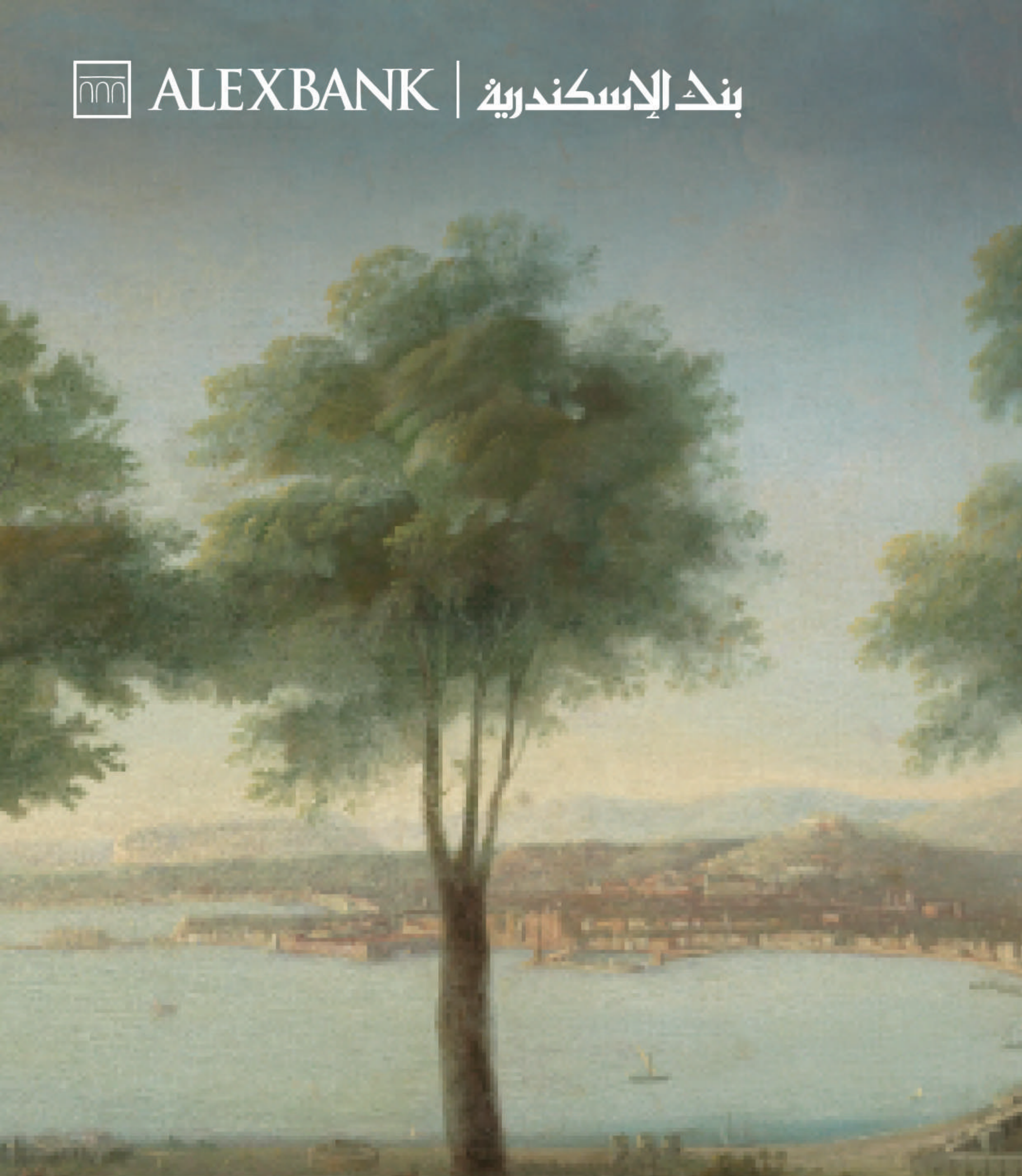
ALEXBANK | بنك الإسكندرية



Interim Financial Statements For The Period Ended 30 June 2025 and Limited Review Report

Bank of INTESA SANPAOLO

Bank of Alexandria

EY Allied for Accounting & Auditing
Public Accountants & Consultants

MOSTAFA SHAWKI
Public Accountants & Consultants

Translation of Auditor's Report
Originally issued in Arabic.

REVIEW REPORT
TO THE BOARD OF DIRECTORS OF BANK OF ALEXANDRIA (S.A.E.)
ON THE REVIEW OF THE INTERIM FINANCIAL STATEMENTS

Introduction

We have performed a review for the accompanying interim financial statements of Bank of Alexandria - **S.A.E - ("the Bank")** , which comprise the statement of financial position as at 30 June 2025, and the related interim statements of income, comprehensive income for the three months and six months periods then ended, and interim statements of cash flows and changes in shareholders' equity for the six months period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim financial statements in accordance with the rules of preparation and presentation of the 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 with the related requirements of the applicable Egyptian laws and regulations to prepare these interim financial statements, our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of review

We conducted our review in accordance with the Egyptian Standard on Review Engagements 2410, "Review of Interim Financial Statements Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters in the bank and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Egyptian Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these interim financial statements.

Conclusion

Based on our review, nothing has come to our attention which causes us to believe that the accompanying interim financial statements does not present fairly, in all material respects, the financial position of the Bank as at 30 June 2025, its financial performance for the three and six months then ended and cash flows for the six months then ended in accordance with the rules of 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 the light of the prevailing Egyptian laws and regulations related to the preparation of these interim financial statements.

Auditors

Ahmed Amin Hafez
Accountants and Auditors Register No. (20904)
CBE Register No. (565)
Fellow of Egyptian Society of Accountants and Auditors
EY Allied for Accounting & Auditing

Hesham Hafez Hammad
Accountants and Auditors Register No. (8478)
CBE Register No. (154)
Member of Egyptian Society of Accountants and Auditors
Member of Egyptian Tax Society
Forvis Mazars MOSTAFA SHAWKI

Cairo: 31 July 2025

	Note	30 June 2025 EGP 000	31 December 2024 EGP 000
Assets			
Cash and balances with Central Bank of Egypt	(16)	11 177 383	18 867 066
Due from banks	(17)	79 061 829	61 744 731
Loans and advances to customers	(18)	73 306 892	68 204 731
Financial assets classified at inception at fair value through profit and loss	(19)	21 649	38 781
Financial Investments			
-At fair value through other comprehensive income	(20)	55 450 708	54 162 203
-At fair value through profit and loss	(20)	18 801	17 051
-At Amortized cost	(20)	9 178 877	4 441 144
-In associates	(21)	134 329	94 617
Intangible assets	(22)	414 864	476 371
Other assets	(23)	9 366 484	5 173 135
Deferred tax assets	(30)	422 019	450 812
Property,Plant and Equipment	(24)	899 205	898 761
Total assets		**239 453 040**	**214 569 403**
Liabilities and shareholders' Equity			
Liabilities			
Due to banks	(25)	788 810	4 836 955
Customers' deposits	(26)	190 594 907	168 035 551
Other loans	(27)	879 591	954 726
Other liabilities	(28)	12 093 455	7 903 408
Other provisions	(29)	889 192	769 823
Income tax liabilities		2 901 968	2 579 927
Post retirement benefits liabilities	(31)	1 791 041	1 776 287
Total Liabilities		**209 938 964**	**186 856 677**
Shareholders' Equity			
Paid in capital	(32)	5 000 000	5 000 000
Reserves	(33)	2 848 971	2 268 191
Retained earnings	(33)	21 665 105	20 444 535
Total shareholders' Equity		**29 514 076**	**27 712 726**
Total liabilities and shareholders' Equity		**239 453 040**	**214 569 403**

Limited Review Report "attached"

The accompanying notes from page (6) to page (57) are an integral part of these interim financial statements and are to be read therewith.

Paolo Vivona
CEO and Managing Director

Antonio Bergalio
Deputy CEO

EGP 000

		For the period From April 01, 2025 To June 30, 2025	For the period From January 01, 2025 To June 30, 2025	For the period From April 01, 2024 To June 30, 2024	For the period From January 01, 2024 To June 30, 2024
Interest and similar income	(6)	11 459 865	22 544 698	8 950 170	16 528 612
Interest and similar expense	(6)	(5 844 685)	(11 447 883)	(4 187 454)	(7 650 334)
Net interest income		**5 615 180**	**11 096 815**	**4 762 716**	**8 878 278**
Fee and commission income	(7)	882 985	1 707 014	753 257	1 321 962
Fee and commission expense	(7)	(246 858)	(480 276)	(233 671)	(440 571)
Net fee and commission income		**636 127**	**1 226 738**	**519 586**	**881 391**
Net income		**6 251 307**	**12 323 553**	**5 282 302**	**9 759 669**
Dividend income	(8)	-	1 121	748	748
Net income from financial instruments classified at inception at fair value through profit and loss	(9)	2 471	14 350	1 483	13 492
Change in financial assets classified at fair value through profit and loss		842	31 463	721	1 465
Net trading income	(10)	20 306	35 510	21 941	(18 149)
Gain from financial investments	(20)	1 950	7 663	826	5 486
Share of results of associates		20 074	39 711	7 964	11 370
Reversed / (Charge) Impairment of Credit loss	(13)	536 131	567 331	(157 511)	(297 832)
Administrative expenses	(11)	(1 274 305)	(2 544 805)	(1 156 907)	(2 237 048)
Other operating (expenses) / revenues	(12)	(127 489)	51 944	(9 670)	(438 254)
Net profit before income tax		**5 431 287**	**10 527 841**	**3 991 897**	**6 800 947**
Income tax expense	(14)	(1 595 181)	(3 058 901)	(1 006 894)	(1 716 022)
Net profit for the period		**3 836 106**	**7 468 940**	**2 985 003**	**5 084 924**
Earnings per share (EGP/share) - Basic	(15)	**1.37**	**2.66**	**1.06**	**1.81**

The accompanying notes from page (6) to page (57) are an integral part of these interim financial statements and are to be read therewith.

EGP 000

	For the period From April 01, 2025 To June 30, 2025	For the period From January 01, 2025 To June 30, 2025	For the period From April 01, 2024 To June 30, 2024	For the period From January 01, 2024 To June 30, 2024
Net profit for the period	**3 836 106**	**7 468 940**	**2 985 003**	**5 084 924**
Other Comprehensive income that will not be reclassified to the Proft or Loss :				
Net change in fair value of investments in equity instruments measured at fair value through other comprehensive income	145	214	13	628
Income tax related to items that will not be reclassified to the profit and loss	(33)	(48)	-	-
	112	**166**	**13**	**628**
Other comprehensive income items that is may be reclassified to the Profit or Loss:				
Net change in fair value of debt instruments measured at fair value through other comprehensive income	(692 283)	650 699	(57 472)	(13 719)
Expected credit loss for treasury bonds and bills - Debt instruments measured at fair value through other comprehensive income	(533)	(447)	10 666	(9 186)
Income tax related to items that may be reclassified to the profit and loss	159 812	(77 692)	-	-
	(533 004)	**572 560**	**(46 806)**	**(22 905)**
Total other comprehensive income item for the period,net of tax	**(532 892)**	**572 726**	**(46 793)**	**(22 277)**
Total other comprehensive income for the period	**3 303 214**	**8 041 666**	**2 938 210**	**5 062 647**

The accompanying notes from page (6) to page (57) are an integral part of these interim financial statements and are to be read therewith.

	Note	For the period ended in 30 June 2025 EGP 000	For the period ended in 30 June 2024 EGP 000
Cash flows from operating activities			
Net profit before tax		10 527 841	6 800 947
Adjustments to reconcile net profit to cash flows from operating activities			
Depreciation and amortization	(22,24)	186 459	135 676
charge of impairment credit losses	(13)	(586 937)	282 892
Charged (reversed) of other provisions	(29)	211 335	52 387
Charge of impairment loss of (Treasury bills)		223	-
charge (reverse) Impairment loss of (Due from banks)		19 383	14 939
Net income from financial assets classified at inception at fair value through profit and loss		(14 350)	(13 492)
Utilized provisions (other than loans provision)	(29)	(89 113)	(27 784)
Transalation differences of other provisions in Foreign currencies	(29)	(8 015)	(13 753)
Transalation differences of other Loans in Foreign currencies		831 475	156 954
Change in financial assets by fair value through profit and loss		(31 543)	(1 465)
Transalation differences of Financial Investments in Foreign currencies		(638 881)	(178 946)
Transalation differences of Fair value reserves in Foreign currencies		-	(9 856)
Profit recived From our shares in Associtate Companies		2 786	-
(Gains) from selling fixed assets	(12)	(3)	(2 716)
Dividend income	(8)	(1 121)	(748)
Gains from selling financial investments		(7 663)	(5 486)
Amortization of issuance discount		42 331	9 894
Change in fair value of investments in treasury bills through other comprehensive income		-	31 982
Bank's share in undistributed profit of associates		(39 711)	(11 370)
Operating profits before changes in assets and liabilities provided from operating activities		**10 404 496**	**7 220 055**
Net decrease/(increase) in assets and (decrease)/increase in liabilities			
Balances with CBE within the mandatory reserve requirements		(8 724 546)	(2 742 380)
Due from banks		3 555 597	(2 428 326)
Treasury bills and other governmental notes		11 667 099	450 134
Loans and advances to banks		-	438 767
Loans and advances to customers		(3 964 331)	(6 845 158)
Financial assets at fair value through profit and loss since inception		29 859	17 554
Financial assets classified at fair value through profit and loss		(1 750)	(1 455)
Other assets		(4 178 363)	(662 756)
Due to banks		4 048 145	429 786
Customers' deposits		22 559 356	15 239 811
Other liabilities		4 190 045	1 782 613
Post retirement benefits liabilities		14 754	190 194
Taxes paid		1 194 891	(1 076 811)
Net cash flows provided operating activities		**40 795 252**	**12 012 028**
Cash flows from investing activities			
Payments of purchase of fixed assets and branches constructions		(47 133)	(143 505)
Proceeds from selling fixed assets		(35)	(2 716)
Proceeds from selling financial investments other than Trading		55 315 537	46 031 678
Payments to purchase of financial investments		(59 549 159)	(44 725 648)
Payments to purchase of intangible assets		(37 751)	(127 926)
Dividends received		1 121	748
Net cash flows (used in) provided from investing activities		**(4 317 420)**	**1 032 631**
Cash flows from financing activities			
Payments of other loans		(8 366)	(20 387)
Dividends paid		(2 659 785)	(976 464)
Net cash flows (used in) financing activities		**(2 668 151)**	**(996 851)**
Net change in cash and cash equivalents during the period		33 809 681	12 047 807
Cash and cash equivalents at the beginning of the period		65 225 792	73 623 738
Cash and cash equivalents at the end of the period		**99 035 473**	**85 671 545**
Cash and cash equivalents are represented in the following (note 35):			
Cash and balances at Central Bank of Egypt		11 177 383	15 700 474
Due from banks		79 061 829	71 903 837
Treasury bills and other governmental notes		26 518 690	19 561 538
Balances at CBE within the mandatory reserve percentage		(7 005 557)	(12 518 557)
Due from banks with maturity more than Three months *		(1 968 478)	(2 737 257)
Treasury bills and other governmental notes (with maturity more than Three months)*		(8 748 394)	(6 238 490)
Cash and cash equivalents		**99 035 473**	**85 671 545**

* From the date of acquisition.

The accompanying notes from page (6) to page (57) are an integral part of these interim financial statements and are to be read therewith.

	Paid in Capital	Legal Reserve	Special Capital Reserve	Fair Value Reserve for investments through OCI	General Risk Reserve	Retained Earnings	EGP 000 Total
Balance at 1 January 2024	**5 000 000**	**2 500 000**	**3 430**	**(34 710)**	**35 135**	**12 266 373**	**19 770 228**
Dividends distributions for the year 2023	-	-	-	-	-	(2 057 828)	**(2 057 828)**
Net change in other comprehensive income	-	-	-	(22 277)	-	-	**(22 277)**
Transferred to Special Reserve from Retained Earnings	-	-	2 211	-	-	(2 211)	**-**
Net profit for the period ended 30 June 2024	-	-	-	-	-	5 084 924	**5 084 924**
Balance as at 30 June 2024	**5 000 000**	**2 500 000**	**5 641**	**(56 987)**	**35 135**	**15 291 258**	**22 775 047**
Balance at 1 January 2025	**5 000 000**	**2 500 000**	**5 641**	**(272 585)**	**35 135**	**20 444 535**	**27 712 726**
Dividends distributions 2024	-	-	-	-	-	(6 240 316)	**(6 240 316)**
Net change in other comprehensive income	-	-	-	572 726	-	-	**572 726**
Transferred to Special Reserve from Retained Earnings	-	-	8 054	-	-	(8 054)	**-**
Net profit for the period ended 30 June 2025	-	-	-	-	-	7 468 940	**7 468 940**
Balance at 30 June 2025	**5 000 000**	**2 500 000**	**13 695**	**300 141**	**35 135**	**21 665 105**	**29 514 076**

The accompanying notes from page (6) to page (57) are an integral part of these interim financial statements and are to be read

1- General information

Bank of Alexandria provides retail, corporate and investment banking services in Arab Republic of Egypt through its Head Office located in (49, Kasr El Nile street) Cairo and its182 branches and banking units employing 4 084 staff members on the statement of financial position date.

Bank of Alexandria (S.A.E) was established on 17 April 1957, as a State wholly owned commercial bank, until 31 October 2006. SanPaolo I.M.I (Italian Bank) acquired 80% of its issued capital. On 1 January 2007, a merger was announced between SanPaolo I.M.I and Banca Intesa S.P.A., and the name of shareholder SanPaolo I.M.I has been amended to be Intesa SanPaolo S.P.A.

Bank of Alexandria currently performs its activities under the provisions of the Central Bank of Egypt, Banking Sector, according to the Monetary Law No. 88/2003 and the Law No. 194/2020, which has been issued on September 15,2020.
On March 22th 2009, International Finance Corporation (IFC) buy its participation of 9.75% (with the exception of one share) in Bank of Alexandria to Intesa Sanpaolo S.P.A. The share of Intesa SanPaolo S.P.A became 70.25%
On September 14th 2020, International Finance Corporation (IFC) sold its participation of 9.75% (with the exception of one share) in Bank of Alexandria to Intesa Sanpaolo S.P.A. The share of Intesa SanPaolo S.P.A became 80% (approximately). IFC in 2021 sold the remaining one share to Mr. Ahmed Saeed Al-Falal who has a share of 0.00000025% in the Bank capital.
These Financial statements were approved by the Board of Directors on July 29, 2025.

2- Summary of Accounting Policies

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

2-A. Basis of the Preparation of the Financial Statements

The financial statements have been prepared in accordance with the Egyptian Accounting Standards (EAS) and their amendments, and in accordance with the instructions of the Central Bank of Egypt (CBE), approved by its Board of Directors on 16th December 2008. Moreover, starting from January 2019 IFRS 9 "Financial Instruments" has been applied in accordance with the instructions of the Central Bank of Egypt (CBE) dated February 26, 2019. The financial statements were prepared under the historical cost convention, modified by the revaluation of the following balance sheet items: financial assets, liabilities held for trading, financial assets and liabilities classified at inception at fair value through profit and loss, financial investments at Fair Value through Other Comprehensive Income (FVOCI), and all financial derivatives contracts. The financial statements of the Bank have been prepared in accordance with the provisions of the relevant local laws.

