Deferred tax	**35**	**(65,813,560)**	56,269,398
Total comprehensive income items		**240,771,746**	(224,908,118)
Total comprehensive income for the year		**12,694,583,999**	6,334,695,286
Non-controlling interest in other comprehensive income for the year		**27,991,704**	20,048,594
Equity holders of the bank		**12,666,592,295**	6,314,646,692
Total comprehensive income		**12,694,583,999**	6,334,695,286

Housing And Development Bank

Consolidated Statement of Cash Flow
For The Year Ended 31 December 2024

	Notes	From 01/01/2024 to 31/12/2024	From 01/01/2023 to 31/12/2023
Cash flows from operating activities			
Profit before tax		**16,557,657,831**	8,803,229,696
Adjustments:			
Depreciation and amortization	**26،24،23**	**373,923,146**	260,460,431
Credit impairment losses	**13**	**1,476,002,025**	953,189,981
Impairment losses from other assets and housing projects	**12**	**16,542,573**	9,066,194
Other provisions-charged during the year	**31**	**378,784,027**	307,338,078
Revaluation difference of financial assets at fair value through profit and loss	**9**	**(50,849,722)**	(94,681,660)
(Loss) from financial investments	**20**	**5,839**	-
Amortization of (premium) – financial investment at amortized cost	**20**	**(4,687,954)**	(7,130,230)
Bank portion in income of associates companies		**(1,229,877,085)**	(537,526,185)
Utilization of other provision	**31**	**(48,700,721)**	(26,710,542)
Provisions no longer required	**31**	**(1,740,727)**	(2,833,462)
Gain from selling fixed assets	**12**	**(6,301,470)**	(6,016,339)
Operating income before changes in operating assets and liabilities		**17,460,757,762**	9,658,385,962
Net decrease (increase) in assets			
Due from banks		**(3,430,232,369)**	(228,752,204)
Financial assets at fair value through profit and loss		**8,353,234**	398,574,322
Loans and advances to customers and banks		**(10,541,393,566)**	(7,595,133,363)
Housing projects and investments properties		**(1,758,296,076)**	(1,006,749,122)
Other assets		**1,189,910,243**	616,760,125
Net (decrease) increase in liabilities			
Due to banks		**(282,951,429)**	2,316,709,185
Customers' deposits		**43,738,472,546**	11,647,054,398
Other liabilities		**994,103,265**	1,231,019,936
Retirement benefit obligations		**22,144,206**	30,895,951
Income tax paid		**(3,149,034,926)**	(1,362,462,737)
Net cash flows from operating activities		**44,251,832,890**	15,706,302,453
Cash flows from investing activities			
Payments for purchase of fixed assets		**(295,504,749)**	(180,487,053)
Proceeds from selling fixed assets		**2,212,972**	7,108,198
Payments for purchase of financial assets other than at fair value through profit and loss		**(1,147,303,276)**	(994,621,150)
Proceeds from sale of financial assets other than at fair value through profit and loss		**6,263,557,718**	5,405,588,899
Net financial assets (treasury bills) other than at fair value through profit and loss		**(8,004,938,260)**	(10,581,909,995)
Payments to purchase of intangible assets		**(560,129,433)**	(163,973,674)
Net cash flows used in investing activities		**(3,742,105,028)**	(6,508,294,775)
Cash flows from Financing activities			
Long-term loans		**(284,697,437)**	(330,184,622)
Dividends paid		**(2,499,237,490)**	(919,697,383)
Net cash flows used in financing activities		**(2,783,934,927)**	(1,249,882,005)
Net increase in cash and cash equivalents during the year		**37,725,792,935**	7,948,125,673
Cash and cash equivalent at the beginning of the year		**30,149,435,954**	22,201,310,281
Cash and cash equivalents at the end of the year		**67,875,228,889**	30,149,435,954
Cash and cash equivalents are represented in:			
Cash and balances with central bank of egypt		**18,643,511,364**	15,513,075,202
Due from banks		**49,262,171,661**	14,112,626,162
Financial assets at fair value through other comprehensive income		**49,625,911,631**	38,968,233,441
Obligatory reserve balance with CBE		**(17,555,717,236)**	(14,354,237,071)
Financial assets other than at fair value through profit and loss with maturity more than 3 months		**(32,100,648,531)**	(24,090,261,780)
Cash and cash equivalents at the end of the year	**37**	**67,875,228,889**	30,149,435,954

Housing And Development Bank

Consolidated Change In Shareholders’ Equity Statement
For The Year Ended 31 December 2024

	Paid-in-capital	Legal reserves	General reserve	Special Reserve	Other reserve	Reserve of General Bank Risk	General risk reserve	Retained earnings	Other comprehensive income	Total	Non controlling Interest	Total
Balance as of 1 january 2023	5,313,000,000	850,442,723	1,910,977,430	9,344,966	34,255,730	-	89,215,810	4,385,191,099	(82,780,596)	12,509,647,162	128,173,761	12,637,820,923
Dividends paid for the year 2022	-	-	-	-	-	-	-	(895,261,665)	-	(895,261,665)	(2,511,402)	(897,773,067)
Transferred to reserves	-	112,834,454	1,280,000,000	-	3,825,051	-	-	(1,396,659,505)	-	-	-	-
Non controlling interes portion in the capital increase and decrease of the companies invested in	-	-	-	-	-	-	-	-	-	-	(265,920)	(265,920)
Transferred to banking sector support and development fund	-	-	-	-	-	-	-	(22,528,640)	-	(22,528,640)	-	(22,528,640)
Net change in other comperhensive income items	-	-	-	-	-	-	-	-	(224,908,118)	(224,908,118)	-	(224,908,118)
Net profit For The Nine Months Ended on 30 September 2023	-	-	-	-	-	-	-	6,539,554,810	-	6,539,554,810	20,048,594	6,559,603,404
Balances at 31 December 2023	5,313,000,000	963,277,177	3,190,977,430	9,344,966	38,080,781	-	89,215,810	8,610,296,099	(307,688,714)	17,906,503,549	145,445,033	18,051,948,582
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	8,610,296,099	(307,688,714)	17,906,503,549	145,445,033	18,051,948,582
Dividends paid for the year 2023	-	-	-	-	-	-	-	(2,509,792,859)	-	(2,509,792,859)	(2,463,039)	(2,512,255,898)
Adjustments	-	-	-	-	-	-	-	(153,167)	-	(153,167)	(465,538)	(618,705)
Transferred to reserves	-	301,545,034	3,316,000,000	-	105,211	4,913,902	-	(3,622,564,147)	-	-	-	-
Selling of financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	427,000	-	427,000	-	427,000
Non controlling interes portion in the capital increase and decrease of the companies invested in	-	-	-	-	-	-	-	-	-	-	(2,388,000)	(2,388,000)
Transferred to banking sector support and development fund	-	-	-	-	-	-	-	(60,258,816)	-	(60,258,816)	-	(60,258,816)
Net change in other comperhensive income items	-	-	-	-	-	-	-	-	240,771,746	240,771,746	-	240,771,746
Net profit For The year 2024	-	-	-	-	-	-	-	12,425,820,549	-	12,425,820,549	27,991,704	12,453,812,253
Balances at 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**	**14,843,774,659**	**(66,916,968)**	**28,003,318,002**	**168,120,160**	**28,171,438,162**

1. Background

Housing and Development bank provides Banking Services for Corporates rather than Investments, retail Banking Services in the Arab republic of Egypt through 98 branches, and hires 3039 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 September 1979 by virtue, ministerial Decree 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 have been prepared in accordance with instructions of Central bank of Egypt approved by its board of directors on 16 December 2008, 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 consolidated financial statements have been prepared in accordance with relevant local laws, investment in associates have been presented in bank's consolidated financial statements and measured using equity method less impairment loss.

These consolidated financial statements have been prepared until 31 December 2009 using central bank of Egypt instructions prevailing until this date, this partially differ from the banks preparation and presentations rules and the recognition and measurement basis approved by central bank of Egypt's board of directors on 16 December 2008. At the date of the preparation of consolidated financial statements dated 31 December 2010, the bank's management has amended certain accounting policies and basis of measurements to be in accordance with the preparation and presentation requirements and the recognition and measurements basis of banks consolidated financial statements approved from the central bank of Egypt's board of directors on 16 December 2008.

