

Qatar National Bank S.A.E
(Egyptian Joint Stock Company)

Separate Financial Statements
Together With Limited Review Report
For The Period Ended March 31, 2025

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Public Accountants & Consultants

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*Translation of the limited review Report
Originally issued in Arabic*

Report on Limited Review of Separate Interim Financial Statements

To: The Board of Directors of Qatar National Bank (S.A.E)

Introduction

We have performed a limited review for the accompanying separate interim financial statements of Qatar National Bank (S.A.E) which comprise of the separate statement of financial position as of March 31, 2025, and the related separate statements of income, comprehensive income, changes in equity and cash flows for the three-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 separate interim financial statements in accordance with the basis of recognition and measurement issued by Central Bank of Egypt's rules on December 16, 2008, as amended by the regulations issued on February 26, 2019, and the prevailing Egyptian laws. Our responsibility is to express a conclusion on these separate interim financial statements based on our limited review.

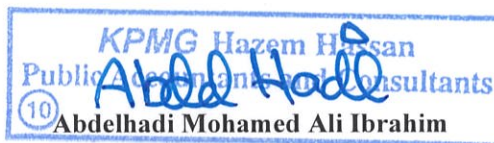
Scope of Limited Review

We conducted our limited review in accordance with the Egyptian Standard on Review Engagements 2410, "Limited Review of Interim Financial Statements Performed by the Independent Auditor of the Entity". A limited review of separate interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters in the Bank and applying analytical and other limited review procedures. A limited review is substantially less in scope than an audit conducted in accordance with 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 separate interim financial statements.

Conclusion

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying separate interim financial statements do not present fairly, in all material respects, the separate financial position of the Bank as of March 31, 2025, and its separate financial performance and its separate cash flows for the three-months period then ended, in accordance with the basis of recognition and measurement issued by the Central Bank of Egypt's rules on December 16, 2008 as amended by the regulations issued on February 26, 2019 and the prevailing Egyptian laws.

Auditors



Financial Regulatory Authority No. "395"

KPMG Hazem Hassan

Public Accountants & Consultants

Cairo: April 9, 2025

Qatar National Bank S.A.E
Separate Statement of Financial Position
As at 31 March 2025

(All amounts are shown in Egyptian Pounds)

	Note	March 31, 2025	December 31, 2024
Assets:			
Cash and due from Central Bank of Egypt (CBE)	(16)	69,025,004,240	71,189,180,717
Due from banks	(17)	134,868,844,412	121,283,214,717
Treasury bills and Other Governmental notes	(18)	134,282,848,071	130,925,413,471
Loans and credit facilities to banks	(19)	2,500,938,937	2,504,444,938
Loans and credit facilities to customers	(20)	364,431,943,427	344,010,801,512
Financial derivatives	(21)	3,930,142	3,693,595
Financial Investments:			
- Fair value through other comprehensive income	(22)	35,322,672,936	34,062,689,073
- Amortized cost	(22)	84,005,649,060	86,823,766,207
- Fair value through profit or loss	(22)	106,211,194	105,921,395
Investments in subsidiaries	(23)	540,261,839	540,261,839
Intangible assets	(24)	541,400,484	543,099,390
Other assets	(25)	19,432,303,428	14,351,073,830
Property and equipment	(26)	2,885,674,984	2,632,397,887
Total assets		847,947,683,154	808,975,958,571
Liabilities and equity:			
Liabilities:			
Due to banks	(27)	3,671,628,224	16,122,650,231
Customer deposits	(28)	729,205,594,111	681,863,637,359
Financial derivatives	(21)	4,688,964	8,809,370
Other loans	(29)	2,834,885,266	4,132,253,873
Other liabilities	(30)	12,551,378,070	10,453,432,006
Other provisions	(31)	745,828,978	711,793,719
Current income tax payable		8,160,587,697	6,285,380,460
Deferred tax liabilities	(32)	240,919,719	222,685,190
Defined benefits obligation	(33)	657,407,937	626,522,132
Total liabilities		758,072,918,966	720,427,164,340
Equity:			
Issued and paid-up capital	(34)	10,774,114,830	10,774,114,830
Reserves	(35)	58,277,051,519	42,621,619,614
Profit for the period / year and retained earnings	(35)	20,823,597,839	35,153,059,787
Total equity		89,874,764,188	88,548,794,231
Total liabilities and equity		847,947,683,154	808,975,958,571



Mohamed Bedeir
Chief Executive Officer



Ali Rashid Al-Mohannadi
Chairman of the Board of Directors

The accompanying notes from (1) to (39) are an integral part of these Separate Financial Statements.
(Limited review report attached).