2-B. Associates' Companies

Associates' companies are entities over which the bank exercises a direct or indirect significant influence without reaching the extent of control where the Bank holds ownership equities ranging between 20% and 50% of the voting rights.

Purchase method of accounting has been applied for the companies in which the Bank acquired a stake. The acquisition cost is measured through the fair value or the equivalent value offered by the Bank for the acquired assets and/or issued shareholders' equity instruments and/or obligations the Bank incurred and/or obligations the Bank accepted on behalf of the acquired company, to complete the acquisition process at the date of the exchange process, plus any costs that can be directly attributed to the acquisition process. Net assets, including acquired defined potential obligations, are measured at fair value at the acquisition date regardless of the minority's rights existence. The excess of the acquisition cost over the fair value of the Bank's share in the net assets is considered goodwill. Moreover, if there is a decrease in the acquisition cost below the net fair value referred to, the difference shall be recorded directly in the income statement under the account "Other operating income (expenses)".

The associates' companies in the Bank's financial statements are accounted for by the equity method. In addition, dividend pay-outs are deducted in the carrying value of the investment when approved.

2-C. Segment Reporting

A business segment is a group of assets and operations related to providing products or services subject to risk and returns, different from those that are related to other business segments. A geographical segment is related to providing products and services within the same economic environment subject to risk and returns, different from those that are related to other geographical segments that operate in a different economic environment.

2-D. Foreign Currencies Translation

2-D.1. Functional and Presentation Currency:

The Bank's financial statements is presented to the nearest thousand Egyptian pounds, which represents the Bank's functional and presentation currency.

2-D.2. Transactions and Balances in Foreign Currencies

The bank holds its accounting records in the Egyptian pound. Transactions in foreign currencies during the fiscal period are recorded using the prevailing exchange rates at the date of the transaction. Monetary assets and liabilities in foreign currency are re- evaluated at the end of the reporting period using the prevailing exchange rates at that date. The gains and losses resulting from settlement of such transactions, as well as the differences resulting from the re-evaluation, are recognized in the income statement among the following items:

-Net trading income for financial instruments classified since inception at fair value through profit and loss or assets/liabilities held for trading.
-Shareholders' equity for financial derivatives that are eligible for cash flow qualified hedge or eligible for net investment qualified hedge.
-Other operating income (expenses) for the remaining items.
-Changes in the fair value of the financial instruments with monetary nature in foreign currencies and classified as investments at Fair Value through Other Comprehensive Income (debt instruments), are differentiated into revaluation differences resulting from changes in the amortized cost of the instruments, revaluation differences resulting from changes in the prevailing exchange rates and, revaluation differences resulting from the changes in the instrument's fair value. The revaluation differences resulting from the changes in the amortized cost are recognized in the income statement within "Interest and Similar Income". The differences related to exchange rate changes are recognized in "Other Operating Income (expenses)", whereas the change in the fair value (fair value reserve/financial investments at Fair Value through Other Comprehensive Income (FVOCI) are recognized within shareholders'
equity.

-The revaluation differences resulting from items other than those with monetary nature include the gains and losses resulting from the change of the fair value such as the equity instruments held at fair value through profit and loss. The revaluation differences resulting from equity instruments classified as financial investments at Fair Value through Other Comprehensive Income (FVOCI) are recognized within the fair value reserve in the shareholders' equity.

2-E. Financial Assets

The bank classifies financial assets among the following categories:
•Financial Assets classified at Fair Value Through Profit and Loss (FVTPL).
•Financial Assets at amortized cost (Loans and Receivables).
•Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI).
The management determines the classification of its investments at initial recognition.

2-E.1. Financial Assets classified at Fair Value Through Profit and Loss:
This category includes:

This category includes:
•Financial assets held for trading.
•Assets classified at inception at fair value through profit and loss.

A financial instrument is classified as an instrument held for trading if it is primarily acquired for the purpose of the sale in the short term, or if it represents a part of a portfolio of specific financial instruments that are managed together and there is evidence of recent actual transactions that resulted in short-term profit taking. Further, derivatives are classified as held for trading (Unless hedge accounting is applied).

Financial assets are classified at inception at the fair value through profit and loss in the following cases:
- When such classification reduces the measurement inconsistency that could arise from handling the related derivative as held for trading at the time of the valuation of the financial instrument, in the place of the derivative at amortized cost for loans and facilities to banks and customers and issued debt instruments.

- When managing some investments, such as investments in equity instruments, if valued at fair value according to the investment strategy or risk management and reports are prepared for the top management on this basis.
- Financial instruments such as held debt instruments, which contain one or more embedded derivatives that strongly affect cash flows.
- Gains and Losses resulting from changes in the fair value of financial derivatives that are managed in conjunction with assets and liabilities classified at inception at fair value through profit and loss and are recorded in the income statement under "Net income from financial instruments classified at inception at fair value through profit and loss".
- Reclassification of any financial derivative related to a group of financial instruments evaluated at fair value through profit and loss is not possible during the period in which it is held or during its validity period. In addition, any financial instrument from the group of financial instruments evaluated at fair value through profit and loss cannot be reclassified if it has been classified by the Bank at its initial recognition as an instrument evaluated at fair value through profit and loss.

2-E.2. Loans and Receivables

Loans and Receivables represent non-derivative financial assets with fixed or determinable payment that are not quoted in an active market, with the exception of :
- Assets which the bank intends to sell immediately or in the short term. In which case, they are classified as assets held for trading or assets classified at inception at Fair Value Through Profit and Loss.
- Assets classified by the bank at Fair Value through Other Comprehensive Income (FVOCI) at initial recognition.
- Assets for which the bank will not be able to substantially recover the value of its initial investment for reasons other than creditworthiness deterioration.

2-E.3. Assets at Fair Value Through Other Comprehensive Income (FVOCI)

Investments classified at Fair Value through Other Comprehensive Income (FVOCI) are non-derivative financial assets held within the Bank model whose objective is to hold cash flows, including principal and interest, or may be sold in response to needs for liquidity or to decrease in instrument creditworthiness or to changes in interest rates, exchange rates, or equity prices (Liquidity Management portfolio).

The following is applied to financial assets:

Purchase and sale transactions of the financial assets classified at Fair Value Through Profit and Loss (FVTPL), and financial investments classified at Fair Value Through Other Comprehensive Income (FVOCI) shall be recognized in the ordinary way on the trade date on which the Bank is committed to purchase or sell the asset.

The financial assets, which are not classified at inception at fair value through profit and loss, shall be recognized at fair value plus the transaction costs, whereas financial assets classified at inception at fair value through profit and loss are recognized only at fair value with the transaction' costs associated to those assets being reported in the income statement under the "Net Trading Income" item.

Financial assets shall be derecognized when the contractual right validity to receive cash flows from the financial asset expires or when the bank transfers most of the risk and returns associated with the ownership to a third party. Financial liabilities are derecognized when they expire by either discharging, cancellation, or the expiration of the contractual period. Financial assets at Fair Value through Other Comprehensive Income (FVOCI) and financial assets classified at Fair Value Through Profit and Loss (FVTPL) shall be subsequently measured at fair value. Loans and receivables are subsequently measured at amortized cost.

Gains and losses resulting from changes in the fair value of assets classified at fair value through profit and loss shall be recognized in the income statement in the period in which they are made, while the gains and losses arising from changes in the fair value of the investments at Fair Value Through Other Comprehensive Income (FVOCI) shall be directly recognized in shareholders' equity statement, until the asset is derecognized or impaired. In which case, the cumulative profit and losses previously recognized in shareholders' equity statement shall be recognized in the income statement.

Income calculated with the amortized cost method and gains and losses on foreign currencies related to the assets with monetary nature classified at fair value through Other Comprehensive Income Assets shall be recognized in the income statement. Dividends resulting from equity instruments classified at fair value through Other Comprehensive Income shall be recognized in the income statement when the right of the bank to receive payment is established.

Fair value of the investments listed in active markets shall be defined pursuant to the current Bid Prices. In case there is no active market for the financial assets, or the current Bid Prices are unavailable, the bank shall define the fair value by using one of the valuation methods. This includes either using arm's length transactions, discounted cash flow analysis, options pricing models or other valuation methods commonly used by market traders. In case the Bank is unable to estimate the fair value of equity instruments classified at Fair Value Through Other Comprehensive Income, their value shall be measured by cost after deducting any impairment in value.

If the Bank adjusts its estimates of payments or receivables, the book value of the financial asset (or the group of financial assets) shall be settled in a way that reflects the actual cash flows and the adjusted estimates, provided that the book value is determined by calculating the present value of estimated future cash flows by the actual return rate of the financial instrument. The result of the settlement shall be recognized as revenue or expenses in the profit and loss.

In all cases it shall not be permissible to reclassify the financial (Debt Instruments) assets between different classifications (classified at amortized cost, classified at Fair Value Through Other Comprehensive Income, and classified at fair value through profit and loss) except if the bank changes the business model(s), which procedures takes place infrequently and rarely, other than the first classification change when implementing the impact of IFRS 9 first time adoption for financial instruments.

2-F. Accounting Standards applied starting from January 1st 2019:

Starting from December 31, 2018, the financial statements have been prepared in accordance with the instructions of the Central Bank of Egypt (CBE) rules, approved by its Board of Directors, except the effect of the instructions of the Central Bank of Egypt dated February 26, 2019 to prepare financial statements according to IFRS 9 "Financial Instruments: classification and measurements".

The Bank reviews all its financial assets except for financial assets that are measured at fair value through profit or loss to assess the extent of impairment as described below:

Stage 1: Includes financial assets on initial recognition and that do not have a significant increase in credit risk since the initial recognition or that have low credit risk. For these assets, expected credit loss are recognized on the gross carrying amount of the asset based on the expected credit losses that result from default events that are possible within 12 months after the reporting date.

Stage 2: Includes financial assets that have had a significant increase in credit risk since initial recognition, but that do not have objective evidence of impairment. For these assets, lifetime expected credit loss are recognized, but interest is still calculated on the gross carrying amount of asset. Lifetime expected credit loss are the expected credit losses that result from all possible default events over the expected life of the financial instrument.

Stage 3: Includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime expected credit loss are recognized.

2-F.1. Definition of default:

The Bank applies a single definition of default for classifying assets and determining the probability of default of its obligors for risk modelling purpose.

The definition of default is based on quantitative and qualitative criteria. A counterparty is classified as default at the latest when material payments of interest, principal or fees are overdue for more than 90 days.

2-F.2. Significant Increase in Credit Risk:

IFRS 9 does not provide a specific definition for significant increase in credit risk. The bank's assessment of the credit risk is based on forward-looking analysis based on management assessment, quantitative analysis (predictive model) and qualitative information. An estimate of whether there is a significant increase in credit risk includes comparing the current default risk at financial reporting date, with the initial default risk at inception lending date, during that the bank took into account all quantitative and qualitative information including historical data and prospective outlook, which are available without effort and cost is not required, which depends on the ability of the bank to provide data objectively.

The Bank considers different economic scenarios in estimating the probability of default at the initial lending date and successively in each financial reporting date, each scenario outcome has different results, and the Bank adjust weighted factor for each of the different scenarios.

The Bank calculates the expected credit loss for the entire life of the instrument when there is a significant decrease in the creditworthiness that reflects the cash flow deficit resulting from all the events and factors affecting the creditworthiness weighted by the risk of default.

The Bank monitors all financial assets that are subject to impairment requirements to assess whether there has been a significant decrease in credit risk and to measure the loss allowance based on lifetime rather than 12-months ECL.

2-F.3. Write-Off:

Debt is written off when all or part of the debt is uncollectible or agreed to be exempt from it. Loans, credit facilities and debt instruments are considered to be impaired when the Bank has no reasonable expectation of collection of these financial assets (in whole or in part), this scenario occurs when the Bank determines that the borrower has no other assets or resources from the cash flows to repay the loan. The Bank may continue to take legal actions to collect all or part of the debt after the debt is executed, which may lead to the collection of certain amounts granted to the borrower.

Written-off loans reduce the principal amount granted, and when collection of debts has been written off, these amounts are recognized on collection.

2-F.4. Market Risk:

Market risk represents the expected loss resulting from the negative effects of market variables. Market variables represent several factors such as interest rate, currency risk, exchange rate, equity prices, credit risk margin and commodity prices. These variables may be not reliably measurable, such as volatility and bonding factors with each other.
Market risk includes risks related to the source of the financial instrument and investment risk.
• **Financial instrument risk:** The possibility of loss arising from changes in fair value due to events related to the credit loss affecting the issuer and which the Bank is exposed to through investments and derivatives derived from the source of the financial instrument.
• **Investment risk:** Risks related to the volume of held financial investments.

Market Risk Management: The Bank's objective of managing market risk is to control and manage exposure to market variables in order to maximize returns while ensuring adequate solvency.

With regard to liquidity risk, the task of the concerned committees is to ensure effective market risk management across the Bank's various sectors. The main activities for managing these risks are as follows:

- Identification of the main types of risks and their causes.
- Neutral independent measurement and evaluation of these risks and their effects.
- Use evaluation results as a basis for managing return / risk ratios.
- Risk control and reporting.

2-F.5. Changes in accounting policies and significant professional estimates and assumptions:

Main Changes in Bank Accounting policies

The following is a summary of the major changes in the Bank's accounting policies resulting from the adoption of IFRS 9.

Classification of Financial Assets and Financial Liabilities

IFRS 9 includes three major asset classes:
- Amortized Cost
- Fair Value Through Comprehensive Income
- Fair Value Through Profit and Loss.

The classification of financial assets in accordance with IFRS 9 is generally based on the business model in which the financial assets and contractual cash flow characteristics are managed. The standard eliminates the previous classes in accordance with IAS 39: held to maturity, loans and receivables, and available for sale investments.

Impairment of Financial Assets

IFRS 9 replaces the "recognized losses" model in IAS 39 with the "expected credit loss" future model. The new impairment model also applies to certain loan commitments and financial guarantees contracts, but does not apply to equity investments. In accordance with IFRS 9, credit losses are recognized earlier in relation to IAS 39.

Classification of Financial Assets and Liabilities (SPPI test)

The SPPI test evaluates the contractual terms of the financial assets (as a whole) that give rise to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

Impairment of financial instruments

The Bank assesses whether credit risk on financial assets has increased significantly since initial recognition and includes future information in measuring expected credit losses.

2-G. Offsetting of financial instruments

Financial assets and liabilities are offset in case the Bank has a legal right in force to undertake the offsetting of the recognized amounts, and it intends to settle the amounts on a net basis or to receive the asset and settle the liability simultaneously.

The items of the agreements for purchasing treasury bills with commitment to resell, and the agreements for selling treasury bills with commitment to repurchase shall be presented based on the net basis in the financial position within the item of treasury bills and other governmental notes.

2-H. Financial Derivatives

Derivatives shall be recognized at fair value at the date of the entering into its contract and subsequently be re-measured at fair value. The fair value is defined either from the quoted market prices in the active markets, recent market transactions, or valuation techniques such as discounted cash flow models and options pricing models, as appropriate. All derivatives shall be recognized within the assets if their fair value is positive or within the liabilities if their fair value is negative.

2-I. Interest Income and Expense

Interest income and expense of all interest-bearing financial instruments, except those classified as held-for-trading or which have been classified at inception at fair value through profit and loss, shall be recognized in the income statement under "Interest income on loans and similar income" item or "Interest expenses on deposits and similar charges" by using the effective interest rate method.

The effective interest rate is the method to calculate the amortized cost of a financial asset or liability and to distribute the interest income or expenses over the related instruments' lifetime. The actual rate of return is the rate used to discount the estimated future cash flows of expected payments or receivables during the expected lifetime of the financial instrument or shorter year of time when appropriate, in order to reach accurately the book value of a financial asset or liability. When the effective rate of return is calculated, the Bank estimates the cash flows by considering all the contractual terms and conditions of the financial instrument's contract (for example accelerated repayment options) and does not consider the future credit losses. The method of calculation includes all fees paid or received by and between the contract's parties, which are considered part of the effective interest rate. The cost of the transaction includes any premiums or discounts.

When loans or receivables are classified as non-performing or impaired ones as the case may be, the related interest income shall not be recognized nor recorded as off-balance sheet items out of financial statements. However, such interest income shall be recognized under the revenue item pursuant to the cash basis according to the following:

2-I.1 As for consumer loans, mortgage loans for personal housing and small loans for economic activities, when the interest income is collected and after arrears are fully recovered.

2-I.2 As for corporate loans, interest income is recognized as revenue only after the payment of 25% of the amount rescheduled and with a minimum of one year of regular payments. In case of the customer keeps repaying regularly, then the calculated interest will be capitalized to the loan balance and to be recorded as revenues (return on the rescheduled loan balance), without considering the marginal interest before reschedule, which will not be recorded in the revenues until the full payment of loan balance before scheduling as recorded in the financial position.

2-J. Fee and commission income

Due fees from servicing the loan or facility shall be recognized in the income when performing the service, while the fee and commission income related to non-performing or impaired loans or receivables shall not be recognized, as it shall be on off-balance sheet of the financial statements. Then, it shall be recognized within the income pursuant to the cash basis when the interest income is recognized according to item (2.I.2). As for the fees, which represent an integral part of the actual return of the financial assets in general, they shall be treated as an amendment to the effective rate of return.

Commitment fees on loans shall be postponed, if there is a probability that these loans will be withdrawn, taking into account that these fees that the bank receives are a compensation for the constant intervention to acquire the financial instrument. Then they shall be recognized by amending the effective rate of return on the loan. When the year of commitment expires without the loan being issued by the bank, these fees shall be recognized within the income at the expiry of the commitment's validity.
Fees on debt instruments measured at fair value shall be recognized within revenue at the initial recognition. Fees on the promotion of the syndicated loans shall be recognized within revenue when the promotion process is completed, and the bank does not retain any portion of the loan, or if the bank retains a portion for itself earning of the actual rate return which is available to other participants as well.

Fees and commission resulting from negotiations or the participation in negotiations on a transaction in favour of a third party, shall be recognized within the income statement - such as the arrangement of the acquisition of shares or other financial instruments, or the acquisition or selling of premises - when the specific transaction is completed. The administrative consultations fees and other services are normally recognized based on the distribution over time relative to the service performance year. However, the financial planning management fees and conservation services fees, which are provided for long years of time, are recognized over the year during which the service is performed.

2-K. Dividend Income

Dividend income shall be recognized when the right to receive such income is established.

2-L. Purchase and Resale Agreements and Sale and Repurchase Agreements

Financial instruments sold under repurchase agreements "REPO's" are presented within the assets added to the balances of treasury bills and other government notes in the financial position, while the liability (purchase and resale agreements) is deducted from the treasury bills and other governmental notes in the financial position. The difference between the selling price and repurchase price is recognized as a return over the year of the agreement by applying the effective interest rate method.