These consolidated financial statements have been prepared in accordance with the instructions of the Central Bank of Egypt (CBE) rules approved by its Board of Directors on 31 December 2018; that is differ with what is added under instructions of Central Bank of Egypt 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 26,February 2019 starting from January 01, 2019, Requirements of IFRS 9 represents material change than required under Egyptian accounting standard no. 26 "financial instrument- recognition and measurement" specially 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.

Transitional provisions

The bank has not re-measured the recognized financial instruments in the comparative financial statements, but only reclassified the financial assets and liabilities in the comparative figures to conform with the presentation method of the financial statements, subject to applying the standard for the first time and is therefore not comparable.

The impairment provision of the financial assets recognized in the financial position is deducted from the financial asset value at the time of preparing the financial position statement, while the impairment provision of the loan commitments, financial guarantee contracts and contingent liabilities is recognized under other provisions of financial position obligations.

B. Basis of presentation of consolidation

Subsidiaries

Subsidiaries companies are controlled by the bank, control exists when the bank has the power directly or indirectly to govern the financial and operating policies of an entity to obtain benefits from its activities. This is usually achieved when the bank owns, directly or indirectly, through subsidiaries, more than half of the voting power of an entity (when the bank's shareholding portion exceeding directly or indirectly 50% of the paid up capital of the subsidiary), the existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has control.

The Group fully consolidates its subsidiaries from the effective date in which control is obtained and deconsolidates them when such control ceases to exist.

Information on subsidiaries is set out below for companies which are combined in the bank's consolidated financial statements as of 31 December 2024.

	Direct & indirect share %
Holding company for Investment and Development	**92%**
Housing and development company for real-estate investment	**94,96%**
El-Tameer company for financial and real estate investment banking	**94,20%**
Hemaya company for Cities, Tourist Resorts and Real Estate	**95,42%**
El-Tameer company for real estate and touristic asset Management	**94,24%**
Real estate development fund – Nemmo	**93,83%**
Information and electronical transactions services company	**86,92%**
El-Tameer company for real estate development and investment	**92,77%**
Hemaya company for security and money transfer	**94,82%**
HD for leasing	**97.10%**
Housing and Development Company for Real Estate Development (East)*	**94.96%**
Housing and Development Company for Real Estate HDB*	**94.95%**
Housing and Development Company for Real Estate Development(West)*	**94.41%**
Housing and Development Company for Decoration and Finishing*	**94.96%**

*Companies affiliated to Housing and Development Company for real-estate investment

Basis of Combinations

During the preparation of consolidated financial statements, the bank combines the consolidated financial statement with subsidiary companies financials statements, through the combination of similar items of assets, liabilities, owner's equity, revenues and expenses for the purpose of presenting the consolidated financial statement as of one business unit, going through following steps during the preparation of consolidated financial statement:

- Elimination of the book value for investments in subsidiary company according to Equity method, including share of holding company in the equity of each subsidiary company.
- Non-controlling interest in profit/ loss of subsidiaries is considered during the fiscal year in the preparation of the financial reports.
- Non-controlling interest in net assets of the subsidiaries is determined during the preparation of consolidated financial statements and presented in the consolidated financial statements in the owner's equity of holding company.
- Elimination of all interrelated revenues and expenses transactions between the subsidiaries within the group.
- Elimination of all balances resulted from the transactions between the subsidiaries within the group, also group transactions including revenues, expenses and dividends, besides elimination of all revenues and losses resulted of such transactions and recognized in the assets value.
- The financial statements are presented using same accounting policies for similar transactions and same events under same circumstances.

B.2. Associates

According to the equity method, an investment in an associate is initially recognized in the statement of financial position at cost and is subsequently adjusted to recognize the Group's share in profit or loss, and other changes in the net assets, of the associate.

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 ratios at the date of the transaction, monetary assets and liabilities denominated in foreign currencies are retranslated at the end of the financial year on the basis of prevailing exchange ratios 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/or net income from financial instruments classified at fair value through profit and loss at the date of inception of the assets/liabilities or those classified at the date of inception with its 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(Other comprehensive income/Financial assets at fair value through other profit and loss).

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 as other comprehensive income.

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 January 01, 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.

- The debt instrument that was not allocated at the initial recognition at the fair value through profit or loss is measured at the fair value through other comprehensive income if both of the following conditions are met:
  - The financial asset is retained in the business model that aims to collect contractual cash flows and sell the financial asset.
  - The contractual terms of the financial asset on specific dates result in cash flows of the asset and not represented only the principal debt 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		
	Amortized Cost	Fair Value	
		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 for trading.

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).

- 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 are not taken into consideration in isolation., 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 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 of 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 instalments 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 Resale & Purchase 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.

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. Goodwill

Goodwill (Positive, Negative) representing in the amounts resulted from the acquisition of subsidiaries companies and has been calculated based on the difference between the cost of acquisition and the fair value of the net assets of the acquiree at the acquisition date.

The positive goodwill is recognized at cost minus any losses resulted from the impairment in the value of goodwill while the negative goodwill is recognized directly in profit and loss.

N. 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. 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.

O. 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.

P. Intangible Assets

P.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 expenses 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 includes 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 4 years.

P.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.

Q. 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.

Depreciation is charged so as to write off the cost of assets, other than land which is not depreciated, over their estimated useful lives, using the straight-line method to the extent of their estimated residual values based on the following annual rates:

- Re-establishing expenses related to the rented branches are amortized through the estimated production life or the year of the rent contracts whichever less.
- Facilities and installments are depreciated over 3 year's year.
- 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.

R. 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.

S. 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.

T. 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.

U. 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.

V. 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).

W. 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.

X. 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.

Y. 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.

Z. Capital

Z.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.

Z.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.

AA. 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.

AB. 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 analyses 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 three key pillars:

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

These credit risk measurements, which reflect expected loss .The operational measurements can be contrasted with impairment allowances required under EAS and 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 and accounts receivable.
- Mortgage financial instruments such as debt securities and equities.
- Longer-term finance and lending to corporate entities are generally secured; revolving individual credit facilities are generally unsecured.
  In addition, in order to minimize the credit loss the bank will seek additional collateral from the counterparty as soon as impairment indicators are noticed for the relevant individual loans and advances.

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

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 grades. However, the majority of the impairment provision comes from the bottom two grads.

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

31/12/2024 **Bank's Rating**	**Loans and facilities %**	**Impairment losses provision %**
Stage 1	91%	21%
Stage 2	2%	17%
Stage 3	7%	62%
	100%	100%

Loans and facilities includes 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 the review of all financial assets that are above materiality thresholds 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 anticipated receipts 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 four 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 December 16, 2008, 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.

	31/12/2024	31/12/2023
	EGP	EGP
Items Exposed to Credit Risks		
Due from banks	**49,267,116,781**	14,117,183,365
Loans and facilities to customers		
Retail Loans		
Overdrafts	**519,469,285**	1,102,724,517
Credit cards	**278,134,177**	127,540,663
Personal Loans	**13,175,246,515**	11,167,578,020
Real Estate Loans	**13,638,871,993**	12,518,605,779
Corporate Loans:		
Overdrafts	**8,116,103,870**	6,304,791,283
Direct Loans	**15,214,819,645**	10,153,466,902
Syndicated Loans	**4,272,842,456**	3,281,756,088
Specialized Loans:		
Direct Loans	**170,892,885**	217,948,287
Financial Assets:		
Debt Instruments	**19,247,970,587**	3,137,010,556
Other assets	**6,798,065,080**	5,294,870,343
Total	**130,699,533,274**	67,423,475,803

A.6. Loans and Facilities

Following is the position of loans and facilities balances in terms of credit solvency:

	31/12/2024	31/12/2023
	EGP	EGP
	Loans & advances to customers	Loans & advances to customers
Neither past dues nor subject to impairment	**50,412,845,003**	40,358,295,293
Past due but not subject to impairment	**1,347,249,249**	1,393,984,752
Individually subject to impairment	**3,626,286,574**	3,122,131,494
Total	**55,386,380,826**	44,874,411,539
Less:		
Impairment loss provision	**(4,972,951,669)**	(3,561,202,384)
Interest in suspense	**(10,160,138)**	(10,160,138)
	50,403,269,019	41,303,049,017

Loans and facilities impairment reached EGP 1,441,173,564 compared to EGP 941,749,566 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:

31/12/2024

	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	24,800,727,256	721,698,740	2,252,232,860	27,774,658,856
	50,412,845,003	**1,347,249,249**	**3,626,286,574**	**55,386,380,826**