2-M. Impairment of Financial Assets

2-M.1. Financial Assets Recorded at Amortized Cost

At reporting dates, the Bank assesses whether there is an objective evidence on the impairment of a financial asset or a group of financial assets. The financial asset or the group of financial assets shall be considered impaired, and impairment losses shall be recognized when there is objective evidence on the impairment as a consequence of an event or more events that occurred after the initial recognition of the asset, and such (Loss Event) affects the reliability of the estimated future cash flow of the financial asset or the group of financial assets which can be reliably estimated.
The indicators that the bank considers determining the existence of objective evidence on impairment losses include the following:

· Significant financial difficulties that face the borrower / debtor;
· Breach of the terms of the loan facility, such as the stopping of repayments;
· Expectation of the declaration of the borrower's bankruptcy, the entering into the liquidation lawsuit or the restructuring of the granted finance;
· Deterioration of the competitive position of the borrower;
· Granting privileges or concessions by the Bank to the borrower for legal or economic reasons related to the latter's financial difficulties, which the Bank may not accept granting the same in ordinary circumstances;
· The impairment of the collateral's value;
· The deterioration of the credit situation and positions.

Objective evidence of the impairment losses of a group of financial assets, includes the existence of observable data indicating a decrease in the measurement in the future's cash flows of the group since the initial recognition. Though it is not possible to determine the decline of each individual asset, such as the increase of default cases in regards with a Bank product.

The Bank estimates the year between the loss event and its identification for each specific portfolio. This year normally ranges between three and twelve months.

Further, the bank first assesses whether there is objective evidence of impairment exists for each individual financial asset if it represents significance. The assessment is made individually or collectively for the financial assets that are not significant on an individual basis. In this regard, the following shall be taken into account:

If the Bank identifies there is no objective evidence on the impairment of a financial asset assessed separately whether it has a significance of its own or not, then this asset shall be added to the group of financial assets with similar credit risk features for assessment together to estimate impairment pursuant to historic default ratios.

If the Bank identifies the existence of objective evidence of impairment of a financial asset assessed separately, then this asset shall not be included in the group of assets for which impairment losses are assessed on a collective basis.

If the aforementioned assessment resulted in the non-existence of impairment losses, then the asset is included in the group of financial assets shall be considered impaired.

The amount of impairment loss provision shall be measured by the difference between the asset's book value and the present value of expected future cash flows, discounted by applying the original effective interest rate of the asset; future credit losses not incurred should not be included in the above. The book value of the asset shall be reduced by using the impairment losses provision's account, and the impairment charge on credit losses shall be recognized in the income statement.

If the loan or investment held to maturity date bears a variable interest rate, then the discount rate applied to measure any impairment losses, shall be the effective interest rate pursuant to the contract on determining the existence of objective evidence of the impairment of the asset. For practical purposes, the Bank may measure the impairment loss value based on the instrument's fair value by applying the quoted market rates. As for collateralized financial assets, the present value of the future cash flows expected from the financial asset shall be capitalized. Besides, the flows that result from the implementation and selling of the collateral after deducting the expenses related thereto shall be also credited.

For the purposes of the estimation of impairment on group basis, the financial assets are pooled in groups of similar characteristics in terms of credit risk, based on classification process conducted by the Bank, taking into consideration the type of asset, the industry, the geographical location, the collateral type, the position of arrears, and the other related factors. These characteristics are related to the assessment of future cash flows of the groups of these assets, as they are deemed an indicator of the debtors' ability to repay the amounts due pursuant to the contractual conditions of the assets under consideration.

Upon estimating the impairment of a group of the financial assets based on historical default ratios, the future cash flows of the group shall be estimated based on the contractual cash flows of the banks' assets, and the amount of historical losses of these assets with similar credit risk characteristics of these assets held by the Bank. The amount of historical losses shall be adjusted based on the current disclosed data in a way that reflects the impact of the current conditions that did not occur in the year over which the amount of historical losses has been identified. Besides, this will cause that the effects of the conditions that existed in the historical years, but no longer exist, are cancelled.

The Bank takes into account when forecasting the changes in cash flows of a group of assets the changes in relevant reliable data which occur from time to time; for example, changes in Macro-Economic factors like changes in unemployment rates, and changes in Micro- Economic factors like real estate prices, the position of repayments and any other factors indicating changes in the likelihood of loss in the group and its amount. The Bank conducts a yearic review of the method and assumptions used to estimate future cash flows.

2-M.2. Financial Investments at Fair Value Through Other Comprehensive Income

On each reporting date, the bank estimates whether there is objective evidence on the impairment of a financial asset, or a group of financial assets classified within financial investments at Fair Value Through Other Comprehensive Income.
In the case of the existence of investments in equity instruments classified as investments at Fair Value Through Other Comprehensive Income, the significant or prolonged decline in the fair value of the instrument below its book value shall be taken into account upon the estimation of whether there is impairment in the asset or not.

2-N. Investments' Property

Investments' property represents lands and buildings the bank owns in order to obtain rental revenues or capital appreciation. Consequently, these investments do not include the real estate assets where the bank practices its business and activities or the assets reverted to the bank in settlement of debts. The same accounting method applied for fixed assets, shall be applied for investments property.

2-O. Intangible Assets

2-O.1. Computer Software

Expenditure on the development or maintenance of the computer software shall be recognized when being incurred in the income statement. Expenditures associated directly with specific software under the bank's control that are expected to generate economic benefits exceeding their cost for more than a year, shall be recognized as intangible asset. The direct expenses include the cost of the staff involved in the software development, in addition to an adequate share of related overheads.

Expenditure that leads to the increase or expansion in the performance of computer software beyond their original specifications, shall be recognized as a development cost and shall be added to the cost of the original software.

The cost of the computer software shall be amortized over their expected useful life with a maximum of three years starting from the year 2010.

2-O.2. Other Intangible Assets
Other intangible assets represent intangible assets other than goodwill and computer software (for example but not limited to trademark, licenses, and benefits of rental contracts).

The recognition of other intangible assets, at their acquisition cost, shall be recognized and amortized on the straight-line method or based on the economic benefits expected from these assets over their estimated useful life. Concerning the assets which do not have a finite useful life, they shall not be subject to amortization; however, they shall be annually assessed for impairment and the value of impairment, (if any), shall be charged to the income statement.

2-P. Property,Plant and Equipment
Lands and buildings are mainly represented in head office premises, branches, and offices. All fixed assets shall be disclosed at historical cost minus accumulated depreciation and impairment losses. The historical cost includes expenses directly attributable to the acquisition of the fixed assets items.

Subsequent expenditures shall be recognized within the book value of the outstanding asset or as an independent asset, as appropriate, when the generation of future economic benefits to the bank from the concerned asset and the reliable determination of its cost become possible. Any maintenance and fixing expenses, during the year in which they are incurred, shall be carried to otheroperating expenses.

Land shall not be subject to depreciation, while depreciation of other fixed assets shall be calculated using the straight-line method to allocate the cost over the useful life of the asset in a way that the remaining carrying value would equal to its residual value as follows:

Buildings and constructions	20 years
Elevators	10 years
Leased real estate improvements	4 years or leasing year, whichever is less
Office furniture	10 years
Machinery	10 years
Means of transport	5 years
Computers and core systems*	5 years-10 years
Fittings and fixtures	10 years

The residual value and useful life of the fixed assets shall be reviewed on each reporting date and shall be adjusted whenever required. Depreciated assets shall be reviewed for purposes of determining the extent of impairment when an event or a change in conditions suggesting that the book value may not be redeemable occurs. Consequently, the book value of the asset shall be reduced immediately to the asset net realizable value in case of the increase of the book value over the net realizable value.

The net realizable value represents the net selling value of the asset or its utilization value whichever is greater. Gains and Losses from the disposal of fixed assets shall be determined by comparing the net proceeds at book value. Gains (losses) shall be included within other operating income (expenses) in the income statement.
* Core banking system will depreciated over 10 years.

2-Q. Impairment of Non-Financial Assets
Assets other than goodwill, which do not have a finite useful life, shall not be subject to amortization and shall be reviewed annually to determine whether there is any indication of impairment. Impairment of depreciable assets shall be assessed, whenever there are events or changes in conditions suggesting that the book value may not be redeemable.

The impairment loss shall be recognized, and the asset value shall be reduced by the increase in the asset book value over its net realizable value. The net realizable value represents the net selling value of the asset or its utilization value whichever is greater. For purposes of the estimation of impairment, the asset shall be linked to the smallest available cash-generating unit. On the date of the preparing the financial statements, the non-financial assets that have been impaired shall be reviewed to assess a reversal of the impairment to the income statement.

2-R. Finance Lease

The finance lease is accounted in accordance with the instructions of the Central Bank. An agreement is recognized as financial lease when the following conditions are fulfilled: (1) the contract gives the right to the lessee to purchase the asset on a specified date;(2) the contract specifies the agreed value for re-purchase; (3) the contract year represents at least 75% of the expected useful life of the asset, or the present value of the total payments represents at least 90% of the asset's value.
Other leasing contracts shall be considered as operating leasing.

2-R.1. Lease

With regard to financial leasing contracts, the lease cost including the maintenance cost of leased assets shall be recognized within the expenses in the income statement for the year in which it has been incurred. If the bank decides to exercise the right of the purchase of leased assets, then the cost of the purchasing right shall be capitalized as fixed assets and amortized over the expected remaining useful life of the asset in the same way applied to similar assets.

Payments under the operational leasing minus any discounts granted by the lessor shall be recognized within expenses in the income statement by applying the straight-line method over the year of contract.

2-S. Cash and Cash Equivalents

For the purpose of presentation of the statement of cash flows, cash and cash equivalents shall include the balances with maturity not exceeding three months from the date of the acquisition, and cash and balances at the Central Bank of Egypt, other than those that are deemed within the compulsory reserve, due from banks, treasury bills and other governmental notes.

2-T. Other Provisions

The restructuring costs and legal claims' provision shall be recognized when there is a legal or a present indicative obligation due to previous events, and it is also likely that the situation shall require the utilization of the bank's resources to settle the mentioned obligations with the provision of a reliable estimation of the obligation's value being possible.

When there are similar obligations, the cash outflow that can be used in settlement shall be identified, taking into consideration this set of liabilities. The related provision shall be recognized even if there is a little possibility that an outflow with respect to any one item is included in the same class of obligations.

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

2-U. Employees' Benefits

2-U.1. Retirement Benefits Obligations

The Bank manages a variety of retirement benefit plans that are often funded through payments that are defined based on yearical actuarial calculations and are made to insurance companies and other specialized funds. The bank has defined benefits and defined contribution plans.

Defined benefit plans: these are retirement rules, which specify the amount of the retirement benefits that the employee will be granted by the end of the year of service. This benefit normally depends on one factor or more such as age, years of services and income.

The recognized liability in the financial position with regards to defined benefit plans is represented in the present value of the defined benefit liabilities at the reporting date, after deducting the fair value of the retirement plans' assets and debiting (crediting) unrealized actuarial reconciliations of profits (losses), as well as the cost of additional benefits related to prior service terms.

An independent actuary who applies the Projected Unit Credit Method calculates the liability of the defined benefit plans (future cash flows expected to be paid) annually. The present value of the identified plans liability is determined through deducting these expected future cash flows to be paid by using the rate of return of high-quality corporate bonds or the rate of return of the government bonds in the same currency to be used in payment of the benefits and which have almost the same maturity year of the related obligations of the retirement benefits.

Gains (losses) resulting from changes and adjustments in actuarial estimates and assumptions shall be calculated, and such gains shall be deducted from (the losses shall be added to) the income statement, if they do not exceed 10% of the plan assets' value or 10% of the defined benefits' liability whichever is higher. In case gains (losses) rise above the mentioned percentage, then the increase shall be deducted (added) in the income statements over the average of the remaining years of service.

Regarding the defined contribution plans, the bank pays contributions according to the retirement's insurance regulations in the public and private sectors on either mandatory or voluntary contractual basis, and the bank has no further obligations following the payment of contributions. These contributions shall be recognized within the employees' benefit expenses when maturing (vesting). Paid contributions paid in advance shall be recognized within assets to the extent where the advance payment reduces future payments or cash refund.

2-U.2. Liabilities of Other Post-Service's Benefits

The bank provides health care benefits to retirees, after the end of service term. Usually, such benefits are given provided that the employee remains in the employ of the bank's service until the retirement age and completes a minimum year of service. The expected costs of these benefits are accrued (vested) over the year of employment by adopting an accounting method similar to the method adopted in the defined benefit plans previously explained in the item 2-T.1

2-V. Income Tax

The income tax on the year's profit or loss includes the tax of the current year and the deferred tax and shall be recognized in the income statement, with the exception of the income tax on the items of shareholder's equity, which is directly recognized within shareholders' equity.

The income tax shall be recognized based on the net profit subject to tax through the application of the applicable tax rates at the date of preparing the financial position, in addition to the tax adjustments related to previous years.

Deferred tax arising from temporary timing differences between the book value of assets and liabilities calculated according to the accounting principles, as well as its values shall be recognized according to the tax principles. Deferred tax assets and liabilities are measured at the tax rates expected to apply in the year in which the liability is settled or the asset is realized, based on tax rates enacted or substantively enacted by the end of the reporting year.

The deferred tax assets shall be recognized when profits to be subject to tax in the future are likely to be generated, through which this asset can be utilized. The deferred tax shall be decreased with the portion from which the expected taxable benefit will not be achieved over the coming years. In case of the increase of the expected taxable benefits, the deferred tax assets shall be increased within the limit of previous reduction in the value of deferred tax assets.

2-W. Borrowing

Loans obtained by the bank shall be recognized at inception at fair value minus the cost of the loan obtaining. Subsequently, the loans shall be measured by amortized cost. The difference between net proceeds and the amount to be paid over the borrowing year using the effective interest rate shall be recognized to the income statement.

The fair value of the portion that represents a liability regarding bonds convertible into shares, shall be defined by applying the market equivalent rate of return of non-convertible bonds. This liability shall be recognized by the amortized cost method until conversion or maturity of bonds. The remaining proceeds shall be charged to the conversion option included within shareholders' equity in net value after deduction of the income tax effect.

The preferred shares that either carry mandatory coupons or are redeemed at a defined date or according to the shareholders' option, shall be included within the financial liabilities and be presented in the item of "Other loans". The dividends of these preferred shares shall be recognized in the income statement under "Interest expense on deposits and similar charges" item based on the amortized cost method and by using the effective rate of return.

2-X. Share Capital

2-X.1. Cost of Capital

The issuance expenses, directly attributable to the issuance of new shares or shares against the acquisition of an entity, or the issuance of options shall be presented as a deduction from the shareholders' equity in net proceeds after taxes.

2-X.2. Dividends

Dividends shall be recognized through deducting from shareholders' equity in the year where the General Assembly meeting of shareholder approves these dividends. These include the employees' share in profits prescribed by the article of association of the bank and the law.

2-Y. Custody Activities

The bank practices custody services, which leads to owning or managing private assets of individuals, trust funds, or post service benefits funds. These resulting assets and profits shall be excluded from the financial statements, as they are not considered among the bank's assets.

2-Z. Comparative Figures
Comparative figures shall be reclassified whenever it is necessary to conform to the changes in the adopted presentation of the current year.

3- Financial Risk Management
The Bank is exposed to a variety of financial risks, while it practices its business and activities, and the acceptance of risk is considered the basis of financial business. Some risk aspects or a combination of risk are analysed, assessed, and managed. The Bank targets to achieve adequate balance between the risk and return, and to minimize likely adverse impacts on its financial performance. The most important types of risk are credit risk, market risk, liquidity risk and other operating risks. Market risk includes the risk of foreign exchange rates, interest rates and the other pricing risks.

The bank has developed risk management policies to define, analyse and control risk, and set, control and comply with its limits through a variety of reliable methods and up to date information systems. The bank conducts regular reviews and amendments of the risk management policies in order to reflect changes in the markets, products, and services, as well as the best up to date applications.

Risk Management Division carries out risk management in the light of the policies approved by the Board of Directors. Risk division identifies, assesses, and hedges against the financial risk in close collaboration with the different operating units of the bank. The board of directors provides written principles for risk management as a whole, in addition to written policies, which cover defined risk areas such as credit risk, foreign exchange risk, interest-rate risk, and the use of derivatives and non-derivatives financial instruments. In addition, Risk division is responsible for the yearic review of risk management and control environment independently.

3-A. Credit Risk
The bank is exposed to credit risk, which is the risk of default of one party on its obligations. Credit risk is considered as the most important risk the Bank faces. Thus, the top management carefully manages risk exposure. Credit risk is mainly represented in lending business from which loans and facilities arise, and in investment activities which include debt instruments. Credit risk is also found in the financial instruments off-balance sheet, such as loan commitments. The credit risk management team in the division conducts all operations related to the management and control of the credit risk.

3-A.1. Measurement of Credit Risk
Loans and Facilities to Banks and Customers
To measure credit risk related to loans and facilities extended to banks and customers, the Bank examines the following three components:

· Probability of default of the customer or a third party on their contractual obligations.

·The current position and the likely expected future development from which the bank can conclude the balance exposed to default (Exposure at default).

· Loss given default.
The daily activities of the bank's business involve the measurement of credit risk which reflects the expected loss (The Expected Loss Model) required by the Basel Committee on Banking Supervision. The operating measures may contradict with the impairment charge according to IFRS 9, which depends on losses realized at the reporting date (realized losses model) and not on expected losses (Note 3.a).

The bank estimates the probability of default at the level of every customer by applying internal rating methods to rate the creditworthiness of the different categories of customers in detail. These methods have been developed for internal rating and statistical analyses are taken into account together with the personal reasoning of credit officials to reach the adequate rating. The bank's customers have been divided into three categories of creditworthiness rating. The structure of creditworthiness adopted by the bank as illustrated in the following table reflects how probable default of each category is, which mainly means that credit positions move among mentioned categories pursuant to the change in the assessment of the extent of default probability.

The assessment methods are reviewed and developed whenever required. Further, the Bank yearically assesses the performance of the creditworthiness rating methods and how they are able to predict default cases.

Classification	The classification Category
1	Stage 1
2	Stage 2
3	Stage 3

The position exposed to default depends on the amounts the Bank expects to be outstanding when the default takes place; for example, as for a loan, the position is the nominal value while for commitments, the Bank enlists all already withdrawn amounts in addition to these amounts expected to be withdrawn until the date of default, if it happens.

Loss given default or loss severity represents the Bank's expectations of the loss when claiming repayment of debt, if the default occurs. Expressed by the percentage of loss to the debt, it certainly differs in accordance with category of the debtor, the claim's seniority and availability of guarantees or other credit mitigation.

Debt Instruments, Treasury Bills and Other Bills

Concerning debt instruments and bills, the Bank uses the external foreign rating such as the rating of "Standard and Poor's" or of similar agencies to manage credit risk. If such ratings are not available, then the Bank applies similar methods to those applied to credit customers. Investment in securities, financial papers, and bonds shall be considered as a way to gain a better credit quality and maintain a readily available source to meet funding requirements at the same time.

3-A.2. Risk Mitigation Policies

The bank manages, mitigates, and controls credit risk concentration at the level of debtor, groups, industries, and countries.

The bank structures the levels of credit risk tolerance by placing limits for the risk tolerance in relation to each borrower or a class of borrowers, and at the level of economic activities and geographical sectors. Such risk shall be constantly monitored, controlled and shall be subjected to reviews on an annual basis or more frequently if necessary. Limits of credit risk at the level of borrower/ the group / producer, the sector and the country shall be quarterly approved by the Board of Directors.