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 showing total Loans & Facilities stages during the year:

31/12/2023

	Stage 1 12 Months	Stage 2 Lifetime	Stage 3 Lifetime	Total
Retail	22,724,849,898	851,318,206	1,340,280,875	24,916,448,979
Corporate	17,633,445,395	542,666,546	1,781,850,619	19,957,962,560
	40,358,295,293	**1,393,984,752**	**3,122,131,494**	**44,874,411,539**

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

31/12/2023

	Stage 1 12 Months	Stage 2 Lifetime	Stage 3 Lifetime	Total
Retail	62,009,848	126,248,419	623,125,551	811,383,818
Corporate	670,140,820	296,717,264	1,782,960,482	2,749,818,566
	732,150,668	**422,965,683**	**2,406,086,033**	**3,561,202,384**

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

31/12/2024

Due from banks **Credit rating**	**Stage 1** **12 Months**	**Stage 2 Lifetime**	**Stage 3 Lifetime**	**Total**
Good debts	44,779,429,701	4,487,687,080	-	49,267,116,781
Normal watch-list	-	-	-	-
Special watch-list	-	-	-	-
Non-performing loan	-	-	-	-
Total	**44,779,429,701**	**4,487,687,080**	**-**	**49,267,116,781**
Allowance for impairment losses	**-**	**(4,945,120)**	**-**	**(4,945,120)**
Total	**44,779,429,701**	**4,482,741,960**	**-**	**49,262,171,661**

31/12/2024

Financial assets at amortized cost **Credit rating**	**Stage 1** **12 Months**	**Stage 2 Lifetime**	**Stage 3 Lifetime**	**Total**
Good debts	18,873,869,929	374,100,658	-	19,247,970,587
Normal watch-list	-	-	-	-
Special watch-list	-	-	-	-
Non-performing loan	-	-	-	-
Total	**18,873,869,929**	**374,100,658**	**-**	**19,247,970,587**
Allowance for impairment losses	**-**	**(9,757,037)**	**-**	**(9,757,037)**
Total	**18,873,869,929**	**364,343,621**	**-**	**19,238,213,550**

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)**
Total	**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	24,800,727,256	-	-	24,800,727,256
Normal watch-list	-	721,698,740	-	721,698,740
Non-performing loan	-	-	2,252,232,860	2,252,232,860
Total	**24,800,727,256**	**721,698,740**	**2,252,232,860**	**27,774,658,856**
Allowance for impairment losses	**(946,858,164)**	**(711,799,270)**	**(2,254,428,579)**	**(3,913,086,013)**
Total	**23,853,869,092**	**9,899,470**	**(2,195,719)**	**23,861,572,843**

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

31/12/2023

Due from banks Credit rating	Stage 1 12 Months	Stage 2 Lifetime	Stage 3 Lifetime	Total
Good debts	10,846,123,464	3,271,059,901	-	14,117,183,365
Normal watch-list	-	-	-	-
Special watch-list	-	-	-	-
Non-performing loan	-	-	-	-
Total	**10,846,123,464**	**3,271,059,901**	**-**	**14,117,183,365**
Allowance for impairment losses	**(68,040)**	**(4,489,163)**	**-**	**(4,557,203)**
Total	**10,846,055,424**	**3,266,570,738**	**-**	**14,112,626,162**

31/12/2023

Financial assets at amortized cost Credit rating	Stage 1 12 Months	Stage 2 Lifetime	Stage 3 Lifetime	Total
Good debts	3,035,010,556	102,000,000	-	3,137,010,556
Normal watch-list	-	-	-	-
Special watch-list	-	-	-	-
Non-performing loan	-	-	-	-
Total	**3,035,010,556**	**102,000,000**	**-**	**3,137,010,556**
Allowance for impairment losses	**(148,563)**	**(690,244)**	**-**	**(838,807)**
Total	**3,034,861,993**	**101,309,756**	**-**	**3,136,171,749**

31/12/2023

Retail Loans & Facilities Credit rating	Stage 1 12 Months	Stage 2 Lifetime	Stage 3 Lifetime	Total
Good debts	22,724,849,898	-	-	22,724,849,898
Normal watch-list	-	851,318,206	-	851,318,206
Non-performing loan	-	-	1,340,280,875	1,340,280,875
Total	**22,724,849,898**	**851,318,206**	**1,340,280,875**	**24,916,448,979**
Allowance for impairment losses	**(62,009,848)**	**(126,248,419)**	**(623,125,551)**	**(811,383,818)**
Total	**22,662,840,050**	**725,069,787**	**717,155,324**	**24,105,065,161**

31/12/2023

Corporate Loans & Facilities Credit rating	Stage 1 12 Months	Stage 2 Lifetime	Stage 3 Lifetime	Total
Good debts	17,633,445,395	-	-	17,633,445,395
Normal watch-list	-	542,666,546	-	542,666,546
Non-performing loan	-	-	1,781,850,619	1,781,850,619
Total	**17,633,445,395**	**542,666,546**	**1,781,850,619**	**19,957,962,560**
Allowance for impairment losses	**(670,140,820)**	**(296,717,264)**	**(1,782,960,482)**	**(2,749,818,566)**
Total	**16,963,304,575**	**245,949,282**	**(1,109,863)**	**17,208,143,994**

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 period.

	Book Value	
	31/12/2024	31/12/2023
	EGP	EGP
Land	**13,751,400**	13,741,400
Housing units	**1**	1
Hotel	**49,139,024**	49,139,024
	62,890,425	62,880,425

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 2024 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	49,267,116,781	-	-	49,267,116,781
Loans and Advance to Customers				
Retail Loans:				
Overdrafts loans	170,683,934	273,084,638	75,700,713	519,469,285
Credit cards loans	178,102,991	84,041,796	15,989,390	278,134,177
Personal loans	6,477,414,050	4,548,654,409	2,149,178,056	13,175,246,515
Real Estate loans	7,859,273,678	4,137,706,857	1,641,891,458	13,638,871,993
Corporate Loans:				
Overdrafts	5,183,688,142	2,541,374,200	391,041,528	8,116,103,870
Direct loans	13,826,238,362	1,328,984,078	59,597,205	15,214,819,645
Syndication loans	4,108,263,764	-	164,578,692	4,272,842,456
Specialized Loans:				
Other loans	170,892,885	-	-	170,892,885
Financial Assets				
Debt Instruments	19,247,970,587	-	-	19,247,970,587
Other Assets	6,582,078,843	143,444,901	72,541,336	6,798,065,080
Total as of 31/12/2024	**113,071,724,017**	**13,057,290,879**	**4,570,518,378**	**130,699,533,274**
Total as of 31/12/2023	50,719,119,407	12,345,748,794	4,358,607,602	67,423,475,803

Housing And Development Bank

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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	5,221,437,915	-	-	-	-	-	44,045,678,866	-	-	**49,267,116,781**
Loans &Facilities										
Retail										
Overdrafts	-	-	-	-	-	-	-	-	519,469,285	**519,469,285**
Credit Cards	-	-	-	-	-	-	-	-	278,134,177	**278,134,177**
Personal loans	-	-	-	-	-	-	-	-	13,175,246,515	**13,175,246,515**
Real Estate	-	-	-	-	-	-	-	-	13,638,871,993	**13,638,871,993**
Corporate										
Overdraft	340,283,503	32,724,748	3,530,123,596	934,533,343	1,017,042,395	2,258,432,879	-	2,963,406	-	**8,116,103,870**
Direct	5,326,403,496	6,179,328	2,365,858,078	1,609,067,898	2,450,261,783	3,444,717,854	-	12,331,208	-	**15,214,819,645**
Syndicated	-	-	1,159,814,085	500,000,000	757,132,137	1,855,896,234	-	-	-	**4,272,842,456**
Specialized Loans										
Direct	-	-	-	-	-	-	170,892,885	-	-	**170,892,885**
Financial Assets										
Debt Instruments	-	-	-	-	-	-	19,247,970,587	-	-	**19,247,970,587**
Other Assets	538,612,863	-	-	-	1,961,072,925	3,289,934,039	268,846,330	13,246,139	726,352,784	**6,798,065,080**
Total as of 31 December 2024	**11,426,737,777**	**38,904,076**	**7,055,795,759**	**3,043,601,241**	**6,185,509,240**	**10,848,981,006**	**63,733,388,668**	**28,540,753**	**28,338,074,754**	**130,699,533,274**
Total as of 31 December 2023	**8,109,911,435**	**33,171,498**	**3,688,669,498**	**2,472,269,594**	**3,717,367,824**	**9,077,766,700**	**14,625,018,664**	**56,498,827**	**25,642,801,763**	**67,423,475,803**

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 prices which are exposed to general and specific market movements and changes in the level of volatility of market ratios or, such as interest ratios, currency risk and equity instruments. The bank separates its level of exposure to market risk to trading portfolios and non-trading.