Lines of credit for any borrower including banks, shall be divided into sub-lines which include in- and off- the balance sheet amounts, and the daily risk limit related to trading items such as: forward foreign exchange contracts. Actual amounts shall be compared daily with the mentioned limits. Credit risk exposure is also managed by the regular analysis of the present and the potential borrowers' ability to fulfil their obligations and by amendment of the lending lines when appropriate.

Following are some methods to mitigate risk:

- Collaterals

The Bank designs several policies and controls for credit risk mitigation such as collaterals for funds provided. The Bank lays down guidelines for specific categories of the accepted collaterals.

The main types of collaterals for Loans and credit facilities to customers are:

· Cash or equivalent;
· Mortgage;
· Pledge on business assets like machinery and merchandise;
· Pledge in financial instruments like debt and equity instruments.

Longer term finance and lending to corporate are often secured, while for credit facilities granted to retail customers, the main collateral is cash or equivalent (i.e. Term and Certificate of deposit). The Bank attempts to mitigate the credit risk through additional collaterals from the concerned parties immediately on arising of impairment indicators for any of the loans or facilities.

Collateral are held as a security against assets other than loans and facilities; debt instruments and treasury bills are normally unsecured with the exception of asset-backed securities and the similar instruments backed by a securities' portfolio.

-Derivatives

The Bank maintains control procedures over the net open positions for derivatives i.e. the difference between purchase and sale contracts at the level of value and year. The amount exposed to credit risk is at any time defined at the fair value of the instrument that achieves benefit to the bank i.e. an asset that has a positive fair value and represents a small portion of the contractual (nominal) value adopted to express the volume of the outstanding instrument. This credit risk is managed as a part of the aggregate lending line granted to the customer together with the expected risk due to market changes.

Collateral or other security is not usually obtained against credit risk exposures in these instruments, except where the bank requires that collateral shall be taken as margin deposit from the counterparties.
Settlement risk arises in any situation where a payment is made through cash, securities, or equities, or in return for the expectation of a corresponding receipt in cash, securities, or equities. Daily settlement limits are defined for each counterparty to cover the aggregate settlement risk arising from the Bank market transactions on any single day.

Master Netting Arrangements

The Bank mitigates the credit risk by entering into Master Netting Arrangements with counterparties that represent a signification volume of transaction. In general, these arrangements do not result in conducting offset between balance sheet assets and liabilities at financial position, because these settlements are always conducted on a gross basis. However, the credit risk associated to the contracts that serve the bank's interest is reduced through master netting arrangements, as in case of default, all amounts with the counterparty are settled by clearance.
The bank's overall exposure to credit risk resulting derivative instruments that subject to master netting arrangements, can be substantially changed within a short period, as it is affected by each transaction subject to these arrangements.

Credit Related Commitments

The primary purpose of credit related commitments is to ensure the availability of funds to the customer at demand. Guarantees and standby letters of credit also carry the same credit risk related to loans. Documentary and commercial letters of credit which are issued by the bank on behalf of its customer - to grant a third party the right of withdrawal from the bank within the limit of certain amounts and under predefined conditions - are collateralized by the underlying shipments of goods and consequently carry a lesser degree of risk, compared to direct loans.
The commitments for granting credit represent the unutilized part of the authorized limit to grant loans, guarantees, or documentary letters of credit. The bank is exposed to a potential loss that represents the amount equal to the total of the unutilized commitments in relation to credit risk arising from credit granting commitments. Nevertheless, the amount of loss that is likely to occur is below the unutilized commitments, as most credit granting commitments represents potential liabilities of customers who have defined credit specifications. The bank monitors the duration until maturity date of the credit commitments, as long-term commitments have a high degree of credit risk, compared to short-term commitments.

3-A.3. Impairment Policies and Provisions

The internal systems of aforementioned assessments (note no. 3.A.1) focus to a great extent on the planning of the credit quality, from the starting point of the recognition of lending and investment activities. However, the impairment losses incurred at the reporting date are only recognized for purpose of the preparation of financial statements based on objective evidence, which refers to impairment pursuant to the disclosure below in light of the implementation of different methods. The impairment loss provision included in the financial position at the end of the fiscal year is derived from the three internal categories. The following table shows the percentage for the items within the financial position relate to loans and facilities and the relevant impairment for each of the Bank's internal categories:

Bank's Assessment	30 June 2025		31 December 2024	
	Loans and advances %	Impairment loss provision %	Loans and advances %	Impairment loss provision %
1- Stage 1	85.78%	30.05%	84.87%	32.19%
2- Stage 2	10.65%	22.92%	11.69%	26.48%
3- Stage 3	3.57%	47.03%	3.44%	41.33%
	100%	**100%**	**100%**	**100%**

The Bank's policies require the review of all financial assets, which exceed defined relative importance at least annually or more if necessary. The impairment charge is to be defined to the accounts that have been assessed on an individual basis, by assessing the realized loss at the reporting date on each individual case and is to be applied individually to all accounts that have relative importance. The assessment usually includes the outstanding collateral with a reconfirmation of the possibility to realize the collateral as well as the expected collections from these identified accounts

The impairment loss provision shall be made on the basis of a group of homogeneous assets by using the available historical experience, personal judgment, and statistical methods.

The following table shows the financial assets quality based on the credit-worthiness stages during the period ended 30 June 2025 compared with the financial year ended 31 December 2024,
The following table show information about the financial asset quality during the period.

30 June 2025 EGP 000

(A) Due from banks	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Due from banks	74 216 510	5 007 074	-	**79 223 584**
Deduct: Allowances for impairment losses	(161 516)	(239)	-	**(161 755)**
Carrying amount	**74 054 994**	**5 006 835**	-	**79 061 829**
31 December 2024				
	Stage 1 12-Months	**Stage 2 Life time**	**Stage 3 Life time**	**Total**
Due from banks	56 204 944	5 686 044	-	**61 890 988**
Deduct: Allowances for impairment losses	(145 670)	(587)	-	**(146 257)**
Carrying amount	**56 059 274**	**5 685 457**	-	**61 744 731**

(B) Debt Instruments at Fair Value Through Other Comprehensive Income EGP 000

30 June 2025	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Governmental treasury bills	26 518 690	-	-	**26 518 690**
Deduct: Allowances for impairment losses	(26 806)	-	-	**(26 806)**
Carrying amount	**26 491 884**	-	-	**26 491 884**
31 December 2024				
	Stage 1 12-Months	**Stage 2 Life time**	**Stage 3 Life time**	**Total**
Governmental treasury bills	27 304 756	-	-	**27 304 756**
Deduct: Allowances for impairment losses	(27 253)	-	-	**(27 253)**
Carrying amount	**27 277 503**	-	-	**27 277 503**

(C) Debt Instruments at Fair Value Through Other Comprehensive Income **EGP 000**

30 June 2025

	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Governmental treasury bonds	28 815 052	-	-	**28 815 052**
Deduct: Allowances for impairment losses	-	-	-	-
Carrying amount	**28 815 052**	-	-	**28 815 052**

31 December 2024

	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Governmental treasury bonds	26 740 695	-	-	**26 740 695**
Deduct: Allowances for impairment losses	-	-	-	-
Carrying amount	**26 740 695**	-	-	**26 740 695**

(D) Financial assets at Amortized Cost - : EGP 000

30 June 2025	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Governmental treasury bonds	9 178 877	-	-	**9 178 877**
Deduct: Allowances for impairment losses	-	-	-	-
Carrying amount	**9 178 877**	-	-	**9 178 877**

31 December 2024

	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Governmental treasury bonds	4 441 144	-	-	**4 441 144**
Deduct: Allowances for impairment losses	-	-	-	-
Carrying amount	**4 441 144**	-	-	**4 441 144**

Loans and Advances to Customers: **EGP 000**

30 June 2025	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Corporate Loans	28 433 735	4 507 365	1 135 790	**34 076 890**
Medium Enterprise	1 478 899	553 462	332 025	**2 364 386**
Small & Micro Enterprise	5 821 343	754 226	619 438	**7 195 007**
Retail Loans	31 238 038	2 502 025	697 096	**34 437 159**
Total Loans and Advances to Customers	**66 972 015**	**8 317 078**	**2 784 349**	**78 073 442**
Impairment loss provision	(1 425 435)	(1 086 947)	(2 230 853)	**(4 743 235)**
Unearned discount	(21 323)	-	-	**(21 323)**
Suspended interest	-	-	(1 992)	**(1 992)**
Total	**65 525 257**	**7 230 131**	**551 504**	**73 306 892**

31 December 2024	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Corporate Loans	25 571 893	4 311 877	855 125	**30 738 895**
Medium Enterprise	1 679 531	670 759	462 432	**2 812 722**
Small & Micro Enterprise	5 792 625	853 856	618 912	**7 265 393**
Retail Loans	29 009 125	2 713 452	573 965	**32 296 542**
Total Loans and Advances to Customers	**62 053 174**	**8 549 944**	**2 510 434**	**73 113 552**
Impairment loss provision	(1 569 649)	(1 290 963)	(2 015 164)	**(4 875 776)**
Unearned discount	(30 994)	-	-	**(30 994)**
Suspended interest	-	-	(2 051)	**(2 051)**
Total	**60 452 531**	**7 258 981**	**493 219**	**68 204 731**

Movment of provissions of loans and facilities

30 June 2025

Corporate Loans	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Allowance for impairment losses (Beginning balance)	1 250 517	1 008 931	1 692 371	**3 951 819**
New financial assets acquired or issued	410 946	32 253	5 243	**448 442**
Financial assets matured or derecognized	(409 114)	(86 676)	(210 203)	**(705 993)**
Transfer to stage 1	6 647	(6 647)	-	**-**
Transfer to stage 2	(35 098)	35 098	-	**-**
Transfer to stage 3	(60 603)	(207 459)	268 062	**-**
Of failure and balance exposed to failure	(25 642)	83 283	(395 408)	**(337 767)**
Loans written-off during current period	-	-	(76 796)	**(76 796)**
Collections of loans previously written-off	-	-	596 174	**596 174**
Foreign exchange translation differences	(7 417)	(5 928)	(746)	**(14 091)**
Balance at end of the period	**1 130 236**	**852 855**	**1 878 697**	**3 861 788**

30 June 2025

EGP 000

Retail Loans	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Allowance for impairment losses(Beginning balance)	319 132	282 032	322 793	**923 957**
New financial assets acquired or issued	45 632	13 118	11 250	**70 000**
Financial assets matured or derecognized	-	-	-	**-**
Transfer to stage 1	22 653	(22 595)	(58)	**-**
Transfer to stage 2	(177 582)	180 364	(2 782)	**-**
Transfer to stage 3	(34 492)	(79 565)	114 057	**-**
Of failure and balance exposed to failure	119 853	(139 255)	(42 217)	**(61 619)**
Loans written-off during current period	-	-	(77 244)	**(77 244)**
Collections of loans previously written-off	-	-	26 361	**26 361**
Foreign exchange translation differences	3	(7)	(4)	**(8)**
Balance at end of the period	**295 199**	**234 092**	**352 156**	**881 447**

EGP 000

Total Loans	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Allowance for impairment losses(Beginning balance)	1 569 649	1 290 963	2 015 164	**4 875 776**
New financial assets acquired or issued	456 578	45 371	16 493	**518 442**
Financial assets matured or derecognized	(409 114)	(86 676)	(210 203)	**(705 993)**
Transfer to stage 1	29 300	(29 242)	(58)	**-**
Transfer to stage 2	(212 680)	215 462	(2 782)	**-**
Transfer to stage 3	(95 095)	(287 024)	382 119	**-**
Of failure and balance exposed to failure	94 211	(55 972)	(437 625)	**(399 386)**
Loans written-off during current period	-	-	(154 040)	**(154 040)**
Collections of loans previously written-off	-	-	622 535	**622 535**
Foreign exchange translation differences	(7 414)	(5 935)	(750)	**(14 099)**
Balance at end of the period	**1 425 435**	**1 086 947**	**2 230 853**	**4 743 235**

30 June 2025

EGP 000

Treasury bills impairment losses	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Allowance for impairment losses(Beginning balance)	27 253	-	-	**27 253**
New financial assets acquired or issued	223	-	-	**223**
Financial assets matured or derecognized	-	-	-	**-**
Transfer to stage 1	-	-	-	**-**
Transfer to stage 2	-	-	-	**-**
Transfer to stage 3	-	-	-	**-**
Foreign exchange translation differences	(670)	-	-	**(670)**
Balance at end of the period	**26 806**	**-**	**-**	**26 806**

30 June 2025

EGP 000

Due from banks impairment losses	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Allowance for impairment losses(Beginning balance)	145 670	587	-	**146 257**
Transfer to stage 1	-	-	-	**-**
Transfer to stage 2	-	-	-	**-**
Transfer to stage 3	-	-	-	**-**
Of failure and balance exposed to failure	(141 378)	160 761	-	**19 383**
Foreign exchange translation differences	(3 885)	-	-	**(3 885)**
Balance at end of the period	**407**	**161 348**	**-**	**161 755**

3.A.4.Bank Risk Measurement Form:

In addition to the three merit classification categories shown in the explanation 3.A.1 The management classifies in the form of more detailed subgroups to be consistent with the requirements of the Central Bank of Egypt, and the assets at risk of credit are classified in these groups according to detailed rules and conditions that depend heavily on information related to the customer, his activity, his financial situation and the extent of his regularity in payment..

The Bank calculates the provisions required for the impairment of assets at risk of credit, including credit-related commitments on the basis of rates specified by the Central Bank of Egypt, and in the event that the provision for impairment losses required in accordance with the rules of the Central Bank of Egypt exceeds that required for the purposes of preparing financial statements in accordance with the instructions of the Central Bank of Egypt approved by its Board of Directors on 26 February 2019 The general bank risk reserve within equity is set aside as a discount on retained earnings by the amount of that increase, and this reserve is periodically adjusted by increase and decrease so that it is always equal to the amount of the increase between the two allocations, and this reserve is not distributable..

3-A.5. The Maximum Limit for Credit Risk before Collateral

Credit Risk exposures in the statement of financial position:

	30 June 2025	31 December 2024
	EGP 000	EGP 000
Treasury bills	26 518 690	27 304 756
Loans to individuals (Retail):		
Overdraft accounts	162 028	187 009
Credit cards	1 195 098	1 062 321
Personal loans	33 080 033	31 047 152
Mortgage	-	60
Corporate loans:		
Overdraft accounts	13 290 350	10 243 725
Direct loans	29 532 121	29 479 941
Syndicated loans	813 812	1 093 344
Unearned Discount	(21 323)	(30 994)
Suspended interest	(1 992)	(2 051)
Financial investments:		
Debt instruments	38 012 730	31 198 890
Other financial assets	3 011 022	3 011 022
Total	**145 592 569**	**134 595 174**
Off balance sheet items exposed to credit risk:		
Financial guarantees	6 863 325	6 559 713
Non-revocable credit-related commitments for loans and other liabilities	1 385 238	838 929
Revocable credit-related commitments for loans and other liabilities	10 450 251	7 763 138
Letters of credit	2 914 873	3 873 578
Letters of guarantee	11 488 134	9 644 174
Total	**33 101 821**	**28 679 532**

The previous table represents the maximum limit of exposure as of 30 June 2025 and as of 31 December 2024, without taking into consideration any financial guarantees. As for the financial position items, the enlisted amounts depend on the net book value presented in the statement of financial position.
As illustrated in the previous table 53.61% of the maximum limit exposed to credit risk on 30 June 2025 arises from loans and advances to banks and customers versus 54.3 % as of 31 December 2024, whereas investments in the debt instruments represent 26.11 % on 30 June 2025 versus 23.18 % as of 31 December 2024.
The management has confidence in its abilities to continue controlling and maintaining the minimum limit of credit risk resulted from loans, facilities, and debt instruments portfolios.

(3.A6) Debt instruments, treasury bills and other governmental notes

The following table represents an analysis of debt instruments, treasury bills and other governmental notes at the end of the period based on the assessment of Standard & Poor's rating or its equivalent:

30 June 2025 **EGP 000**

	Treasury bills and other governmental notes	Investments in Securities	Total
AAA	-	-	**-**
Less than -A	26 518 690	37 993 929	**64 512 619**
Unrated	-	18 801	**18 801**
Total	**26 518 690**	**38 012 730**	**64 531 420**

3-A.7. Acquisition of collaterals

During the present financial period, the Bank does not acquired assets as acquisition of collaterals.

3-A.8. The Concentration of Financial Assets' Risks Exposed to Credit Risk - Geographical Segments

The following table represents an analysis of the bank's most important boundaries of credit risk at book value, distributed in accordance with the geographical segment as of 30 June 2025.

30 June 2025				EGP 000
	Cairo	Alex, Delta and Sinai	Upper Egypt	Total
Treasury bills and other governmental notes	26 518 690	-	-	**26 518 690**
Loans and facilities to customers:				
- Loans to individuals :				
Overdraft accounts	115 060	33 863	13 105	**162 028**
Credit cards	512 951	528 253	153 894	**1 195 098**
Personal loans	9 635 981	15 183 762	8 260 290	**33 080 033**
Mortgage	-	-	-	**-**
- Loans to corporate :				
Overdraft accounts	11 590 052	1 525 897	174 401	**13 290 350**
Direct loans	17 485 939	9 250 972	2 795 210	**29 532 121**
Syndicated loans	813 812	-	-	**813 812**
Unearned discount	(21 323)	-	-	**(21 323)**
Suspended interest	(1 992)	-	-	**(1 992)**
Financial Investments				
Debt instruments	38 012 730	-	-	**38 012 730**
Other assets	2 227 070	552 427	231 525	**3 011 022**
Total as of 30 June 2025	**106 888 970**	**27 075 174**	**11 628 425**	**145 592 569**
Total as of 31 December 2024	**98 442 339**	**24 783 132**	**11 369 704**	**134 595 175**

- Business Segment

The following represents an analysis of the most important boundaries of credit risk at book value, distributed according to the customers' business and activities.

30 June 2025								EGP 000
	Financial Institutions	**Industrial Institutions**	**Real estate Activity**	**Wholesale and retail trade**	**Governmental sector**	**Other activities**	**Individuals**	**Total**
governmental treasury bills	-	-	-	-	26 518 690	-	-	**26 518 690**
Loans and facilities to customers:								
- Loans to individuals (Retail):								
Overdraft accounts	-	-	-	-	-	-	162 028	**162 028**
Credit cards	-		-	-	-	-	1 195 098	**1 195 098**
Personal loans	-	-	-	-	-	-	33 080 033	**33 080 033**
Mortgage	-	-	-	-	-	-	-	**-**
- Loans to corporate								
Overdraft accounts	-	1 700 088	882 176	754 072	3 813 977	6 140 037	-	**13 290 350**
Direct loans	-	8 853 885	407 022	1 469 965	13 465 588	5 335 661	-	**29 532 121**
Syndicated loans	-	322 408	130 676	-	-	360 728	-	**813 812**
Unearned discount	-	(21 323)	-	-	-	-	-	**(21 323)**
Suspended interest	-	(1 992)	-	-	-	-	-	**(1 992)**
Financial Investments								
Debt instruments	18 801	-	-	-	37 993 929	-	-	**38 012 730**
Other assets	244 981	-	-	-	2 090 343	245 315	430 383	**3 011 022**
Total as of 30 June 2025	**263 782**	**10 853 066**	**1 419 874**	**2 224 037**	**83 882 527**	**12 081 741**	**34 867 542**	**145 592 569**
Total as of 31 December 2024	**231 038**	**10 604 981**	**1 378 849**	**2 090 387**	**74 844 735**	**12 718 260**	**32 726 925**	**134 595 175**

3-B. Market Risk

3-B.1. Methods of Measuring Market Risk

As part of the market risk management, the Bank enters into interest rate swaps in order to balance the risk associated with the debt instruments and long-term loans with fixed interest rate in case the fair value option is applied. The following are the most important measurement methods applied to control the market risk.

Value at Risk

The bank applies "value at risk" method for trading and non-trading portfolios, in order to estimate the market risk of outstanding positions and the maximum limit of expected loss based on a number of assumptions for the various changes of market conditions. The Board of Directors sets limits for "Value at Risk" which the bank can accept for trading and non-trading separately and monitored daily by the Market Risk department in the bank.

Value at Risk is a statistical estimate of the potential movements of the present portfolio due to market's adverse moves. It is an expression of the maximum value the bank can lose using a defined confidence factor (99%), consequently there is a statistical probability of (1%) that the actual loss may be greater than the expected Value at Risk. The Value at Risk model assumes a defined retention period (ten days) before closing of the open positions. It also assumes that the market movement during the retention period will follow the same pattern of movement that occurred during the previous ten days. The Bank should assess these historical changes in rates, prices, and indicators directly on current positions, a method known as historical simulation. Actual outputs should be monitored and controlled on a regular basis to measure the integrity of the assumptions and factors applied to calculate value at risk.

The use of this method does not prevent the losses over these limits and within the limits of large movements in the market. Since the Value at Risk is an essential part of the banks' system in control of the market risk. The Board of Directors sets the Value at Risk limits annually for each of the trading and non-trading and split on units of activity. The actual Values at Risk are compared with limits set by the Bank and reviewed daily by the bank's risk management. The average daily Value at Risk during the financial period ended 30 June 2025 amounted to EGP 182 887 thousand, versus EGP 141 427 thousand during the comparative year.

The quality of Value at Risk model is continuously monitored by reinforcing testing to reinforce the results of Value at Risk of the trading portfolio and the results of such tests are usually reported to senior management and Board of Directors.

Stress Testing

Stress testing gives an indicator of the potential size of losses, which may arise from extremely adverse conditions. Stress testing is designed in a way that suites business and activity by applying typical analysis of defined scenarios. The market risk department undertakes Stress Testing to include the stress testing of risk factors where a set of extreme movements is applied to each risk category. There is also stress testing applied to emerging markets, which are subject to extreme movements, and special stress testing that includes potential events, which may affect certain centres or regions such as what can happen in a region currency peg break. The senior management and Board of Director's monitor and review the results of stress testing.

3-B.2. Summary of Value at Risk

- Total value at risk according to the risk type **EGP 000**

	30 June 2025			31 December 2024		
	Medium	**Higher**	**Lower**	**Medium**	**Higher**	**Lower**
Exchange rate risk	429	2 268	58	542	1 691	106
Interest rate risk	182 458	221 077	158 685	140 885	283 706	87 753
Total value at risk	**182 887**	**223 345**	**158 743**	**141 427**	**285 397**	**87 859**

The bank did not assess the exchange rate and equity instruments risk as the data is not available

- Value at risk of the trading portfolio according to the risk type. **EGP 000**

	30 June 2025			31 December 2024		
	Medium	**Higher**	**Lower**	**Medium**	**Higher**	**Lower**
Exchange rate risk	-	-	-	-	-	-
Interest rate risk	-	-	-	-	-	-
Total value at risk	**-**	**-**	**-**	**-**	**-**	**-**

- Value at risk of the non-trading portfolio according to the type of risk. **EGP 000**

	30 June 2025			31 December 2024		
	Medium	**Higher**	**Lower**	**Medium**	**Higher**	**Lower**
Exchange rate risk	429	2 268	58	542	1 691	106
Interest rate risk	182 458	221 077	158 685	140 885	283 706	87 753
Total value at risk	**182 887**	**223 345**	**158 743**	**141 427**	**285 397**	**87 859**

The bank did not estimate equity instruments risk as the data is not available.
The increase in the Value at Risk, especially interest rate risk, is related to the increase in the sensitivity of interest rates in international financial markets.
The previous three results of the Value at Risk are calculated separately and independently from the concerned positions and historical movements of markets. Total Values at Risk for trading and non-trading do not form the bank's value at risk given the correlation between these types of risks and the types of portfolios and the subsequent diverse impacts.

3-B.3. The Risk of Fluctuations in Foreign exchange rates

The Bank is exposed to the risk of fluctuations in foreign exchange rates on its financial position and cash flows. The Board of Directors have set limits of foreign currencies in total value for each position at the end of the day and during the day, which are monitored on the spot. The following table summarizes the extent of the bank's exposure to fluctuations in foreign exchange rates risk on 30 June 2025. The following table includes the book value of financial instruments distributed into its component currencies:

The Concentration of Currency Risk of Financial Instruments **EGP 000**

30 June 2025	EGP	USD	Euro	GBP	Other Currencies	Total
Financial assets:						
Cash and Balances with Central Bank of Egypt	10 239 493	556 156	173 308	8 192	200 234	**11 177 383**
Due from banks	57 516 766	15 500 332	5 517 712	343 393	183 626	**79 061 829**
Treasury bills and other governmental notes	25 983 241	535 449	-	-	-	**26 518 690**
Loans and facilities to customers	61 271 881	11 048 566	986 439	6	-	**73 306 892**
Financial assets classified at fair value through profit and loss	-	-	21 649	-	-	**21 649**
Financial Investments:						
- Classified at FVOCI	28 929 680	-	2 338	-	-	**28 932 018**
- Classified at Fair Value through profit and loss	18 801	-	-	-	-	**18 801**
- Classified at Amortized cost	9 178 877	-	-	-	-	**9 178 877**
Total financial assets	**193 138 739**	**27 640 503**	**6 701 446**	**351 591**	**383 860**	**228 216 139**
Financial liabilities:						
Due to banks	84 575	607 420	95 861	287	667	**788 810**
Customers' deposits	159 252 059	25 151 409	5 719 013	332 303	140 123	**190 594 907**
Other loans	4 312	875 279	-	-	-	**879 591**
Total financial liabilities	**159 340 946**	**26 634 108**	**5 814 874**	**332 590**	**140 790**	**192 263 308**
Net of financial position	**33 797 793**	**1 006 395**	**886 572**	**19 001**	**243 070**	**35 952 831**
Credit related commitments	**8 924 571**	**6 319 527**	**5 575 808**	**228 074**	**218 352**	**21 266 332**
31 December 2024						
Total financial assets	171 459 679	29 999 953	5 389 011	353 874	273 190	**207 475 707**
Total financial liabilities	138 977 893	29 544 744	4 824 163	324 837	155 595	**173 827 232**
Net of financial position	**32 481 786**	**455 209**	**564 848**	**29 037**	**117 595**	**33 648 475**
Credit related commitments	7 379 364	7 114 457	4 952 382	258 618	372 645	**20 077 466**

3-B.4. Interest rate risk

The bank is exposed to the impact of the fluctuations in the levels of interest rates prevailing in the market. The impact refers to the cash flow risk caused by interest rate movements and is represented in the volatility of future cash flow of a financial instrument due to changes in the interest rate of the mentioned instrument. It also includes the interest rate Fair Value Risk, which is the risk of fluctuations in the value of the financial instrument due to changes in interest rates in the market. The interest margin may rise due to these changes but still the profits may decrease if unexpected movements occur. The Board of Directors of the bank set limits for the management of the interest rate risk at a level of the difference in the re-pricing of interest rate. The Bank maintains this level and treasury department monitors this level daily.

The following table summarizes the extent of the Bank's exposure to the risk of fluctuations in interest rates that includes the book value of financial instruments distributed based on the price of re-pricing dates or maturity dates, whichever is sooner.

The Concentration of interest rate risk of financial investments:

EGP 000

30 June 2025	Up to 1 month	1 -3 months	More than 3 months-1 year	1- 5 years	More than 5 years	Interest free	Total
Financial assets:							
Cash and balance with Central Bank of Egypt	-	-	-	-	-	11 177 383	**11 177 383**
Due from banks	67 495 241	9 530 321	1 968 478	-	-	67 789	**79 061 829**
Treasury bills and other governmental notes	6 539 082	14 147 612	5 831 996	-	-	-	**26 518 690**
Loans and facilities to customers	43 069 708	1 902 075	7 343 822	16 264 802	4 720 183	6 302	**73 306 892**
Financial assets classified at fair value through profit and loss	21 649	-	-	-	-	-	**21 649**
Financial Investments:							
- Classified at FVOCI	-	10 000 000	-	18 815 052	-	116 966	**28 932 018**
- Classified at Fair Value through profit and loss	-	-	-	18 801	-	-	**18 801**
- Classified at Amortized cost	-	2 000 000	-	7 178 877	-	-	**9 178 877**
Other Assets	-	-	-	-	-	6 301 715	**6 301 715**
Total financial assets	**117 125 680**	**37 580 008**	**15 144 296**	**42 277 532**	**4 720 183**	**17 670 155**	**234 517 854**
Financial liabilities							
Due to banks	-	-	-	-	-	788 810	**788 810**
Customers' deposits	102 324 118	12 435 935	14 477 145	34 210 663	2 621	27 144 425	**190 594 907**
Other loans	-	2 433	458 947	418 211	-	-	**879 591**
Other financial liabilities	-	-	-	-	-	754 487	**754 487**
Total financial liabilities	**102 324 118**	**12 438 368**	**14 936 092**	**34 628 874**	**2 621**	**28 687 722**	**193 017 795**
The interest gap re-pricing	**14 801 562**	**25 141 640**	**208 204**	**7 648 658**	**4 717 562**	**(11 017 567)**	**41 500 059**
31 December 2024							
Total financial assets	92 987 000	26 284 030	30 463 011	33 747 842	5 010 006	21 994 840	**210 486 729**
Total financial liabilities	90 359 057	11 410 790	10 174 577	37 931 583	3 107	24 686 383	**174 565 497**
Interest gap re-pricing	**2 627 943**	**14 873 240**	**20 288 434**	**(4 183 741)**	**5 006 899**	**(2 691 543)**	**35 921 232**

3-C. Liquidity Risk

The liquidity risk is the risk based on which the bank is unable to meet its commitments associated with its financial obligations at maturity date and replacing the funds that are withdrawn, and that may result in the failure in meeting obligations related to repayment of the depositor's funds or meeting the borrowing commitments.

- Liquidity Risk Management

The processes of liquidity risk control carried by the Assets and Liabilities management department in the bank include the following:
· The daily funding is managed by monitoring and controlling the future cash flows to ensure the ability to fulfil all obligations and requirements. This includes replenishment of funds as they mature or is borrowed by customers. The bank maintains an active presence in the global money markets to ensure achievement of this target.
· Maintaining a portfolio of highly marketable assets, which can easily be liquidated to meet any unexpected interruption in cash flows.
· Monitoring liquidity ratios in relation to the internal requirements of the Bank and the Central Bank of Egypt's requirements.
· Management of concentration and list of the debt maturities.
For the purpose of monitoring, the reporting takes the form of cash flow measurements and projections for the next day, week, and month respectively, which are the main periods for managing liquidity. The starting point for these projections is represented by the analysis of the contractual maturities of financial liabilities and expected collection dates of financial assets.
Assets and Liabilities Management Department controls the unmatched medium-term assets, the level and type of the unutilized portion of loans' commitments, the extent of utilizing overdraft accounts advances and the impact of contingent liabilities such as letters of guarantees and letters of credit.

- Financing Approach

Liquidity resources are reviewed by a separate team in the Assets and Liabilities Management Department of the Bank in order to provide a wide variety of currencies, geographical regions, resources, products, and maturities.

- Non-Derivative Cash Flows

The following table represents the cash flows payable by non-derivative financial liabilities distributed based on the remaining periods from the contractual maturities on the financial position date, according to original amount in addition to Interest. The amounts presented in the table represent the undiscounted contractual cash flows, while the Bank manages the liquidity risk based on "expected" instead of contractual undiscounted cash flows.

30 June 2025	Up to 1 month	1 -3 months	More than 3 months - 1 year	1- 5 years	More than 5 years	Total
Financial liabilities (According to original amount + Interest)						
Due to banks	772 240	-	-	-	-	**772 240**
Customers' deposits	113 832 247	7 324 888	18 344 287	79 067 251	3 372	**218 572 045**
Other loans	4 313	48 759	505 873	463 478	-	**1 022 423**
Other financial liabilities	754 487	-	-	-	-	**754 487**
Total financial liabilities according to contractual maturity date	**115 363 287**	**7 373 647**	**18 850 160**	**79 530 729**	**3 372**	**221 121 195**
Total financial assets according to contractual maturity date	**107 369 883**	**34 284 761**	**39 426 487**	**88 604 851**	**9 256 248**	**278 942 230**

31 December 2024	Up to 1 month	1 -3 months	More than 3 months - 1 year	1- 5 years	More than 5 years	Total
Financial liabilities (According to original amount + Interest)						
Due to banks	4 869 316	-	-	-	-	**4 869 316**
Customers' deposits	97 892 381	6 757 119	13 148 687	77 684 634	4 089	**195 486 910**
Other loans	12 710	52 102	134 669	772 486	-	**971 967**
Other financial liabilities	738 265	-	-	-	-	**738 265**
Total financial liabilities according to contractual maturity date	**103 512 672**	**6 809 221**	**13 283 356**	**78 457 120**	**4 089**	**202 066 458**
Total financial assets according to contractual maturity date	**96 946 888**	**18 066 422**	**53 675 165**	**80 330 820**	**9 761 340**	**258 780 635**

Assets available to meet all liabilities and to cover loan-related commitments include cash, central bank balances, bank balances, treasury bills and other government papers, and loans and facilities to banks and customers . The term of a percentage of loans to customers that are due for repayment within one year is extended during the normal activity of the bank . The Bank has the ability to meet net unexpected cash flows by selling securities and finding other sources of financing .

The assets available to meet all liabilities and to hedge commitments related to loans include cash and balances with Central Bank, due from banks, treasury bills and other governmental bills and loans and facilities to banks and customers. In the normal course of business, a proportion of customer loans contractually repayable within one year are extended through normal course of business with the Bank. The bank has the ability to meet unexpected net cash flows by selling financial securities as well as raising other funding resources.

- Off-balance sheet items

The following is according to Note no. (36.C.)

EGP 000

30 June 2025	Less than 1 year	1-5 years	Total
Commitments of loans and facilities for customers	11 835 489	-	**11 835 489**
Financial guarantees, accepted bills and other financial facilities	21 266 332	-	**21 266 332**
Commitments on operational leasing contracts	69 181	91 693	**160 874**
Capital commitments due to fixed assets' acquisition	-	-	**-**
Total	**33 171 002**	**91 693**	**33 262 695**

31 December 2024	Less than 1 year	1-5 years	Total
Commitments of loans and facilities for customers	8 602 067	-	**8 602 067**
Financial guarantees, accepted bills and other financial facilities	20 077 465	-	**20 077 465**
Commitments on operational leasing contracts	61 139	105 695	**166 834**
Capital commitments due to fixed assets' acquisition	1 331	-	**1 331**
Total	**28 742 002**	**105 695**	**28 847 697**

3-D. The fair value of financial assets and liabilities

3-D.1. Financial instruments measured at fair value by applying valuation methods

The change in the estimated fair value reached EGP 20.35 million during the financial period ended 30 June 2025 using current market conditions as one of the common revaluation methods from Market participants.

Financial instruments not measured at fair value

The following table summarizes the present value and the fair value of the financial assets and liabilities, not presented in the bank's statement of financial position at fair value:

EGP 000

	30 June 2025		31 December 2024	
Financial Assets:	**Book value**	**Fair value**	**Book value**	**Fair value**
Due from banks	79 061 829	79 061 829	61 744 731	61 744 731
Loans and facilities to customers:				
Current balances	52 321 907	52 321 907	47 272 791	47 272 791
Financial liabilities:				
Due to banks	788 810	788 810	4 836 955	4 836 955
Customers' deposits:				
Current balances	156 381 623	156 381 623	107 858 219	107 858 219
Other loans	879 591	879 591	954 726	954 726

- Due from Banks

The fair value of the Due from Banks is the book value since all Due from banks mature within a year.

- Loans and Facilities to Banks

Loans and facilities to banks are represented by loans other than deposits with banks. The expected Fair Value for Loans and Facilities, represents the discounted value of future cash flows expected for collection. Cash flows are discounted by adopting the current market rate to determine the fair value.

- Loans and Facilities to Customers

Loans and facilities are presented on net basis after discounting the impairment loan loss provision. Loans and facilities to customers are divided to current and non-current balances and the book value of current balances is equal to the fair value but it is difficult to obtain the fair value of non-current balances.

- Due to banks

The fair value of the due to banks is the book value since all due to banks mature within a year.

- Customers' deposits

Customers' deposits are divided to current and non-current balances and the book value of current balances is equal to the fair value while could not obtain the present value of non-current balances.

3-E. Capital Management

For capital management purposes, the bank's capital includes total equity as reported in the financial position, in addition to other elements that are managed as capital. The Bank manages its capital to ensure that the following objectives are achieved :

- Comply with the legal capital requirements in Arab Republic of Egypt

- Protect the bank's ability to continue as going concern and enabling it to continue in generating return to shareholders and other parties dealing with the bank.

- Maintain a strong capital base that supports the growth of business.

- Capital adequacy and capital utilizations according to the regulator requirements (the Central Bank of Egypt in Arab Republic of Egypt) are reviewed and monitored by the bank's management through models, which depend on the guidelines developed by the Basel Committee as implemented by the Banking Supervision. Required information is submitted to the Central Bank of Egypt on a quarterly basis.

Central Bank of Egypt requires each bank to do the following:

- Maintaining an amount of EGP 5 billion as a minimum requirement for the issued and paid-up-capital.

- Maintaining a minimum level of capital adequacy ratio of 10%, calculated as the ratio between total value of the capital elements, and the risk-weighted assets and contingent liabilities of the Bank, with an additional 2.5% added to the minimum level of the ratio as prudential pillar.

In accordance with the requirements of Basel II, the numerator of the capital adequacy ratio consists of the following two tiers:

Tier One:

A. Ongoing capital:

Consists of issued and paid-up share capital, legal, statutory, and capital reserve and retained earnings (retained losses) and approved interim earnings excluding the following: -

- Treasury Shares
- Goodwill
- Bank investments in financial companies (Banks and Companies) and insurance companies [more than 10% or more of the company's issued capital].
- Increase in all bank investments where each investment individually is less than 10% of the company's issued capital for the value of 10% of ongoing capital after regulatory amendments (capital base before excluding investments in financial companies and insurance companies).

The following elements are treated as follows:

- Fair value reserve of financial investments through other comprehensive income (if negative).

- Foreign currency translation differences reserve (if negative).

- Where the above items are deducted from Basic capital if the balance is negative, while it's not considered if it is positive.