Market risk management arising from trading or non-trading activities is managed risk department in the bank and it is followed up through two separated teams, and regular reports delivered to the board of directors and the heads of the activity units regularly.

The trading portfolios include the positions resulted from the bank's direct interaction with customers or with market, while non-trading portfolios, arises basically from the management of the interest ratios of assets and liabilities related to retail transactions. These portfolios include foreign currencies risk and equity instruments risk resulted from held to maturity investments and available for sale investments.

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 2024	US Dollar	Euro	Sterling Pound	Other Currencies
Financial Assets:				
Cash and balances with Central Bank	12,687,527	803,484	78,435	1,564,932
Due from banks	76,111,749	2,026,587	215,411	5,119,933
Loans & facilities to customers	16,734,691	81,760	1,613	5,813
Financial investments				
Financial Assets at fair value through other comprehensive income	29,952,778	2,011,888	-	-
Other Financial assets	300,849	445,005	204	4,196
Total financial assets	**135,787,594**	**5,368,724**	**295,663**	**6,694,874**
Financial liabilities:				
Due to banks	40,000,000	-	-	-
Customer's deposits	86,555,839	5,197,996	295,070	4,074,149
Other Financial liabilities	8,569,073	146,432	157	1,658,966
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**
31 December 2023				
Total financial assets	173,373,619	5,944,393	234,407	4,994,214
Total financial liabilities	176,110,189	5,721,522	226,697	5,159,962
Net financial position as of 31 December 2023	(2,736,570)	222,871	7,710	(165,748)

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 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 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	-	-	-	-	18,643,511	18,643,511
Due from banks	48,980,246	244	-	-	286,627	49,267,117
Loans & facilities to customers	3,232,987	2,449,615	13,498,458	36,205,321	-	55,386,381
Financial Assets:						
Fair value other than through profit and loss	27,749,901	16,991,803	7,548,275	191,772	-	52,481,751
Fair value through profit and loss	234,329	-	-	18,738	-	253,067
Other assets	-	-	-	3,716,622	14,056,155	17,772,777
Total financial assets	**80,197,463**	**19,441,662**	**21,046,733**	**40,132,453**	**32,986,293**	**193,804,604**
Financial liabilities						
Due to banks	2,033,552	-	-	-	491	2,034,043
Customer's deposits	17,647,355	5,996,576	7,491,658	43,457,208	70,150,790	144,743,587
Other loans	-	12,170	70,516	1,216,435	-	1,299,121
Other financial liabilities	-	-	-	16,800,491	28,927,362	45,727,853
Total financial liabilities	**19,680,907**	**6,008,746**	**7,562,174**	**61,474,134**	**99,078,643**	**193,804,604**
	60,516,556	**13,432,916**	**13,484,559**	**(21,341,681)**	**(66,092,350)**	**-**

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 and 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 Risk Management (Assets & liabilities), 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. 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 borrowings not quoted in an active market is based on discounted cash flows using interest ratios for new debts with similar remaining maturity.

D. <u>Capital Management</u>

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 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:

<u>Tier One:</u>

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.

<u>Tier Two:</u>

Qualifying subordinated loan capital, which consists of the equivalent accumulated to 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 liabilities weighted with risk, loans / deposits support in excess of the schedule of 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.

	31/12/2024	31/12/2023
	EGP	EGP
Capital adequacy ratio according to Basel II		
Capital		
(Tier 1 capital) basic capital		
Paid-in capital	**5,313,000,000**	5,313,000,000
Reserves	**7,925,356,734**	4,303,760,358
Retained earnings	**133,156,623**	94,840,066
Total deduction from basic capital	**(962,671,188)**	(635,428,135)
Other comprehensive income	**(56,309,246)**	(308,089,260)
Total basic capital	**12,352,532,923**	8,768,083,029
Net income for the Year	**8,270,811,396**	6,030,900,671
Total Basic Capital and Periodic earnings	**20,623,344,319**	14,798,983,700
(Tier 2 capital) syndicated capital,		
45% of Special Reserve	**4,205,235**	4,205,235
Impairment loss for loans facilities and regular contingent	**660,115,702**	593,484,112
Total Syndicated Capital	**664,320,937**	597,689,347
Total capital	**21,287,665,256**	15,396,673,047
Risk-weighted assets and contingent liabilities:		
Total Credit Risk	**52,809,256,191**	47,478,728,971
Total Market Risk	**250,080,000**	189,979,500
Total Operational Risk	**6,047,715,806**	4,730,975,066
Total	**59,107,051,997**	52,399,683,537
Capital Adequacy ratio (%)	**36.02**	29.38

- 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

	31/12/2024 EGP	31/12/2023 EGP
Tier one capital after exclusions	**20,623,344,319**	14,798,983,700
Total on-balance sheet exposures, derivatives contracts and financial papers operations	**166,469,107,000**	131,459,402,000
Total off balance sheet exposures.	**3,186,467,000**	2,611,475,000
Total exposures on-balance sheet and off-balance sheet.	**169,655,574,000**	134,070,877,000
Financial leverage ratio %	**12.16**	11.04

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

Based on personal basis The Bank reviews its loan portfolios to assess impairment at least on a quarterly basis in determining whether an 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 (Egyptian Pounds) 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.

Transactions between business segments are on normal commercial terms and conditions 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 2024	**Corporate**	**Investment**	**Individuals**	**Other activities**	**Total**
Segment activity revenues	9,801,029,144	5,872,147,151	8,419,057,367	8,307,014,589	**32,399,248,251**
Segment activity expenses	5,301,060,664	1,697,779,766	5,418,995,376	1,581,317,494	**13,999,153,300**
Segment operation results	4,499,968,480	4,174,367,385	3,000,061,991	6,725,697,095	**18,400,094,951**
Unclassified expenses	--	--	--	--	**(1,842,437,120)**
Net income for the year before taxes	--	--	--	--	**16,557,657,831**
Taxes	--	--	--	--	**(4,103,845,578)**
Net income for the year	--	--	--	--	**12,453,812,253**

					EGP
The period ended on 31 December 2023	**Corporate**	**Investment**	**Individuals**	**Other activities**	**Total**
Segment activity revenues	7,361,349,445	3,109,347,282	5,093,380,511	3,982,238,919	19,546,316,157
Segment activity expenses	4,144,525,237	966,456,421	2,663,125,310	1,762,913,104	9,537,020,072
Segment operation results	3,216,824,208	2,142,890,861	2,430,255,201	2,219,325,815	10,009,296,085
Unclassified expenses	--	--	--	--	(1,206,066,389)
Net income for the year before taxes	--	--	--	--	8,803,229,696
Taxes	--	--	--	--	(2,243,626,292)
Net income for the year	--	--	--	--	6,559,603,404

B. Analysis of Geographical Segments

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	27,660,423,488	3,145,268,161	1,593,556,602	**32,399,248,251**
Geographical segment expenses	12,998,071,764	2,104,229,768	739,288,888	**15,841,590,420**
Sector's profit results	14,662,351,724	1,041,038,393	854,267,714	**16,557,657,831**
Net income for the year before taxes	-	-	-	**16,557,657,831**
Taxes	-	-	-	**(4,103,845,578)**
Net income for the year	-	-	-	**12,453,812,253**
Assets and liabilities in accordance with geographical segment				
Assets of geographic segment	153,897,617,994	24,822,004,037	8,281,620,564	**187,001,242,595**
Unspecified assets	-	-	-	**1,820,249,803**
Total assets	**153,897,617,994**	**24,822,004,037**	**8,281,620,564**	**188,821,492,398**
Liabilities of geographic segment	128,041,735,744	24,580,965,647	8,027,352,845	**160,650,054,236**
Other items of the geographical segment				
Depreciations	(330,574,889)	(25,895,032)	(9,965,174)	**(366,435,095)**
Impairment loss	(1,476,002,025)	-	-	**(1,476,002,025)**