B. Additional ongoing capital:

It consists of permanent non-cumulative preferred shares, interim quarterly profit (loss), minority rights and the difference between the nominal value and the current value of supplementary loans (deposits).
Interim profits are recognized only after approval of the auditor and the General Assembly in addition to the approval of CBE. Banks are permitted to include the periodical net profits to the capital base after a limited review performed by the external auditors for the financial statements of the bank, interim losses are deducted without conditions.

Tier Two:

Consists of the following;
- 45% of the increase in fair value above the book value of financial investments (FVOCI fair value reserve if positive, and investments in associates and subsidiaries).

- 45% of the special reserve.

- 45% of positive foreign currency translation differences reserve.

- Hybrid financial instruments.

- Subordinated loans (deposits).

- Impairment loss provision of loans and contingent liabilities (must not exceed 1.25% of the total credit risk of performing assets and contingent liabilities weighted by risk weights, thus, the impairment loss provision should be sufficient to meet the obligations for which the provision is allocated).

Exclusions of 50% of Tier I and 50% Tier II:

Investments in non-financial companies (each individually) equal to 15% or higher of the base ongoing capital of the bank before the regulatory amendments.

Total value of bank investments in non-financial companies (each individually) less than 15% of the base ongoing capital before regulatory amendments; these investments must exceed (collectively) 60% of the ongoing base capital of the Bank before the regulatory amendments.

Securitization of portfolios.

The share (in general banking risks reserve) of assets reverted to the Bank in settlement of debts.

When calculating the total numerator of capital adequacy, it should be noted that supplementary loans (deposits) must not exceed 50% of Tier I after exclusions.

Assets and contingent liabilities are likely weighted by credit risk weights, market risk and operating risks.

The Bank has met all of the domestic capital requirements over the past two years. The following table summarizes the components of basic and additional capital ratios and capital adequacy according to Basel II requirements at the end of 30 June 2025, and 31 December 2024 :

	30 June 2025	31 December 2024**
	EGP 000	EGP 000
Capital		
Tier one (Ongoing basic capital)		
Share capital	5 000 000	5 000 000
Legal reserve	2 500 000	2 500 000
Other reserves	13 695	5 641
Retained earnings	13 280 496	9 236 770
General Risks' Reserve	35 135	35 135
Total Accumulated Other Comprehensive income	300 141	(272 585)
Profit for the period / year*	6 647 354	3 989 785
Total ongoing basic capital	**27 776 821**	**20 494 746**
Tier two (Supplementary basic capital)		
Equivalent to general risks provisions	931 921	790 178
Total supplementary basic capital	**931 921**	**790 178**
Total capital	**28 708 742**	**21 284 924**
Risk weighted assets and contingent liabilities:		
Credit Risk	75 666 997	66 873 288
Market Risk	25 784	23 320
Operational Risk	10 778 241	8 276 845
Total risk weighted assets and contingent liabilities	**86 471 022**	**75 173 453**
Capital adequacy ratio (%)	**33.20%**	**28.31%**

*Dividend distribution will be considered in 2026 after approval by the Board of Directors and the Annual General Assembly.
**The capital adequacy ratio as of December 31, 2024 has been amended in accordance with the amended dividend distribution proposal in accordance with the decision of the Ordinary General Assembly dated March 27, 2025. Accordingly, the tier one (basic and additional capital) has been recalculated so that the total basic and additional capital becomes EGP 20,495 million. This also means that the capital adequacy ratio has become 28.31%.

3-E.1. Financial leverage Ratio

Central Bank of Egypt Board of Directors had approved in its meeting held on July 7, 2015 special supervisory instructions related to leverage ratio. The Bank needs to maintain a minimum level of leverage ratio of 3% to be reported on a quarterly basis.

This is in preparation for considering its reliance within the first pillar of the Basel decisions (the minimum capital adequacy standard) to maintain the strength and safety of the Egyptian banking system and keep pace with the best international regulatory practices in this regard.

Financial leverage ratio reflects the relationship between Tier I for capital that are used in capital adequacy ratio (after Exclusions) and the bank's assets (on and off-balance sheet items) not risk weighted.

Ratio Components

The Numerator Components

The numerator consists of Tier I for capital that are used in capital adequacy ratio (after Exclusions) in accordance with the requirements of the Central Bank of Egypt (CBE)

The Denominator Components

The denominator consists of all Bank's assets (on and off-balance sheet items) according to the financial statements, called "Bank exposures" including the following totals:

1- On balance sheet exposure items after deducting Tier I Exclusions for capital base.
2- Derivatives contracts exposure.
3- Financing Financial securities operations exposures.
4- Off-balance sheet exposures "weighted exchange transactions".
The Financial leverage ratio as of 30 June 2025 and 31 December 2024 is summarized in the following table:

	30 June 2025 EGP 000	31 December 2024* EGP 000
First: Tier I capital after exclusions	27 776 821	20 494 746
Total on-balance sheet exposures items (1)	**240 203 353**	215 358 127
Total contingent liabilities	10 230 862	10 302 705
Total commitments	1 933 791	1 361 958
Total exposures off-balance sheet (2)	**12 164 653**	11 664 663
Total exposures on and off-balance sheet (1+2)	**252 368 006**	227 022 790
Financial leverage ratio	**11.01%**	9.03%

*The Financial leverage ratio as of December 31, 2024 has been amended in accordance with the amended dividend distribution proposal in accordance with the decision of the Ordinary General Assembly dated March 27, 2025. Accordingly, the tier one (basic and additional capital) has been recalculated so that the total basic and additional capital becomes EGP 20,495 million. This also means that the Financial leverage ratio has become 9.03%.

4- The Significant Accounting Estimates and Assumptions

The Bank applies estimates and assumptions, which affect the amounts of assets and liabilities disclosed in the next fiscal year. The estimates and assumptions are continuously assessed based on historical experience and other factors as well, including expectations of future events, which are considered reasonable in light of the available information and surrounding circumstances.

4-A. Impairment loss on loans and facilities (Expected Credit Losses)

The Bank reviews its portfolio of loans and facilities to assess the impairment on a quarterly basis at least. The Bank determines at its own discretion whether the impairment charges should be recorded in the income statement, in order to know if there is any reliable data referring to the existence of a measurable decline in the expected future cash flows of the loan portfolio, before identifying the decline of the level of each loan in the portfolio. Such evidence may include observable data referring to a negative change in the ability of a borrower to repay the Bank, or to local or economic circumstances related to default in the bank's assets.

To predict the future cash flows, the management use estimates based on prior loss experience for assets with same credit risk characteristics, in the presence of objective evidence, which refers to impairment similar to those included in the portfolio. The method and assumptions used in estimating both the amount and timing of future cash flows are reviewed on a regular basis to minimize any differences between estimated and actual losses based on experience. If the net present value of estimated cash flows differs by +/-5%, then the estimated impairment loss provision will increase or decrease by EGP 93 935thousand of the formed provisions.

4-B. Fair Value of Derivatives
Fair values of derivative financial instruments not listed in active markets are determined by using valuation methods. When these methods are used to determine the fair value, they are tested and reviewed yearically by qualified personnel who are independent of the body that prepared them. All such models have been approved before being used and after being tested to ensure that their results reflect actual data and prices that can be compared with the market to the extent that is deemed practical. Reliable data is only used in these models; however, areas such as credit risk related to the banks and counterparties, volatility or correlations require the management to use estimates. Changes in assumptions surrounding these factors may affect the fair value of the disclosed financial instruments.

4-C. Income Tax
The Bank records the liabilities of the expected results of tax examination according to the estimates of the probability of the emergence of additional tax. When there is a discrepancy between the result of the Tax Authority and the amounts previously recorded, then these discrepancies will affect the income tax and deferred tax provision for the year, in which the discrepancy has been identified.

5- Segment Analysis

5-A Business Segment Analysis
A business segment includes operational processes, as well as assets used in providing banking services and management of related risk and return that are different from those of other segments. The Bank uses the following Business Segments:

Corporate
This segment includes the activities of current accounts, deposits, overdraft accounts, loans, credit facilities and financial derivatives of large domestic, multinational and mid-corp enterprises.

Medium and Small Enterprises
This segment includes the activities of current accounts, deposits, overdraft accounts, loans, credit facilities and financial derivatives of medium and small businesses.

Investments
This segment includes the activities of Bank's mergers, the purchase of investments, the financing of company restructuring and financial instruments.

Retail
This segment includes the activities of current and savings accounts, deposits, credit cards, personal loans, and mortgage loans of private individuals.

Other activities
This segment includes other types of banking business activities such as treasury management.
Transactions between the segmental activities are made in accordance with the bank's ordinary course of business and include operational assets and liabilities as presented in the Bank statement of financial position.

EGP 000

30 June 2025	Corporate	Medium and small enterprises	Investment	Retail	Other activities	Total
Revenues and expenses according to segmental business activity						
Business activity revenues	6 862 811	2 553 592	58 763	16 082 350	(1 014 358)	**24 543 158**
Business activity expenses	(5 010 637)	(1 256 259)	(32 746)	(12 042 614)	5 225 410	**(13 116 846)**
Results of activity business	**1 852 174**	**1 297 333**	**26 017**	**4 039 736**	**4 211 052**	**11 426 312**
Unclassified expenses	-	-	-	-	(898 471)	**(898 471)**
Profit before income tax of the period	1 852 174	1 297 333	26 017	4 039 736	3 312 581	**10 527 841**
Income tax	(538 156)	(376 945)	(7 559)	(1 173 759)	(962 482)	**(3 058 901)**
Profit for the period	**1 314 018**	**920 388**	**18 458**	**2 865 977**	**2 350 099**	**7 468 940**

30 June 2025 Assets and liabilities according To segmental business activity	Corporate	Medium and small enterprises	Investment	Retail	Other activities	Total
Business activity assets	31 211 739	8 720 040	291 825	33 375 110	165 854 326	**239 453 040**
Business activity liabilities	40 766 282	17 021 323	-	132 343 037	49 322 398	**239 453 040**
Other items of business segment						
Depreciations	-	-	-	-	(186 406)	**(186 406)**
Impairment losses for provisions on income statement	-	-	-	-	355 996	**355 996**

30 June 2024	Corporate	Medium and small enterprises	Investment	Retail	Other activities	Total
Revenues and expenses according to segmental business activity						
Business activity revenues	5 412 595	2 122 539	30 893	11 236 845	(1 183 644)	**17 619 228**
Business activity expenses	(4 430 533)	(1 122 714)	(26 885)	(8 342 711)	4 740 545	**(9 182 298)**
Results of activity business	**982 062**	**999 825**	**4 008**	**2 894 134**	**3 556 901**	**8 436 930**
Unclassified expenses	-	-	-	-	(1 635 983)	**(1 635 983)**
Profit before income tax of the period	**982 062**	**999 825**	**4 008**	**2 894 134**	**1 920 918**	**6 800 947**
Income tax	(247 795)	(252 277)	(1 011)	(730 251)	(484 689)	**(1 716 023)**
Profit for the period	**734 267**	**747 548**	**2 997**	**2 163 883**	**1 436 229**	**5 084 924**

31 December 2024 Assets and liabilities according To segmental business activity	Corporate	Medium and small enterprises	Investment	Retail	Other activities	Total
Business activity assets	28 434 468	8 597 061	267 202	31 173 201	146 097 471	**214 569 403**
Business activity liabilities	37 083 279	14 433 941	-	116 013 207	47 038 976	**214 569 403**
Depreciations	-	-	-	-	(364 313)	**(364 313)**
Impairment losses for provisions on income statement	-	-	-	-	(1 699 216)	**(1 699 216)**

5.B. Geographical Segment analysis

Analysis performed based on the branch location.

EGP 000

30 June 2025	Cairo	Alex., Delta and Sinai	Upper Egypt	Total
Revenues and expenses according to geographical segment analysis				
Geographical segment Revenues	11 361 773	8 719 697	4 461 688	**24 543 158**
Geographical segment expenses	(12 677 957)	(1 636 050)	298 690	**(14 015 317)**
Profit before income tax of the period	**(1 316 184)**	**7 083 647**	**4 760 378**	**10 527 841**
Income tax	(966 978)	(456 200)	(1 635 723)	**(3 058 901)**
Profit for the perod	**(2 283 162)**	**6 627 447**	**3 124 655**	**7 468 940**

30 June 2025	Cairo	Alex., Delta and Sinai	Upper Egypt	Total
Assets and liabilities according to geographical segment				
Geographical segment assets	200 953 344	8 367 532	30 132 164	**239 453 040**
Geographical segment liabilities	128 992 888	20 296 446	90 163 706	**239 453 040**
Other items of geographical segment				
Depreciations	(186 406)			**(186 406)**
Impairment losses for provisions on income statement	355 996			**355 996**

30 June 2024	Cairo	Alex., Delta and Sinai	Upper Egypt	Total
Revenues and expenses according to geographical segment analysis				
Geographical segment Revenues	14 451 442	2 263 067	904 719	**17 619 228**
Geographical segment expenses	(6 261 267)	(3 047 295)	(1 509 719)	**(10 818 282)**
Profit before income tax of the period	**8 190 175**	**(784 228)**	**(605 000)**	**6 800 946**
Income tax	(2 066 554)	197 877	152 654	**(1 716 022)**
Profit for the period	**6 123 621**	**(586 351)**	**(452 346)**	**5 084 924**

31 December 2024	Cairo	Alex., Delta and Sinai	Upper Egypt	Total
Assets and liabilities according to geographical segment				
Geographical segment assets	179 637 972	23 678 168	11 253 263	**214 569 403**
Geographical segment liabilities	121 470 376	18 166 561	74 932 466	**214 569 403**
Other items of geographical segment				
Depreciations	(364 313)	-	-	**(364 313)**
Impairment losses for provisions on income statement	(1 699 216)	-	-	**(1 699 216)**

6- Net interest income

	For the period From April 01, 2025 To June 30, 2025 EGP 000	For the period From January 01, 2025 To June 30, 2025 EGP 000	For the period From April 01, 2024 To June 30, 2024 EGP 000	For the period From January 01, 2024 To June 30, 2024 EGP 000
Interest income on loans and similar income:				
Loans and advances to:				
- Customers	3 871 292	7 683 106	3 230 438	5 970 740
	3 871 292	**7 683 106**	**3 230 438**	**5 970 740**
- Treasury bills and bonds	4 254 185	8 019 966	1 448 903	3 763 384
- Current accounts and term deposits	3 334 388	6 841 626	4 270 829	6 794 488
	11 459 865	**22 544 698**	**8 950 170**	**16 528 612**
Interest expense on deposits and similar expenses:				
Current accounts and deposits to:				
- Banks	(21 590)	(116 040)	-	-
- Customers	(5 808 108)	(11 303 377)	(4 176 207)	(7 629 065)
	(5 829 698)	**(11 419 417)**	**(4 176 207)**	**(7 629 065)**
Other loans	(12 644)	(26 123)	(11 247)	(21 269)
Other	(2 343)	(2 343)	-	
	(5 844 685)	**(11 447 883)**	**(4 187 454)**	**(7 650 334)**
Net	**5 615 180**	**11 096 815**	**4 762 716**	**8 878 278**

7-Net fee and commission income

	For the period From April 01, 2025 To June 30, 2025 EGP 000	For the period From January 01, 2025 To June 30, 2025 EGP 000	For the period From April 01, 2024 To June 30, 2024 EGP 000	For the period From January 01, 2024 To June 30, 2024 EGP 000
Fee and commission income:				
- Fee and commission related to credit	273 149	544 394	390 484	636 139
- Custody fees	3 697	6 047	2 690	6 072
- Other fees	606 139	1 156 573	360 083	679 751
	882 985	**1 707 014**	**753 257**	**1 321 962**
Fee and commission expense				
- Other paid fees	(246 858)	(480 276)	(233 671)	(440 571)
	(246 858)	**(480 276)**	**(233 671)**	**(440 571)**
Net	**636 127**	**1 226 738**	**519 586**	**881 391**

8-Dividends income	For the period From April 01, 2025 To June 30, 2025 EGP 000	For the period From January 01, 2025 To June 30, 2025 EGP 000	For the period From April 01, 2024 To June 30, 2024 EGP 000	For the period From January 01, 2024 To June 30, 2024 EGP 000
Dividends income from:				
- Investments at fair value through other comprehensive income	-	1 121	748	748
Total	**-**	**1 121**	**748**	**748**

9-Net Income from Financial Instruments Classified at inception at Fair value Through Profit and Loss

	For the period From April 01, 2025 To June 30, 2025 EGP 000	For the period From January 01, 2025 To June 30, 2025 EGP 000	For the period From April 01, 2024 To June 30, 2024 EGP 000	For the period From January 01, 2024 To June 30, 2024 EGP 000
Net income from:				
- Equity instruments	2 471	14 350	1 483	13 492
Total	**2 471**	**14 350**	**1 483**	**13 492**

10-Net trading income

	For the period From April 01, 2025 To June 30, 2025 EGP 000	For the period From January 01, 2025 To June 30, 2025 EGP 000	For the period From April 01, 2024 To June 30, 2024 EGP 000	For the period From January 01, 2024 To June 30, 2024 EGP 000
Foreign currency transactions:				
- Gain / (Loss) from currency exchange	20 306	35 510	21 941	(18 149)
Total	**20 306**	**35 510**	**21 941**	**(18 149)**

11-Administrative expenses

	For the period From April 01, 2025 To June 30, 2025 EGP 000	For the period From January 01, 2025 To June 30, 2025 EGP 000	For the period From April 01, 2024 To June 30, 2024 EGP 000	For the period From January 01, 2024 To June 30, 2024 EGP 000
Employees' cost:				
- Salaries and wages	(410 658)	(861 793)	(375 310)	(751 006)
- Social insurance	(30 797)	(66 524)	(31 644)	(62 686)
Pension cost:				
- Defined-benefit plans (Note no.31)	(87 745)	(174 526)	(123 054)	(246 108)
	(529 200)	**(1 102 843)**	**(530 008)**	**(1 059 800)**
Other administrative expenses	(745 105)	(1 441 962)	(626 899)	(1 177 248)
Total	**(1 274 305)**	**(2 544 805)**	**(1 156 907)**	**(2 237 048)**

12-Other operating revenues / (expenses)

	For the period From April 01, 2025 To June 30, 2025 EGP 000	For the period From January 01, 2025 To June 30, 2025 EGP 000	For the period From April 01, 2024 To June 30, 2024 EGP 000	For the period From January 01, 2024 To June 30, 2024 EGP 000
(Loss) of translated monetary assets and liabilities balance in foreign currencies other than this held for trading and at inception through profit and loss	78 943	146 556	44 087	(254 155)
Restructuring cost		295 155	-	-
Gains from sale of fixed assests of the bank	-	3	1 205	2 828
Rents	(101 361)	(162 759)	(53 827)	(113 810)
Operating and finance lease	(16 356)	(33 234)	(14 057)	(26 108)
(Charges) / reversed of impairment on other provisions (Note 29)	(90 921)	(211 335)	8 081	(52 387)
Others	2 206	17 558	4 841	5 378
Total	**(127 489)**	**51 944**	**(9 670)**	**(438 254)**

13- Reversed / (Charge) Impairment of Credit loss	For the period From April 01, 2025 To June 30, 2025 EGP 000	For the period From January 01, 2025 To June 30, 2025 EGP 000	For the period From April 01, 2024 To June 30, 2024 EGP 000	For the period From January 01, 2024 To June 30, 2024 EGP 000
Reversed / (Charged) of impairment Loans and advances to customers (Note 18)	540 454	586 937	(142 889)	(282 893)
(Charge) of impairment of due from banks balances (Note 17)	(4 321)	(19 383)	(14 622)	(14 939)
(Charged) of impairment of treasury Bills and Bonds	(2)	(223)	-	-
Total	**536 131**	**567 331**	**(157 511)**	**(297 832)**

14-Income Tax Expenses	For the period From April 01, 2025 To June 30, 2025 EGP 000	For the period From January 01, 2025 To June 30, 2025 EGP 000	For the period From April 01, 2024 To June 30, 2024 EGP 000	For the period From January 01, 2024 To June 30, 2024 EGP 000
- Current income tax	(1 605 372)	(3 107 847)	(1 034 063)	(1 810 020)
- Deferred income tax (Note 30)	10 191	48 946	27 169	93 998
Total	**(1 595 181)**	**(3 058 901)**	**(1 006 894)**	**(1 716 022)**

Tax Position

A-Corporate Income Tax:

- Financial years till 2019 tax inspection finalized with large tax payer , and settlement is under progress form (9).

-Financial years 2020 to 2024: tax declaration presented to Tax Authority after tax due payment within the legal due dates and, the Bank paid Medical Health Contribution.

B-Stamp Tax Duty

-Periods from 1/8/2006 to 31/12/2022: inspection is conducted with no remarks.

-Periods from 2023 to Q2- 2025: stamp duty tax dues were paid to Tax Authority within legal due dates.

C-Real estate tax

'-In accordance with Law No. 196 of 2008 amended by Law No. 117 of 2014, the bank pays tax claims received on owned buildings with regard to real-estate tax that is consistent with the estimates of the Housing and Development Bank and real estate tax on leased premises that Alexandria Bank bears the real-estate tax under the rent contract until 30/06/2025 and the appeal against the overestimated estimates.

D-Payroll Tax

-Financial years till Y2022: received the final inspection forms and currently the bank is waiting for final form (9).

-Periods from 2023 to Q2- 2025: Payroll tax were paid to Tax Authority within the Legal due dates.

15-Basic earnings per share	For the period From April 01, 2025 To June 30, 2025 EGP 000	For the period From January 01, 2025 To June 30, 2025 EGP 000	For the period From April 01, 2024 To June 30, 2024 EGP 000	For the period From January 01, 2024 To June 30, 2024 EGP 000
Appropriated Net profit of the period	3 836 104	7 468 937	2 985 003	5 084 924
Banking System Support and Development Fund share	(38 361)	(74 689)	(29 850)	(50 849)
Employees' profit share from (net profit of period)	(383 610)	(746 894)	(298 500)	(508 492)
Net profit available for Shareholders (1)	**3 414 133**	**6 647 354**	**2 656 653**	**4 525 583**
The weighted average of the ordinary issued shares (shares in thousands) (2)	**2 500 000**	**2 500 000**	**2 500 000**	**2 500 000**
Basic earnings per share (in EGP) (1:2)	**1.37**	**2.66**	**1.06**	**1.81**

16-Cash and balances with Central Bank of Egypt	**30 June 2025**	**31 December 2024**
	EGP 000	EGP 000
Cash	4 171 826	3 136 963
Balances at Central bank within the mandatory reserve ratio*	7 005 557	15 730 103
Total	**11 177 383**	**18 867 066**
Non-interest-bearing balances	**11 177 383**	**18 867 066**

* This amount refers to money deposited with the Central Bank of Egypt in the context of the rule of the 18% mandatory reserve, which is non - interest bearing.

17-Due from Banks

	30 June 2025	**31 December 2024**
	EGP 000	EGP 000
Current accounts	171 132	145 527
Deposits	79 052 452	61 745 461
Less: Allowance for impairment loss provision	(161 755)	(146 257)
Net	**79 061 829**	**61 744 731**
Central banks other than the obligatory reserve ratio *	59 327 839	41 414 533
Local banks	4 343 646	3 005 412
Foreign banks	15 552 099	17 471 043
Less: Allowance for impairment loss provision	(161 755)	(146 257)
Net	**79 061 829**	**61 744 731**
Non-interest-bearing balances	67 789	140 942
Interest-bearing balances	78 994 040	61 603 789
Total	**79 061 829**	**61 744 731**
Current balances	79 061 829	61 744 731
Total	**79 061 829**	**61 744 731**

* Including the amount of EGP 3 313 781 thousand as of 30 June 2025 (10% of the customers` deposits) and amount of EGP 3 009 962 as of 31 December 2024, that the Bank has to maintain, as per the instructions of the Central Bank of Egypt, 10% in foreign currencies as interest bearing reserve with the CBE.

Impairment provision of due from banks balances:	**30 June 2025**	**31 December 2024**
	EGP 000	EGP 000
Beginning balance for the period / year	146 257	90 729
Charge of impairment of provision during the period (Note 13)	19 383	16 483
Foreign currencies revaluation differences	(3 885)	39 045
Balance at the end of the period / year	**161 755**	**146 257**

18-Loans and advances to customers

	30 June 2025 EGP 000	31 December 2024 EGP 000
(1) Retail		
- Overdraft	162 028	187 009
- Credit cards	1 195 098	1 062 321
- Personal loans	33 080 033	31 047 152
- Mortgage loans	-	60
Total (1)	**34 437 159**	**32 296 542**
(2) Corporate including small loans for economic activities		
- Overdraft	13 290 350	10 243 725
- Direct loans	29 532 121	29 479 941
- Syndicated loans	813 812	1 093 344
Total (2)	**43 636 283**	**40 817 010**
Total loans and facilities to customers (1+2)	**78 073 442**	**73 113 552**
Less:		
- Impairment credit loss	(4 743 235)	(4 875 776)
- Unearned discount	(21 323)	(30 994)
- Suspended interest	(1 992)	(2 051)
Net Distributed to:	**73 306 892**	**68 204 731**
- Current balances	52 321 907	47 272 791
- Non-current balances	20 984 985	20 931 940
	73 306 892	**68 204 731**

Impairment credit loss

An analysis of the movement in the impairment loss provision for loans and advances to customers according to types:

30 June 2025 **Retail**	Overdraft accounts EGP 000	Credit Cards EGP 000	Personal Loans EGP 000	Mortgage loans EGP 000	Total EGP 000
Balance at the beginning of the period	**3 377**	**37 132**	**883 448**	**-**	**923 957**
Impairment charge/(reverse) during the period	69 732	8 805	(70 156)	-	**8 381**
Amounts written-off during the period	(70 422)	(6)	(6 816)	-	**(77 244)**
Amounts recovered during the period *	-	552	25 809	-	**26 361**
Differences in revaluation of foreign currencies	(8)	-	-	-	**(8)**
Balance at the end of the period	**2 679**	**46 483**	**832 285**	**-**	**881 447**

Corporate	Overdraft accounts EGP 000	Direct Loans EGP 000	Syndicated Loans EGP 000	Other loans EGP 000	Total EGP 000
Balance at the beginning of the period	**793 021**	**2 923 558**	**235 240**	**-**	**3 951 819**
Impairment charge/(reverse) during the period	(140 733)	(435 502)	(19 083)	-	**(595 318)**
Amounts written-off during period	(76 796)	-	-	-	**(76 796)**
Amounts recovered during the period *	596 174	-	-	-	**596 174**
Differences in revaluation of foreign currencies	(3 943)	(6 396)	(3 752)	-	**(14 091)**
Balance at the end of the period	**1 167 723**	**2 481 660**	**212 405**	**-**	**3 861 788**
Total					**4 743 235**

31 December 2024 **Retail**	Overdraft accounts EGP 000	Credit Cards EGP 000	Personal Loans EGP 000	Mortgage loans EGP 000	Total EGP 000
Balance at the beginning of the year	**16 434**	**12 648**	**610 364**	**2 442**	**641 888**
Impairment (reverse) /charge during the year	129 303	23 724	240 859	(2 442)	**391 444**
Amounts written-off during the year	(141 807)	-	(27 211)	-	**(169 018)**
Amounts recovered during the year *	-	760	59 436	-	**60 196**
Differences in revaluation of foreign currencies	(553)	-	-	-	**(553)**
Balance at the end of the year	**3 377**	**37 132**	**883 448**	**-**	**923 957**

Corporate	Overdraft accounts EGP 000	Direct Loans EGP 000	Syndicated Loans EGP 000	Other loans EGP 000	Total EGP 000
Balance at the beginning of the year	**2 095 470**	**2 319 146**	**129 015**	**-**	**4 543 631**
Impairment (reverse) /charge during the year	420 056	474 285	47 099	-	**941 440**
Amounts written-off during year	(2 742 497)	-	-	-	**(2 742 497)**
Amounts recovered during the year *	153 539	-	-	-	**153 539**
Differences in revaluation of foreign currencies	866 453	130 127	59 126	-	**1 055 706**
Balance at the end of the year	**793 021**	**2 923 558**	**235 240**	**-**	**3 951 819**
Total					**4 875 776**

*From amounts that have been previously written off.

19- Financial assets classified at inception at fair value through profit and loss

	30 June 2025 EGP 000	31 December 2024 EGP 000
Equity instruments at fair value:		
- Listed in the market	21 649	38 781
Total	**21 649**	**38 781**

The value represents 76 606 shares of ISP equity shares owned by the bank with the dividends to be credited to the Bank account. The shares are held to meet the obligation towards the expatriates who are beneficiary of these shares under the Parent Company's Remuneration System for Top Management.

20- Financial investments

	30 June 2025 EGP 000	31 December 2024 EGP 000
Financial investments classified at Fair Value through Other Comprehensive Income		
A- Debt instruments:		
- Listed in the market (Treasury bonds) - at fair value	28 815 052	26 740 695
- Unlisted in the market (Treasury bills)	26 518 690	27 304 756
B- Equity instruments:		
- Unlisted in the market	116 966	116 752
Total financial investments classified at Fair Value through Other Comprehensive Income (1)	**55 450 708**	**54 162 203**
Financial investments classified at Fair Value through profit and loss		
Equity instruments:		
- Unlisted in the market	18 801	17 051
Financial investments classified at Fair Value through profit and loss (2)	**18 801**	**17 051**
Financial investments classified at Amortized cost:		
Debt instruments:		
- Listed in the market (Treasury bonds)	9 178 877	4 441 144
Financial investments classified at Amortized cost (3)	**9 178 877**	**4 441 144**
Total of Financial investments (1+2+3)	**64 648 386**	**58 620 398**
Current balances	55 333 742	54 045 451
Non-current balances	9 314 644	4 574 947
	64 648 386	**58 620 398**
Financial assets with fixed income	64 512 619	58 486 595
Financial assets with variable income	135 767	133 803
	64 648 386	**58 620 398**

An analysis of the movement in Financial investments

	Financial investments at FVOCI	Financial investments at FVTPL	Financial investments at amortized cost	Total
	EGP 000	EGP 000	EGP 000	EGP 000
Balance as of 1 January 2025	**54 162 203**	**17 051**	**4 441 144**	**58 620 398**
Additions	54 747 042	-	5 749 999	**60 497 041**
Disposals (sale/redemption)	(55 707 874)	-	(1 250 000)	**(56 957 874)**
Translation differences resulting from monetary foreign currencies assets	(13 568)	-	-	**(13 568)**
(Loss) from changes in fair value reserve (Note no.33.c)	650 699	-	-	**650 699**
Change in Fair Value Through profit and Loss	-	1 750	-	**1 750**
Amortized cost	1 601 508	-	-	**1 601 508**
Amortization of premium / Discount	10 698	-	237 734	**248 432**
Sale of equity instruments	-	-	-	**-**
Balance as at the end of the period	**55 450 708**	**18 801**	**9 178 877**	**64 648 386**

	Financial investments at FVOCI	Financial investments at FVTPL	Financial investments at amortized cost	Total
	EGP 000	EGP 000	EGP 000	EGP 000
Balance as of 1 January 2024	**36 937 640**	**13 966**	**4 471 345**	**41 422 951**
Additions	161 856 744	-	1 216 265	**163 073 009**
Disposals (sale/redemption)	(142 616 932)	-	(1 250 000)	**(143 866 932)**
Translation differences resulting from monetary foreign currencies assets	219 216	-	-	**219 216**
(Loss) from changes in fair value reserve (Note no.33.c)	(237 875)	-	-	**(237 875)**
Change in Fair Value Through profit and Loss	-	3 085	-	**3 085**
Amortized cost	(1 946 381)	-		**(1 946 381)**
Amortization of premium / Discount	(42 586)		3 534	**(39 052)**
Sale of equity instruments	(7 623)	-	-	**(7 623)**
Balance as of 31 December 2024	**54 162 203**	**17 051**	**4 441 144**	**58 620 398**

20.A. Gain / (Loss) on financial investments

	From April 01, 2025 To June 30, 2025	From January 01, 2025 To June 30, 2025	From April 01, 2024 To June 30, 2024	From January 01, 2024 To June 30, 2024
	EGP 000	**EGP 000**	**EGP 000**	**EGP 000**
Gain on financial investments				
Gain on selling financial investments - Debt instruments	1 950	7 663	826	5 486
Total	**1 950**	**7 663**	**826**	**5 486**

21- Investments in associates

The Bank investments in associates are as follows:

30 June 2025	Total shareholders' equity EGP 000	Bank's share percentage	Bank's share in shareholders' equity EGP 000
Misr International Towers Co.	482 221	27.86%	134 329
Misr Alexandria Mutual Fund Company for Financial Investments*	-	25%	-
	482 221		**134 329**

31 December 2024	Total shareholders' equity EGP 000	Bank's share percentage	Bank's share in shareholders' equity EGP 000
Misr International Towers Co.	339 663	27.86%	94 617
Misr Alexandria Mutual Fund Company for Financial Investments*	-	25%	-
	339 663		**94 617**

*) The Extraordinary General Assembly for Misr Alexandria Mutual Fund for Financial Investment Company agreed on October 12, 2020, on making a decision to liquidate the company on December 31, 2020, and to indicate that the company is under liquidation in the commercial registry and to appoint a legal liquidator. Authorizing the Board of Directors to take the necessary procedures to finalize the liquidation process with the Financial Regulatory Authority and other entities.
We conducted an impairment of the bank's share in the company, as there was objective evidence of impairment losses in the value of the investment, and the situation will be followed up.

The financial data of associates are as follows:

30 June 2025	Country of the Company's Head Office	Balance Sheet date	Company's Assets EGP 000	*Company's Liabilities (without shareholders' equity) EGP 000	Company's Revenues EGP 000	*Profits of the company EGP 000	Share Percentage
Misr International Towers Co.	Egypt	12/31/2024	694 957	212 736	55 608	41 472	27.86%
Misr Alexandria Mutual Fund Company for Financial Investments	Egypt	12/31/2021	-	-	-	-	25%
			694 957	**212 736**	**55 608**	**41 472**	

31 December 2024	Country of the Company's Head Office	Balance Sheet date	Company's Assets EGP 000	*Company's Liabilities (without shareholders' equity) EGP 000	Company's Revenues EGP 000	*Profits of the company EGP 000	Share Percentage
Misr International Towers Co.	Egypt	**2024/09/30**	530 251	190 588	162 857	106 327	27.86%
Misr Alexandria Mutual Fund Company for Financial Investments	Egypt	**2021/12/31**	-	-	-	-	25.00%
Total			**530 251**	**190 588**	**162 857**	**106 327**	

* It includes the effect of the decision of dividend pay-out (The Board members' and the employees' share).

22- Intangible assets

	30 June 2025 Software programs EGP 000	31 December 2024 Software programs EGP 000
Cost at the beginning of the period / year	1 514 142	1 126 360
Additions	40 583	387 782
Total cost	**1 554 725**	**1 514 142**
Amortization at the beginning of the period / Year	(1 037 771)	(829 955)
Amortization for the period / Year	(102 090)	(207 816)
Accumulated amortization	**(1 139 861)**	**(1 037 771)**
Net book value at the ended period / year	**414 864**	**476 371**

23- Other assets

	30 June 2025 EGP 000	31 December 2024 EGP 000
Accrued revenues	6 199 011	2 808 572
Prepaid expenses	614 656	318 202
Payments under purchase of fixed assets	785 161	690 824
Assets reverted to the Bank in settlement of debts	39 253	39 253
Insurance and custodies	9 529	7 891
Others	1 779 635	1 358 286
Total	**9 427 245**	**5 223 028**
Less: Provisions of impairment losses	(60 761)	(49 893)
Balance at the end of the period / Year	**9 366 484**	**5 173 135**

24-Property,Plant and Equipment

	Land and Buildings	Improvements on leased assets	Machinery and Equipment	Others	Total
	EGP 000	EGP 000	EGP 000	EGP 000	EGP 000
Balance as at 1 January 2024					
Cost	471 361	137 666	391 291	817 885	**1 818 203**
Accumulated depreciation	(235 373)	(112 907)	(219 778)	(656 904)	**(1 224 962)**
Net book value at 01 January 2024	**235 988**	**24 759**	**171 513**	**160 981**	**593 241**
Additions	179 874	76 300	63 321	143 855	**463 350**
Disposals	(898)	-	(431)	(4)	**(1 333)**
Depreciation for the year	(24 418)	(25 352)	(38 727)	(69 047)	**(157 544)**
Disposals' depreciation	821	-	224	2	**1 047**
Net Book value as at 31 December 2024	**391 367**	**75 707**	**195 900**	**235 787**	**898 761**
Balance as at 1 January 2025					
Cost	650 337	213 966	454 181	961 736	**2 280 220**
Accumulated depreciation	(258 970)	(138 259)	(258 281)	(725 949)	**(1 381 459)**
Net book value at 1 January 2025	**391 367**	**75 707**	**195 900**	**235 787**	**898 761**
Additions	19 608	14 719	12 489	38 029	**84 845**
Disposals	-	-	(85)	-	**(85)**
Depreciation for the period	(14 418)	(15 036)	(19 204)	(35 711)	**(84 369)**
Disposals' depreciation	-	-	53	-	**53**
Net Book value as at 30 June 2025	**396 557**	**75 390**	**189 153**	**238 105**	**899 205**
Balance as at 30 June 2025					
Cost	669 945	228 685	466 585	999 765	**2 364 980**
Accumulated depreciation	(273 388)	(153 295)	(277 432)	(761 660)	**(1 465 775)**
Net book value	**396 557**	**75 390**	**189 153**	**238 105**	**899 205**

25- Due to banks

	30 June 2025 EGP 000	31 December 2024 EGP 000
Current accounts	788 810	936 955
Deposits	-	3 900 000
Total	**788 810**	**4 836 955**
Local banks	21 306	3 904 424
Foreign banks	767 504	932 531
Total	**788 810**	**4 836 955**
Non-interest-bearing balances	788 810	936 955
Fixed interest rate balances	-	3 900 000
Total	**788 810**	**4 836 955**

26- Customers' deposits

	30 June 2025 EGP 000	31 December 2024 EGP 000
Demand deposits	75 255 511	64 585 555
Term and notice deposits	21 474 311	20 440 016
Certificates of deposits and savings	68 012 096	61 622 369
Savings deposits	25 137 167	20 690 118
Other deposits	715 822	697 493
Total	**190 594 907**	**168 035 551**
Corporate deposits	58 330 425	52 060 943
Retail deposits	132 264 482	115 974 608
Total	**190 594 907**	**168 035 551**
Non-interest-bearing balances	27 480 627	23 212 168
Variable interest rate balances	94 342 673	78 623 950
Fixed interest rate balances	68 771 607	66 199 433
Total	**190 594 907**	**168 035 551**
Current balances	156 381 623	107 858 219
Non-current balances	34 213 284	60 177 332
Total	**190 594 907**	**168 035 551**

Customers' deposits include deposits amounted to EGP 1 922 965 thousand as of 30 June 2025 versus EGP 2 032 867 thousand as of 31 December 2024 which represent collateral of customer loans, letters of credit, and letters of guarantee

27- Other loans

	30 June 2025 EGP 000	31 December 2024 EGP 000
CBE initiative of financing of tools and production lines of industrial and agricultural SMEs	4 312	12 678
Green Loan for Growth Fund-Tranche one amounted to USD 15 million	131 323	179 466
European Investment Bank Loan -Tranche amounted USD 7.5 million Tranche 1	371 978	381 291
European Investment Bank Loan -Tranche amounted USD 7.5 million Tranche 2	371 978	381 291
Total long-term loans	**879 591**	**954 726**
Current balances	533 709	186 205
Non-current balances	345 882	768 521
Total	**879 591**	**954 726**

The bank has fulfilled all of its loan obligations in terms of principal, interest or any other terms and conditions during the current period and the comparative year.