EGP

The year ended on 31 December 2023	Greater Cairo	Alexandria, Delta& Sinai	Upper Egypt	Total
Revenues &expenses in accordance with geographical segment				
Geographical segment revenues	16,274,221,963	2,372,382,201	899,711,993	19,546,316,157
Geographical segment expenses	8,788,305,853	1,510,099,170	444,681,438	10,743,086,461
Sector's profit results	7,485,916,110	862,283,031	455,030,555	8,803,229,696
Net income for the year before tax	-	-	-	8,803,229,696
Tax	-	-	-	(2,243,626,292)
Net income for the year	-	-	-	6,559,603,404
Assets and liabilities in accordance with geographical segment				
Assets of geographic segment	104,737,991,418	18,344,642,566	6,329,726,770	129,412,360,754
Unspecified assets	-	-	-	1,331,662,879
Total assets	104,737,991,418	18,344,642,566	6,329,726,770	130,744,023,633
Liabilities of geographic segment	88,485,019,285	18,182,359,545	6,024,696,221	112,692,075,051
Other items of the geographical segment				
Depreciations	(217,221,795)	(23,856,740)	(11,797,873)	(252,876,408)
Impairment	(953,189,981)	-	-	(953,189,981)

6. NET INTREST INCOME

	2024	2023
	EGP	EGP
Interest received from loans and similar items:		
Loans and advances to customers	**10,995,452,515**	6,437,469,920
Financial investment (other than that at fair value through profit and loss)	**12,041,902,539**	6,058,859,927
Deposits and current accounts	**5,974,478,441**	4,518,193,075
	29,011,833,495	17,014,522,922
Interest on Deposits and similar Expenses:		
Deposits and current accounts:		
Banks	**(146,895,323)**	(60,404,496)
Customers	**(9,792,575,890)**	(6,357,876,092)
Total	**(9,939,471,213)**	(6,418,280,588)
Other financial institutions loans	**(162,725,829)**	(158,819,186)
Total	**(10,102,197,042)**	(6,577,099,774)
Net interest income	**18,909,636,453**	10,437,423,148

7. Net fees & commissions income

	2024	2023
	EGP	EGP
Fees & commissions income :		
Fees & commissions related to credit	**183,903,993**	137,176,101
Financing fees	**222,655,996**	219,371,066
Other fees	**706,665,991**	412,522,653
Total	**1,113,225,980**	769,069,820
Fees and commission expenses:		
Other paid fees	**(162,791,094)**	(65,531,362)
Net income from fees and commissions	**950,434,886**	703,538,458

8. Dividends Income

	2024	2023
	EGP	EGP
Equity instruments at fair value through profit and loss	**2,275,000**	2,063,976
Equity instruments at fair value through other comprehensive income	**9,567,803**	6,503,607
Total	**11,842,803**	8,567,583

9. Net trading income

	2024	2023
	EGP	EGP
Foreign trade profit	**51,733,073**	16,122,252
Financial investments held at fair value through profit and loss	**52,304,835**	94,764,099
	104,037,908	110,886,351

10. Revenue from housing projects

	2024	2023
	EGP	EGP
Sales of housing properties	**932,033,346**	1,487,920,434
Cost of sold properties	**(43,949,250)**	(486,966,118)
Revenue from properties	**888,084,096**	1,000,954,316
Other housing revenues	**201,311,553**	148,895,068
	1,089,395,649	1,149,849,384

11. Administrative expenses

	2024	2023
Staff cost	**EGP**	EGP
Wages and salaries	**1,250,346,088**	1,049,433,356
Social insurances	**77,633,507**	65,216,104
Retirement benefit cost	**17,696,606**	17,689,013
Operation utilities	**1,679,859,287**	1,122,913,158
Current expenses	**577,275,047**	421,133,491
Portion of social and athletic activities	**8,107,756**	4,961,577
Donations	**46,215,578**	35,856,713
Other	**66,417,251**	72,083,501
	3,723,551,120	2,789,286,913

12. Other operating (expense) / revenues

	2024	2023
	EGP	EGP
Revaluation 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	**(1,375,563)**	(21,037,943)
Gain from selling properties plants & equipment	**6,301,470**	6,016,339
Impairment of other assets and projects	**(16,542,573)**	(9,066,194)
Others	**66,490,370**	39,713,691
	54,873,704	15,625,893

13. Credit impairment (losses) / reversal

	2024	2023
	EGP	EGP
Loan and customer advances	**(1,441,173,564)**	(941,749,566)
Due from banks	**(504,947)**	(4,189,081)
Debt instruments at amortized cost	**(9,077,900)**	(488,500)
Debt instruments at fair value through other comprehensive income	**(25,245,614)**	(6,762,834)
	(1,476,002,025)	(953,189,981)

14. Income tax expenses

	2024	2023
	EGP	EGP
Current taxes	**(4,117,010,023)**	(2,295,409,230)
Deferred taxes	**13,164,445**	51,782,938
	(4,103,845,578)	(2,243,626,292)

15. Earnings per share for the year

Earnings per share has been calculated by dividing net income related to the bank's shareholders by weighted average of the common stock issued during the year.

	2024	2023
	EGP	EGP
Majority portion in net income for the year	**12,425,820,549**	6,539,554,810
Weighted average number of shares	**531,300,000**	531,300,000
Basic earnings per share for the year	**23.39**	12.31

16. CASH AND BALANCES WITH CENTRAL BANK

	31/12/2024	31/12/2023
	EGP	EGP
Cash	**1,087,794,128**	1,158,838,131
Due from central Bank within the mandatory reserve ratio	**17,555,717,236**	14,354,237,071
	18,643,511,364	15,513,075,202
Non-interest bearing balances	**18,643,511,364**	15,513,075,202

17. DUE FROM BANKS

	31/12/2024	31/12/2023
	EGP	EGP
Current accounts	**286,626,769**	156,123,464
Deposits	**48,980,490,012**	13,961,059,901
Impairment loss Provision	**(4,945,120)**	(4,557,203)
	49,262,171,661	14,112,626,162
Central Bank(excluding mandatory reserve)	**44,045,678,866**	11,001,213,491
Local Banks	**5,129,181,283**	3,053,466,230
Foreign Banks	**87,311,512**	57,946,441
	49,262,171,661	14,112,626,162
Non-interest bearing balances	**286,626,769**	156,123,464
Interest bearing balances (Fixed rate)	**48,975,544,892**	13,956,502,698
	49,262,171,661	14,112,626,162
Current balances	**49,262,171,661**	14,112,626,162

18. LOANS & FACILITIES TO CUSTOMERS

	31/12/2024	31/12/2023
Retail	**EGP**	EGP
Overdrafts	**519,469,285**	1,102,724,517
Credit cards	**278,134,177**	127,540,663
Personal loans	**13,175,246,515**	11,167,578,020
Real Estate loans	**13,638,871,993**	12,518,605,779
Total	**27,611,721,970**	24,916,448,979
Institutions including small loans for economic activities		
Overdrafts	**8,116,103,870**	6,304,791,283
Direct loans	**15,214,819,645**	10,153,466,902
Syndicated loans	**4,272,842,456**	3,281,756,088
*Other loans	**170,892,885**	217,948,287
Total	**27,774,658,856**	19,957,962,560
Total Loans& facilities to customers	**55,386,380,826**	44,874,411,539
Less:		
Impairment loss Provision	**(4,972,951,669)**	(3,561,202,384)
Interest in suspense	**(10,160,138)**	(10,160,138)
	50,403,269,019	41,303,049,017
Current Balances	**9,907,554,315**	8,422,350,631
Non-current Balances	**45,478,826,511**	36,452,060,908
	55,386,380,826	44,874,411,539

* Supported loans are paid regularly within the governmental plan for sociable and economic development,

Impairment loss provision

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

	31/12/2024	31/12/2023
	EGP	EGP
Balance at the beginning of the year	**3,561,202,384**	2,937,845,038
Impairment loss during year	**1,441,173,564**	941,749,566
Amounts written off during the year	**(190,771,684)**	(368,667,262)
Recovered amounts during the year	**37,869,356**	10,840,403
Foreign currency revaluation difference	**123,478,049**	39,434,639
Balance at the end of the year	**4,972,951,669**	3,561,202,384

19. FINANCIAL ASSETS AT FAIR VULE THROUGH PROFIT AND LOSS

	31/12/2024 EGP	31/12/2023 EGP
Equity instrument listed in stock market		
Local companies' shares	-	5,839
Total equity instrument	-	5,839
Equity instrument unlisted in stock market		
Mutual fund certificates	**65,690,995**	34,841,434
Total Equity instrument unlisted in stock market	**65,690,995**	34,841,434
Financial assets portfolios managed by others	**187,375,950**	175,723,184
Total financial assets at fair value through profit and loss	**253,066,945**	210,570,457

20. FINANCIAL ASSETS (OTHER THAN THOSE AT FAIR VALUE THROUGH PROFIT AND LOSS)

	31/12/2024	31/12/2023
Financial Assets at fair value through other comprehensive income	EGP	EGP
Debt instrument :		
Listed in stock market	**39,476,759,537**	48,606,396,786
Unearned interest	**(1,605,327,025)**	(1,643,746,367)
Selling of debt instrument with obligation of rebuying	**(3,685,673,334)**	(3,944,953,835)
Equity instrument :		
Unlisted in stock market	**188,900,310**	217,165,909
Mutual fund's instrument established according to the issued ratios	**77,759,338**	62,998,292
Total Financial Assets at fair value through other comprehensive income	**34,452,418,826**	43,297,860,785

Financial Assets at Amortized Cost:

	31/12/2024	31/12/2023
Debt instruments -at amortized cost:		
Debt instrument (listed)	**19,247,970,587**	3,137,010,556
Unearned interest	**(1,208,881,465)**	(19,136,506)
Provision of debt instrument impairment losses	**(9,757,037)**	(838,807)
Total Financial Assets at Amortized Cost	**18,029,332,085**	3,117,035,243
Total Financial Assets	**52,481,750,911**	46,414,896,028
Current Balances	**52,215,091,263**	46,134,731,827
Non-current Balances	**266,659,648**	280,164,201
	52,481,750,911	46,414,896,028
Debt intsurment with fixed interest	**52,215,091,263**	**46,134,731,827**

	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 2024	43,297,860,785	3,117,035,243	46,414,896,028
Net movement of purchases and selling	(9,382,072,187)	14,912,537,153	5,530,464,966
Amortization of premium issuance	(3,989,965)	8,677,919	4,687,954
Change in fair value	281,339,692	-	281,339,692
Selling of debt instrument with obligation of rebuying	259,280,501	-	259,280,501
Change in the provision for impairment of debt instruments	-	(8,918,230)	(8,918,230)
Balance as of 31 December 2024	**34,452,418,826**	**18,029,332,085**	**52,481,750,911**
Balance at the beginning of 1 January 2023	23,654,690,827	6,205,808,320	29,860,499,147
Net movement of buying and selling	19,707,243,351	(3,096,482,697)	16,610,760,654
Amortization of premium issuance	(1,047,212)	8,177,442	7,130,230
Change in fair value	(287,940,350)	-	(287,940,350)
Selling of debt instrument with obligation of rebuying	224,914,169	-	224,914,169
Change in the provision for impairment of debt instruments	-	(467,822)	(467,822)
Balance as of 31 December 2023	43,297,860,785	3,117,035,243	46,414,896,028

	2024	2023
Change in fair value of equity instrument at fair value through other comprehensive income	EGP	EGP
Change in fair value of equity instrument at fair value through other comprehensive income	**281,339,692**	(287,940,350)
	281,339,692	(287,940,350)

	2024	2023
Financial investments loss	EGP	EGP
Impairment of equity instruments of associate companies	**(5,839)**	-
Total	**(5,839)**	-

21. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

31/12/2024

	Total assets	Total liabilities without shareholders' equity	Revenues	Net income	Direct sharing percentage	Sharing value
	EGP	EGP	EGP	EGP		EGP
Associate companies:						
El-Tameer company for housing and utilities	610,967,863	328,304,541	420,348,683	78,174,634	35%	95,152,323
El-Tameer Company for Real Estate Finance	12,319,962,329	11,942,995,455	2,240,418,484	277,996,853	24.84%	329,822,600
Hyde Park for Real Estate Development Company	22,676,614,273	18,913,073,118	3,629,400,070	639,064,464	53.66%	2,412,156,553
City edge real estate development	17,808,981,139	13,649,960,624	3,975,711,134	1,280,568,846	25.76%	1,073,663,451
TOTAL	**53,416,525,604**	**44,834,333,738**	**10,265,878,371**	**2,275,804,797**		**3,910,794,927**

The bank's portion in the income of the associate companies in 31 December 2024 amount of EGP 1,229,877,085

The financial informations has been exctracted from the associates' financial statements as of September 30, 2024

31/12/2023

	Total assets	Total liabilities without shareholders' equity	Revenues	Net income	Direct sharing percentage	Sharing value
	EGP	EGP	EGP	EGP		EGP
Associate companies:						
El-Tameer company for housing and utilities	497,335,131	312,832,590	311,718,937	46,082,746	35%	64,575,888
El-Tameer Company for Real Estate Finance	8,590,362,553	7,379,707,181	1,317,101,490	206,813,698	24.84%	289,950,792
Hyde Park for Real Estate Development Company	15,155,403,420	12,289,531,573	2,882,212,034	477,147,658	53.66%	1,930,427,622
City edge real estate development	13,541,368,952	10,720,466,693	1,958,140,056	510,915,144	25.76%	728,942,399
TOTAL	37,784,470,056	30,702,538,037	6,469,172,517	1,240,959,246		3,013,896,701

22. HOUSING PROJECTS

	31/12/2024	31/12/2023
	EGP	EGP
Lands allocated for housing projects	**885,664,209**	885,343,736
Under construction projects	**3,811,758,567**	2,014,906,966
Finished projects	**281,894,154**	319,663,559
Housing projects provision	**(6,525,099)**	(7,602,033)
Total	**4,972,791,831**	3,212,312,228

The total built up area of the units and available for sale reached 32,475 meters, administrative and commercial buildings reached 17,187 meters and land unoccupied 2,255 million meter.

Impairment of Housing Projects

	31/12/2024	31/12/2023
	EGP	EGP
Balance at the beginning of the year	**7,602,033**	20,982,462
Utilized during the year	**(1,076,934)**	(13,380,429)
Balance at the end of the year	**6,525,099**	7,602,033

23. INVESTMENTS PROPERTY

	31/12/2024	31/12/2023
	EGP	EGP
Total Investments	**188,883,835**	186,839,215
Accumulate Depreciation	**(76,892,972)**	(71,476,152)
Net book value at the beginning of the year	**111,990,863**	115,363,063
Additions	**596,233**	7,783,500
Disposals	**(2,713,571)**	(5,738,880)
Accumulated depreciation of disposals	**1,010,745**	2,167,203
Depreciation of the year	**(7,488,051)**	(7,584,023)
Net book value at the end of the year	**103,396,219**	111,990,863

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 1,029 billion as of 31 December 2024 by an evaluator with a recognized professional certificate and has an experience of real estate.

24. INTANGIBLE ASSETS

	31/12/2024	31/12/2023
Computers programs	**EGP**	EGP
Beginning cost of the year	**700,506,926**	536,533,252
Additions during the year	**560,129,433**	163,973,674
Ending cost of the year	**1,260,636,359**	700,506,926
Accumulated amortiazation at the beginning of the year	**(549,070,098)**	(467,020,269)
Amortiazation during the year	**(163,546,172)**	(82,049,829)
Accumulated amortiazation at the end of the year	**(712,616,270)**	(549,070,098)
Net book value at the end of the year	**548,020,089**	151,436,828

25. OTHER ASSETS

	31/12/2024	31/12/2023
	EGP	EGP
Accrued revenues	**1,417,009,187**	1,255,894,937
Prepaid expenses	**177,665,090**	138,742,439
Advanced payments for purchasing fixed assets	**1,397,692,393**	894,916,983
Accounts and notes receivables	**2,422,605,140**	2,371,399,252
Insurance and custodies	**28,408,961**	22,452,474
Assets reverted to banks in settlement of debts	**62,890,425**	62,880,425
Others	**1,291,793,884**	548,583,833
Total	**6,798,065,080**	5,294,870,343