28- Other liabilities

	30 June 2025 EGP 000	31 December 2024 EGP 000
Accrued interest	754 487	738 265
Prepaid revenues	620 303	560 447
Accrued expenses	1 464 419	1 746 129
Creditors	667 120	617 870
Dividends` payable	5 793 182	2 110 382
Remittances of Egyptian workers in Iraq - due to customers	57 965	57 968
Other credit balances	2 735 979	2 072 347
Total	**12 093 455**	**7 903 408**

29- Other provisions

	30 June 2025 EGP 000	31 December 2024 EGP 000
Balance at the beginning of the period / year	769 823	406 590
Differences in valuation of foreign currencies	8 015	17 226
Reverses of provision losses to income statement - (Note 12)	211 335	349 849
Utilized amounts during the period /year	(89 113)	(54 508)
Recovery / (transferred) to provisions (other assets)	(10 868)	50 666
Balance at the end of the period / year	**889 192**	**769 823**

Other provisions include an amount of EGP 373 204 thousand on 30 June 2025 to meet contingent liabilities and contractual commitments that amount to EGP 22 258 345 Thousand, versus EGP 274 006 thousand as of 31 December 2024 to meet contingent liabilities and contractual commitments that amount to EGP 21 082 139 thousand; it also includes an amount of EGP 81 135 thousand to meet loans commitments of EGP 11 835 489 thousand as of 30 June 2025 versus an amount of EGP 61 942 thousand to meet loans commitments of EGP 8 602 067 thousand as of 31 December 2024.

30- Deferred tax

The deferred income tax has been calculated in full on the deferred tax differences according to the liabilities method by applying the actual tax rate of 22.5% for the current financial period

Following are the balances and the movement in deferred tax assets and liabilities:

	Deferred tax assets		Deferred tax liabilities	
	30 June 2025 EGP 000	**31 December 2024** EGP 000	**30 June 2025** EGP 000	**31 December 2024** EGP 000
Fixed assets (depreciation)	-	-	(88 111)	(96 186)
Fair value differences	-	-	(99 361)	(21 622)
Other provisions	205 338	167 930	-	-
Retirement benefits plan and pilgrimage vacation	404 153	400 690	-	-
Total deferred tax assets (liabilities)	**609 491**	**568 620**	**(187 472)**	**(117 808)**
Net balance of DTA	**422 019**	**450 812**		

Movement of deferred tax

	Deferred tax assets		Deferred tax liabilities	
	30 June 2025 EGP 000	**31 December 2024** EGP 000	**30 June 2025** EGP 000	**31 December 2024** EGP 000
Balance at the Beginning of the period / year	568 620	457 621	(117 808)	(98 091)
Additions through profit and loss	40 871	110 999	8 076	-
Excluded from profit and loss	-	-	-	(15 623)
Excluded / Additions through equity	-	-	(77 740)	(4 094)
Total deferred tax assets (liabilities)	**609 491**	**568 620**	**(187 472)**	**(117 808)**
Net balance of DTA	**422 019**	**450 812**		

31- Post retirement benefits liabilities

	30 June 2025 EGP 000	31 December 2024 EGP 000
Liabilities included in the financial position statement for:		
Post-retirement medical benefits	1 791 041	1 776 287
Total	**1 791 041**	**1 776 287**

Retirement benefits obligations	From April 01, 2025 To June 30, 2025	From January 01, 2025 To June 30, 2025	From April 01, 2024 To June 30, 2024	From January 01, 2024 To June 30, 2024
Amounts recognized in the income statement:	EGP 000	EGP 000		
Post-retirement medical benefits (Note 11)	87 745	174 526	123 054	246 108
Balance at the end of the period / year	**87 745**	**174 526**	**123 054**	**246 108**

Amounts recognized in the balance sheet:

	30 June 2025	31 December 2024
Present value of the liability that are funded	2 125 339	2 532 048
Unrealized actuarial losses	(334 298)	(755 761)
Total	**1 791 041**	**1 776 287**

The movement in liabilities during the period / year is represented in the following:

	30 June 2025 EGP 000	31 December 2024 EGP 000
Beginning balance of the period / year	1 776 287	1 569 590
Current service cost	3 003	10 338
Interest cost	171 523	458 953
Actuarial losses*	-	11 938
Paid benefits	(159 772)	(274 532)
Balance at the end of the period / year	**1 791 041**	**1 776 287**

The recognized amounts in the statement of income are presented as follows:

	From April 01, 2025 To June 30, 2025 EGP 000	From January 01, 2025 To June 30, 2025 EGP 000	From April 01, 2024 To June 30, 2024	From January 01, 2024 To June 30, 2024
Current service cost	1 510	3 003	2 572	5 142
Interest cost	86 235	171 523	117 514	235 030
Actuarial losses	-	-	2 968	5 936
Balance at the end of the period	**87 745**	**174 526**	**123 054**	**246 108**

The principal actuarial assumptions used are presented as follows:

	30 June 2025	31 December 2024
The medical benefits after retirment	%	%
Discount rate	24	24
Previous service cost inflation rate	7.8	7.8
Future service assumption cost inflation rate	12.3	12.3
Mortality assumption	92 mortality cases every year	92 mortality cases every year
Employee turnover	2.5% annually at age 20 decreasing to 0.2% after age 50 and to 0% after age 54	2.5% annually at age 20 decreasing to 0.2% after age 50 and to 0% after age 54

* Whereas actuarial losses are higher than 10% of the defined benefits liability, then the amortized amount has been recognized in the income statement.

32- Paid in capital	No. of Shares (In millions)	Face amount EGP	Total EGP
Balance at the beginning of the period	**2 500**	**5 000 000**	**5 000 000**
Balance at the end of the period	**2 500**	**5 000 000**	**5 000 000**

- The bank's authorized capital amounts to EGP 5 000 million.
- The issued and subscribed capital amounts to EGP 5 000 million, divided into 2 500 million shares with a par value of EGP 2 each and it has been fully subscribed and paid.
- On 14 September 2020, International Finance Corporation (IFC) sold its participation of 9.75% (with exception of one share) in Bank of Alexandria to Intesa Sanpaolo S.P.A. The share of Intesa Sanpaolo S.P.A became 80% (approximately). IFC in year 2021 sold the remaining one share to Mr. Ahmed Saeed Al-Falal representing 0.00000025%.
- As per the Banking Law No. 194 issued in September 2020, and with reference to Article 64, the minimum paid-up capital for banks became five billion Egyptian pounds. Approval was obtained from the Central Bank for the convening of an extraordinary general assembly on September 28, 2021. The ratification of the decisions of the minutes of the extraordinary general assembly meeting was approved, and the commercial register and the Article of Association were amended accordingly. The capital increase of EGP 4,200,000 thousand was funded from the retained earnings maintaining the same percentage of ownership and not changing the share price. As a result, the new capital structure is as follows:

Taking in the consideration the above selling the new shareholder structure for issued and paid up capital is as follows:

Name	**Shareholding percentage %**	**No. of Shares 000**	**Nominal value Shares EGP 000**
Intesa Sanpaolo S.P. A	79.99999975%	1 999 999 993	3 999 999.986
Ministry of finance (Share of State)	20%	500 000 000	1 000 000
Ahmed Saeed Al-Falal	0.00000025%	7	0 . 014
	100%	**2 500 000 000**	**5 000 000 000**

33- Reserves and retained earnings

	30 June 2025	31 December 2024
	EGP 000	EGP 000
Legal reserve	2 500 000	2 500 000
Special capital reserve	13 695	5 641
Fair value reserve for investments through OCI	300 141	(272 585)
General Risk Reserve *	35 135	35 135
Total reserves	**2 848 971**	**2 268 191**

* No amounts shall be distributed from the balance of general Risk Reserve except after obtaining the approval of the Central Bank of Egypt (CBE).

The movement in reserves is as follows:

33-A. Legal reserve

	30 June 2025	31 December 2024
	EGP 000	EGP 000
Balance at the beginning of the period / year	2 500 000	2 500 000
Transferred from reserve	-	-
Transferred from retained earnings	-	-
Balance at the End of the period / year	**2 500 000**	**2 500 000**

According to Bank's Articles of Association, 5% of net profit of the year shall be transferred to a non-distributable statutory reserve until it reaches 50% of the bank's capital.

33-B. Special capital reserve

	30 June 2025	31 December 2024
	EGP 000	EGP 000
Balance at the Beginning of the period / year	5 641	3 430
Formed from the financial year 's profits 2024	8 054	2 211
Balance at the End of the period / year	**13 695**	**5 641**

No amounts shall be distributed from the balance of special Reserve except after obtaining the approval of the Central Bank of Egypt (CBE).

33-C. Fair Value Reserve/ Financial Investments

	30 June 2025	31 December 2024
	EGP 000	EGP 000
Balance at the Beginning of the period / year	(272 585)	(34 710)
Differences of valuation of treasury bonds and bills ECL provisions in foreign currency	(233)	11 419
Net Gain / (Loss) from change in fair value	649 726	(261 839)
Net change of fair value due to maturity of debt instruments	973	24 262
Net (Gain) transferred to Retained earnings due to disposals of equity instruments	-	(7 623)
Deferred tax (Note no.30)	(77 740)	(4 094)
Balance at the end of the period / year	**300 141**	**(272 585)**

33-D. Retained earnings

	30 June 2025	31 December 2024
	EGP 000	EGP 000
Balance at the beginning of the period / year	20 444 535	12 266 373
Net profits of the current the period / year	7 468 940	10 230 579
Shareholders' Dividends 2024	(5 115 000)	(1 501 896)
Employees' share in financial year 2024 profit	(1 023 015)	(505 393)
Banking development system fund	(102 301)	(50 540)
Transferred to Special capital reserve	(8 054)	(2 211)
Net Gain of financial instruments measured at FVOCI -disposals	-	7 623
Balance at the end of the period / year	**21 665 105**	**20 444 535**

34- Dividends

Dividends are not recorded until they are approved by the General Assembly of Shareholders. The dividend for shareholders` and employees` share in profits shall be recorded in the year ended 31 December 2026.

35- Cash and cash equivalents

For the presentation of the cash flows statement, cash and cash equivalents include the following balances with maturities of no later than three months from the acquisition date.

	For the period ended in 30 June 2025	For the period ended in 30 June 2024
	EGP 000	EGP 000
Cash and balances at Central Bank of Egypt (Note 16)	4 171 826	3 181 917
Due from banks (Note 17)	77 093 351	69 166 580
Treasury bills and other governmental notes (Note 20)	17 770 296	13 323 048
	99 035 473	**85 671 545**

36- Contingent liabilities and commitments:

36-A. Legal Claims

There are a number of cases filed against the bank on 30 June 2025, and the balance of the claims' provision amounted to EGP 96 358 thousand.

36-B. Capital commitments

Fixed Assets and Fittings and Fixtures of Branches

The commitments related to the purchase contracts of fixed assets, and the fittings and fixtures of the branches under construction until the reporting date on 30 June 2025 reached EGP 40 040 Thousands, versus EGP 1 331 thousands on 31 December 2024. The bank Management is sufficiently confident in generating revenues and providing the finance required to cover these commitments.

36-C. Commitments related to Loans, Guarantees, and Facilities

The bank's commitments related to loans, guarantees and facilities are represented in the following:

	30 June 2025	31 December 2024
	EGP 000	EGP 000
Loan commitments	11 835 489	8 602 067
Accepted documentation	765 990	1 879 223
Letters of guarantee	18 351 459	16 203 887
Letters of credit "import"	2 118 678	1 994 355
Letters of credit "export"	30 205	-
Total	**33 101 821**	**28 679 532**

36-D. Commitments on Operational Leasing Contracts

The total of minimum lease payments on irrevocable operational leasing contracts is as follows:

	30 June 2025	31 December 2024
	EGP 000	EGP 000
Less than one year	69 181	61 139
More than one year and less than 5 years	91 693	105 695
Total	**160 874**	**166 834**

37- Transactions with Related Parties

- Intesa Sanpaolo S.P.A. owns roughly 80% of the ordinary shares, whereas the remaining percentage 20% is owned by Ministry of finance (Share of Republic of Egypt) and another shareholder.
- The bank has entered into many transactions with the related parties within the context of its normal business. These transactions include loans, deposits, as well as foreign currency exchange.
- The transactions and the balances of the related parties at the end of the financial period are as follow:

37-A. Transactions with Related Parties (Associate companies)

	30 June 2025	31 December 2024
	EGP 000	EGP 000
Statement of Financial Position		
Loans and Advances	-	121 448
Customers' Deposits	11 202	17 451
	For the period From January 01, 2025 To June 30, 2025	**For the period From January 01, 2024 To June 30, 2024**
Income Statements	EGP 000	EGP 000
Interest Expenses	167	8 047
Interest Revenues	6 006	17 248

37-B. Transactions with the Parent Bank (Intesa Sanpaolo Bank)

	30 June 2025	31 December 2024
	EGP 000	EGP 000
Statement of financial position		
Due from banks	-	2 241
Debit balances and other assets	15 433	18 624
Due to banks	4 196	178
Credit balances and other liabilities	5 928 633	2 201 116
	For the period From January 01, 2025 To June 30, 2025	**For the period From January 01, 2024 To June 30, 2024**
Income statements		
Revenues	9 504	6 328
Expenses	101 095	51 185

38- Mutual funds

It is an activity authorized to be performed by the Bank by virtue of Capital Market Law No. 95/1992 and its Executive Regulations. These funds, which are managed by EFG- Hermes Fund Management Company, are as follows:

38-A. Bank of Alexandria Mutual Fund (with periodical return and capital growth)

The certificates of the fund were 3 million with an amount of EGP 300 million at initiation of the fund (after increasing the capital of the mutual fund on March 26th, 2006 with an amount of EGP 100 million). The bank in line with the articles of association of the fund allocated 2% of the fund's size to provide its services, with a maximum of 5 million Egyptian pounds.

The Bank investment in the fund amounted to 2.3 thousand certificates (including certificates of activity undertaking), and their redeemable value amounted to EGP 2.7 million as of 30 June 2025.

The redeemable value of each certificate as of 30 June 2025 amounted to EGP 1,164.70 and the outstanding certificates at that date reached 54.967 thousand certificates

According to the fund's management contract and its prospectus, the Bank shall be paid fees and commissions in return for its supervision of the fund and other administrative services rendered thereby. Total commissions amounted to EGP 175.9 thousand as of 30 June 2025, which were presented under the item of "Fee and commission income" in the income statement.

38-B. Bank of Alexandria's Mutual Fund (with daily-accumulated return in Egyptian Pound)

The certificates of the fund were 20 million certificates with an amount of EGP 200 million at the initiation of the fund. As the fund is an open fund, the Bank adjusts its allocated percentage on a daily basis. The bank in line to the articles of association of the fund allocated 2% of the fund's size to provide its services, with a maximum of 5 million Egyptian pounds.

The Bank investments in the fund amounted to 106.6 thousand certificates (including certificates of activity undertaking), and their redeemable value amounted to EGP 8.6 million as of 30 June 2025.

The redeemable value of each certificate amounted to EGP 80.9682 as of 30 June 2025, and the outstanding certificates at that date reached 36,070 thousands certificates.

According to the fund's management contract and its prospectus, the Bank shall be paid fees and commissions for its supervision on the fund and other administrative services rendered thereby. Total commissions amounted to EGP 9,210 thousands as of 30 June 2025, which were presented under the item of "Fee and commission income" in the income statement.

38-C. Bank of Alexandria Fixed Income Fund (with quarterly return)

The certificates of the fund were 10 million certificates with an amount of EGP 100 million at the initiation of the fund. It is worth mentioning that the fund is an open fund with a quarterly return. The bank in line to the article of association of the fund allocated 2% of the fund's size to provide its services, with a maximum of 5 million Egyptian pounds.

The Bank investments in the fund amounted to 146 thousand certificates (including certificates of activity undertaking), and their redeemable value amounted to EGP 7.5 million as of 30 June 2025.

The redeemable value of each certificate amounted to EGP 51.03798 as of 30 June 2025 and the outstanding certificates at that date reached 2,043 thousands certificates.

According to the fund's management contract and its prospectus, the Bank shall be paid fees and commissions for its supervision on the fund and other administrative services rendered thereby. Total commissions amounted to EGP 312.5 thousand as of 30 June 2025 which were presented under the item of "Fee and commission income" in the income statement.

39- Important events

On 17th of April 2025, the Monetary Policy Committee (MPC) decided to cut the Central Bank of Egypt's (CBE) overnight deposit rate, overnight lending rate, and the rate of the main operation by 225 basis points to 25 percent, 26 percent, and 25.5 percent, respectively. The Committee also decided to cut the discount rate by 225 basis points to 25.50 percent, which may affect the bank's policies in pricing current and future banking products.

On 22 May 2025, the Monetary Policy Committee (MPC) decided to cut the Central Bank of Egypt's (CBE) overnight deposit rate, overnight lending rate, and the rate of the main operation by 100 basis points to 24% , 25% and 24.5 percent, respectively. The Committee also decided to cut the discount rate by 100 basis points to 24.5% which may affect the bank's policies in pricing current and future banking products.

40- Subsequent events

On July 7,2025, a fire broke out in one of the largest telecommunication and digital infrastructure centers in the Arab Republic of Egypt, temporarily affecting some communication channels. This resulted in a slowdown or partial interruption in banking application in banking application services, some electronic payment services, and ATMs, in addition to a halt in the activity of the Egyptian Stock Exchange. Temporarily in the light of this emergency, the central bank of Egypt took several exceptional and immediate procedures including increasing cash withdrawal limits for individuals and extending working hours at certain branches to ensure the continuity of banking services later on, telecommunication an internet services were restored, and banking system resumed its normal operations this lead to the conclusion of the above mentioned exceptional procedures