26. Fixed assets

	Lands	Buildings & Constructions	Transportation vehicle	Machinery & Equipment	Furniture	Integrated systems	Facilities & Installments	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Balance at 1 January 2023								
Cost	216,322,340	970,958,749	61,012,582	869,105,186	147,124,023	9,576,786	47,761,519	2,321,861,185
Accumulated Depreciation	-	(286,516,739)	(47,447,071)	(693,223,194)	(76,380,842)	(6,333,788)	(39,465,715)	(1,149,367,349)
Net book value at 1 January 2023	**216,322,340**	**684,442,010**	**13,565,511**	**175,881,992**	**70,743,181**	**3,242,998**	**8,295,804**	**1,172,493,836**
31 December 2023								
Net book value at 1 January 2023	216,322,340	684,442,010	13,565,511	175,881,992	70,743,181	3,242,998	8,295,804	1,172,493,836
Additions	1,132,935	35,706,762	23,269,995	95,067,979	15,204,041	3,387,659	6,717,682	180,487,053
Disposals	-	(1,306,104)	(1,728,950)	(108,519)	(1,000)	(462,851)	-	(3,607,424)
Disposals - accumulated depreciation	-	469,704	1,115,950	93,378	133	-	-	1,679,165
Depreciation expense	-	(46,863,060)	(5,158,502)	(97,172,602)	(13,083,703)	(1,385,744)	(7,162,968)	(170,826,579)
Net book value at 31 December 2023	**217,455,275**	**672,449,312**	**31,064,004**	**173,762,228**	**72,862,652**	**4,782,062**	**7,850,518**	**1,180,226,051**
Balance at 1 January 2024								
Cost	217,455,275	1,005,359,407	82,553,627	964,064,646	162,327,064	12,501,594	54,479,201	2,498,740,814
Accumulated Depreciation	-	(332,910,095)	(51,489,623)	(790,302,418)	(89,464,412)	(7,719,532)	(46,628,683)	(1,318,514,763)
Net book value at 1 January 2024	**217,455,275**	**672,449,312**	**31,064,004**	**173,762,228**	**72,862,652**	**4,782,062**	**7,850,518**	**1,180,226,051**
Balance at 31 December 2024								
Net book value at 1 January 2024	217,455,275	672,449,312	31,064,004	173,762,228	72,862,652	4,782,062	7,850,518	1,180,226,051
Additions	204,215	41,479,899	44,198,882	171,453,880	14,103,821	7,164,311	16,899,741	295,504,749
Disposals	-	(1,778,420)	(1,533,573)	(125)	(38,324)	(486,282)	-	(3,836,724)
Disposals - accumulated depreciation	-	1,194,367	1,513,510	124	38,307	478,253	-	3,224,561
Depreciation expense	-	(48,697,675)	(12,879,979)	(113,877,196)	(14,189,335)	(3,122,917)	(10,121,821)	(202,888,923)
Net book value at 31 December 2024	**217,659,490**	**664,647,483**	**62,362,844**	**231,338,911**	**72,777,121**	**8,815,427**	**14,628,438**	**1,272,229,714**
Balance at 31 December 2024								
Cost	217,659,490	1,045,060,886	125,218,936	1,135,518,401	176,392,561	19,179,623	71,378,942	2,790,408,839
Accumulated Depreciation	-	(380,413,403)	(62,856,092)	(904,179,490)	(103,615,440)	(10,364,196)	(56,750,504)	(1,518,179,125)
Net book value at 31 December 2024	**217,659,490**	**664,647,483**	**62,362,844**	**231,338,911**	**72,777,121**	**8,815,427**	**14,628,438**	**1,272,229,714**

27. DUE TO BANKS

	31/12/2024	31/12/2023
	EGP	EGP
Current accounts	**491,365**	12,294
Deposits	**2,033,552,000**	2,316,982,500
	2,034,043,365	2,316,994,794
local banks	**2,033,552,000**	2,316,982,500
Foreign banks	**491,365**	12,294
	2,034,043,365	2,316,994,794
Non-interest bearing balances	**491,365**	12,294
Interest bearing balances (fixed rate)	**2,033,552,000**	2,316,982,500
	2,034,043,365	2,316,994,794
Current balances	**2,034,043,365**	2,316,994,794

28. CUSTOMERS' DEPOSITS

	31/12/2024	31/12/2023
	EGP	EGP
Demand deposit	**48,806,820,193**	45,247,246,427
Time & call deposits	**20,182,526,224**	14,658,289,443
Saving certificates	**14,996,457,374**	12,204,005,516
Saving deposits	**9,229,458,864**	8,555,810,010
Other deposits	**51,528,324,376**	20,339,763,089
	144,743,587,031	101,005,114,485
Institutions deposits	**64,272,918,730**	54,885,073,241
Individual deposits	**80,470,668,301**	46,120,041,244
	144,743,587,031	101,005,114,485
Non-interest bearing balances	**70,150,521,819**	48,154,973,430
Interest bearing balances (variable rate)	**9,135,266,878**	8,551,220,010
Interest bearing balances (fixed rate)	**65,457,798,334**	44,298,921,045
	144,743,587,031	101,005,114,485
Current balances	**129,747,129,657**	88,801,108,969
Non-current balances	**14,996,457,374**	12,204,005,516
	144,743,587,031	101,005,114,485

29. OTHER LOANS

	Interest rate %	31/12/2024 EGP	31/12/2023 EGP
Long term loans			
Loans Granted from the CBE:			
Construction & Housing Organization	27.75%	**170,892,841**	212,321,409
Total loans granted from the CBE		**170,892,841**	212,321,409
Loans granted from the Social Fund for development	%14.75 ،%7	**50,242,400**	79,042,400
The Egyptian Company for real estate refinance loan	%11 ،%10.25	**15,555,625**	23,725,649
Loan granted to HD leasing (subsidary company) from EBE, NBE, Banque Misr		**1,062,429,946**	1,009,448,290
Total		**1,299,120,812**	1,324,537,748
Current balances		**66,897,618**	76,355,063
Non-current balances		**1,232,223,194**	1,248,182,685
		1,299,120,812	1,324,537,748

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

30. OTHER LIABILITIES

	31/12/2024 EGP	31/12/2023 EGP
Accrued interest	**624,213,690**	554,398,822
Unearned revenue	**15,907,228**	25,786,367
Accrued expense	**375,796,862**	251,068,921
Creditors	**96,943,049**	81,681,562
Advanced reservation of lands and units	**1,976,217,778**	843,276,748
Down payments under installments	**256,575,176**	220,273,380
Checks under payment & credit accounts under settlement	**858,285,184**	181,794,708
Lands purchase creditors	**451,971,711**	515,345,842
Other credit balance	**4,367,765,080**	3,151,761,278
Total	**9,023,675,758**	5,825,387,628

31. Other Provision

31/12/2024	Beginning balance	Charged 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
Other contingencies	164,688,726	33,810,543	(31,335,348)	-	-	167,163,921
Provision for operating losses	-	134,678,232	-	-	-	134,678,232
Loyalty Points Provision	-	7,874,371	(5,572,392)	-	-	2,301,979
Total	**725,961,456**	**378,784,027**	**(48,700,721)**	**(1,740,727)**	**569,623**	**1,054,873,658**

31/12/2023	Beginning balance	Charged amounts	Utilized amounts	Amounts no longer required	Foreign currency revaluation difference	Ending Balance
Provision for contingent liabilities	103,590,035	170,531,908	-	-	-	274,121,943
Provisions for loans commitments	57,861,853	57,047,156	-	-	-	114,909,009
Provision for tax	142,795,506	25,910,907	(12,624,186)	-	-	156,082,227
Provision for legal claims	11,155,515	8,024,181	(1,213,301)	(2,833,462)	(814)	15,132,119
Provision for disaster aids	2,057,038	-	(1,029,606)	-	-	1,027,432
Other contingencies	130,708,249	45,823,926	(11,843,449)	-	-	164,688,726
Total	448,168,196	307,338,078	(26,710,542)	(2,833,462)	(814)	725,961,456

	31/12/2024			31/12/2023		
	Charged amounts	Utilized amounts	Total	Charged amounts	Amounts no longer required	Total
Provision for contingent liabilities	(15,004,396)	-	(15,004,396)	-	-	-
Provision for loans commitments	(61,732,836)	-	(61,732,836)	(170,531,908)	-	(170,531,908)
Provision for tax	(109,000,000)	-	(109,000,000)	(57,047,156)	-	(57,047,156)
Provision for legal claims	(14,683,649)	1,740,727	(12,942,922)	(25,910,907)	-	(25,910,907)
Other contingencies	(33,810,543)	-	(33,810,543)	(45,823,926)	-	(45,823,926)
Provision for operating losses	(134,678,232)	-	(134,678,232)	-	-	-
Loyalty Points Provision	(7,874,371)	-	(7,874,371)	-	-	-
Total	**(378,784,027)**	**1,740,727**	**(377,043,300)**	(307,338,078)	2,833,462	(304,504,616)

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 period,

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

	Deferred tax assets		Deferred tax liability	
	31/12/2024	31/12/2023	**31/12/2024**	31/12/2023
	EGP	EGP	**EGP**	**EGP**
Fixed assets and Intangible Assets	-	6,292,847	**(37,202,286)**	-
Change in fair value of equity instrument at fair value through other comprehensive income	**35,823,378**	101,636,938	-	-
Provisions other than Loans impairment losses	**173,803,546**	117,143,968	-	-
Total deferred tax that resulted in asset / (Liability)	**209,626,924**	225,073,753	**(37,202,286)**	-
Net tax that resulted in asset / (Liability)	**172,424,638**	225,073,753		

* 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 transactions:

	Deferred tax assets		Deferred tax liability	
	31/12/2024	31/12/2023	**31/12/2024**	31/12/2023
	EGP	EGP	**EGP**	EGP
Beginning balances of the year	**225,073,753**	127,015,063	-	-
Additions	**50,793,423**	111,467,826	(37,202,286)	-
Disposals*	**(66,240,252)**	(13,409,136)	-	-
Ending balance of the year	**209,626,924**	225,073,753	**(37,202,286)**	-

***Disposals contain amount of EGP 65 813 560 million related to deferred tax included into OCI note number 35-G**

Unrecognized deferred assets

Deferred tax assets are not recognized for those items:

	31/12/2024	31/12/2023
	EGP	EGP
Loans impairment provision excluding the 80% formed during the year	**223,782,825**	160,254,107

33. RETIREMENT BENEFIT OBLIGATIONS

	31/12/2024	31/12/2023
	EGP	EGP
Retirement benefit obligation as recorded in balance sheet:		
Medical benefit after retirement	**110,877,616**	88,733,410
Transactions of liabilities during the year represented as follows :		
Balance at the beginning of the year	**88,733,410**	57,837,459
Interest cost during the year	**1,879,452**	1,680,000
Actualial losses	**60,000,000**	50,000,000
Paid contributions	**(39,735,246)**	(20,784,049)
Balance at the end of the year	**110,877,616**	88,733,410

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%	
Mortality rate	(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

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 1,000 million to EGP 3,000 million, and the issued and paid in capital from EGP 550 million to EGP 1,150 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 1,150 million.

2- The Bank's extraordinary general assembly approved on 10/04/2014 increasing the issued and paid up capital from EGP 1,150 million to EGP 1,265 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 1,265 million.

3- The Bank's extraordinary general assembly approved on 20/12/2017 to increase the issued and paid up capital from EGP 1,265 million to EGP 1,518 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 1,518 million.

4- The Bank's general assembly approved on 30/03/2022 the following:
   - Increasing the issued and paid up capital from EGP 1.518 million to EGP 5.313 million by transferring amount of EGP 3,283 million from the general reserve and amount of 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 5,313 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 (Hassan Ben (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

December 15, 2024, 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. The Chairman of the Board is also authorized to call for an extraordinary general assembly within 60 days, in line with Law No. 194 of 2020 (Central Bank and Banking Law), once approval from the Central Bank of Egypt is received to amend Article 7.6 of the Bank's Articles of Association.

35. RESERVES

	31/12/2024	31/12/2023
	EGP	EGP
General banking risks reserve	**4,913,902**	-
Legal reserve	**1,264,822,211**	963,277,177
General reserve	**6,506,977,430**	3,190,977,430
Special reserve	**9,344,966**	9,344,966
Other reserves	**38,185,992**	38,080,781
General risk reserve	**89,215,810**	89,215,810
Total reserves at the end of the year	**7,913,460,311**	4,290,896,164

A- General banking risks reserve

	31/12/2024	31/12/2023
	EGP	EGP
Beginning balance of the year	-	-
Transferred from retained earning	**4,913,902**	-
Ending balance of the year	**4,913,902**	-

B- Legal reserve

	31/12/2024	31/12/2023
	EGP	EGP
Beginning balance of the year	**963,277,177**	850,442,723
Transferred from retained earnings	**301,545,034**	112,834,454
Ending balance of the year	**1,264,822,211**	963,277,177

C- General reserve

	31/12/2024	31/12/2023
	EGP	EGP
Beginning balance of the year	**3,190,977,430**	1,910,977,430
Transferred from retained earnings	**3,316,000,000**	1,280,000,000
Ending balance of the year	**6,506,977,430**	3,190,977,430

D- Special reserve

	31/12/2024	31/12/2023
	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

	31/12/2024	31/12/2023
	EGP	EGP
Beginning balance of the year	**38,080,781**	34,255,730
Transferred from retained earnings	**105,211**	3,825,051
Ending balance of the year	**38,185,992**	38,080,781

F- General risk reserves:

	31/12/2024	31/12/2023
	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-Other Comprehensive Income

	31/12/2024	31/12/2023
	EGP	EGP
Beginning balance of the year	**(307,688,714)**	(82,780,596)
Change in fair value of Financial Assets at fair value through other comprehensive income	**281,339,692**	(287,940,350)
Expected credit loss of debt instruments at fair value through other comprehensive income	**25,245,614**	6,762,834
Deferred tax	**(65,813,560)**	56,269,398
Ending balance of the year	**(66,916,968)**	(307,688,714)

The Balance of Other Comprehensive Income is as The following:

	31/12/2024	31/12/2023
	EGP	EGP
fair value of Financial Assets at fair value through other comprehensive income	**(138,310,734)**	(419,650,426)
Expected credit loss of debt instruments at fair value through other comprehensive income	**35,570,388**	10,324,774
Deferred tax	**35,823,378**	101,636,938
Total Other Comprehensive Income Items	**(66,916,968)**	(307,688,714)

36. DIVIDENDS DISTRIBUTIONS

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

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.

	31/12/2024	31/12/2023
	EGP	EGP
Due from central bank	**1,087,794,128**	1,158,838,131
Due from banks	**49,262,171,661**	14,112,626,162
Financial assets other than at fair value through profit and loss	**17,525,263,100**	14,877,971,661
	67,875,228,889	30,149,435,954

38. CONTINGENT LIABILITIES AND COMMITMENTS

A- Capital commitments

The bank contracts of Capital commitments reached 763,237,579 EGP on 31 December 2024 compared to EGP 591,222,882 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 63,208,732 in 30 December 2024 compared to EGP 61,881,862 on comparative year that representing in Operating lease contracts.

C- Contingent liabilities

	31/12/2024	31/12/2023
	EGP	EGP
Letters of Guarantee	**6,483,050,335**	4,879,719,547
Letters of Credit	**23,831,474**	107,409,953
Less:		
Collaterals	**(567,804,096)**	(806,231,397)
Contingent liabilities	**5,939,077,713**	4,180,898,103

39. MUTUAL FUNDS

El-Taamer Mutual Fund

The board of directors has agreed on September 10, 2007 to establish accumulated fund with regular dividends distribution called El-Taamer 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 September 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 2024 was EGP 528.97

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 2024 was EGP 52.0195

40. 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 2020: Inspection has been completed, the tax that resulted from the tax inspection has been paid.
The years from 2021 to 2024: 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:
The years from 1995 to 1998
- The internal committee of the Taxpayers Center is currently discussing some points that have not been agreed upon with the bank concerning the Cairo branch.
- The tax inspections were carried out, and the tax differences resulted from the tax inspections have been paid until the end of Law No. 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/ 2013till 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 and appealed. The appeal us currently under discussion before the relevant internal committees, noting that the bank regularly pays taxes quarterly from its point of view in accordance with the law after amendments.

The period from 01/01/2021 till 31/12/2024
- The tax inspection has not yet been carried out; the bank pays the stamp duty regularly on a quarterly basis

Corporate Income tax:
From beginning of the activity -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 2023: 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 2024.

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

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

Due to changes in the US dollar exchange rate during March 2024, from 31 pounds per dollar to 47 pounds per dollar, the values of monetary assets and monetary liabilities in foreign currency, as well as the income statement, were affected by the evaluation of existing currency positions as of the date of the financial position. This is illustrated in Notes 9 and 12.

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.