Qatar National Bank S.A.E
Separate Income Statement
For Three Months Period Ended 31 March 2025

(All amounts are shown in Egyptian Pounds)

	Note	From January 01, 2025 To March 31, 2025	From January 01, 2024 To March 31, 2024
Interest on loans and similar income	(6)	33,746,801,133	25,736,040,363
Cost of deposits and similar expense	(6)	(22,742,407,024)	(16,018,259,379)
Net interest income		11,004,394,109	9,717,780,984
Fee and commission income	(7)	2,134,996,404	1,698,881,906
Fee and commission expense	(7)	(396,701,197)	(421,393,097)
Net interest, fee and commission income		12,742,689,316	10,995,269,793
Dividend income	(8)	105,217,250	-
Net trading income	(9)	222,317,966	106,296,263
Gain on financial investments	(22)	63,404,592	110,240,327
Impairment credit losses	(12)	(714,957,380)	(2,222,372,208)
Administrative expenses	(10)	(2,030,159,239)	(1,792,315,984)
Other operating revenues (expenses)	(11)	(463,701,109)	3,086,073,541
Profit before income tax		9,924,811,396	10,283,191,732
Income tax expense	(13)	(2,973,313,002)	(3,432,683,671)
Net profit for the period		6,951,498,394	6,850,508,061
Earnings per share	(14)	2.90	2.86



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Qatar National Bank S.A.E
 Separate Statement of Comprehensive Income
 For Three Months Period Ended 31 March 2025

(All amounts are shown in Egyptian Pounds)

	From January 01, 2025 To March 31, 2025	From January 01, 2024 To March 31, 2024
Net profit for the period	6,951,498,394	6,850,508,061
Other comprehensive income items that will not be reclassified to the Profit or Loss:		
Net change in fair value of investments in equity instruments measured at fair value through other comprehensive income	15,028,182	484,488,769
Tax impact related to other comprehensive income that will not be reclassified to the profit or loss	2,082,667	(114,617,212)
Other comprehensive income items that is or may be reclassified to the profit or loss:		
Net change in fair value of debt instruments measured at fair value through other comprehensive income	532,861,112	353,717,525
Tax impact related to other comprehensive income that will be reclassified to the profit or loss	(64,680,608)	(111,506,616)
Expected credit loss for fair value of debt instruments measured at fair value through other comprehensive income	(21,553)	1,133,717
Total other comprehensive income items for the period, net of tax	485,269,800	613,216,183
Total comprehensive income for the period, net of tax	7,436,768,194	7,463,724,244

The accompanying notes from (1) to (39) are an integral part of these Separate Financial Statements.

Qatar National Bank S.A.E
Separate Statement of changes in Equity
For Three Months Period Ended 31 March 2025

(All amounts are shown in Egyptian Pounds)

	Issued and Paid Up Capital	Legal Reserve	General Reserve	Special Reserve	Capital Reserve	Fair Value Reserve	General Banking Risk Reserve	General Risk Reserve	Retained Earnings	Net Profit for the Period	Total
March 31, 2024											
Balance at 1 January 2024	10,774,114,830	3,296,885,849	28,884,568,918	12,856,666	43,050,621	(644,053,357)	1,045,272	21,453,923	6,542,094,832	15,769,684,137	64,701,701,691
Transfer to reserves and retained earnings	-	788,000,907	8,257,672,449	-	9,666,000	-	-	-	2,792,989,101	(11,848,328,457)	-
Dividend distributions for year 2023	-	-	-	-	-	-	-	-	-	(3,921,355,680)	(3,921,355,680)
Net change in other comprehensive income	-	-	-	-	-	613,216,183	-	-	-	-	613,216,183
Net profit for the period	-	-	-	-	-	-	-	-	-	6,850,508,061	6,850,508,061
Balance at 31 March 2024	10,774,114,830	4,084,886,756	37,142,241,367	12,856,666	52,716,621	(30,837,174)	1,045,272	21,453,923	9,335,083,933	6,850,508,061	68,244,070,255
March 31, 2025											
Balance at 1 January 2025	10,774,114,830	4,084,886,756	37,142,241,367	12,856,666	52,716,621	1,306,419,009	1,045,272	21,453,923	9,346,884,598	25,806,175,189	88,548,794,231
Transfer to reserves and retained earnings	-	1,289,900,659	13,872,099,446	-	8,162,000	-	-	-	4,525,214,847	(19,695,376,952)	-
Dividend distributions for year 2024	-	-	-	-	-	-	-	-	-	(6,110,798,237)	(6,110,798,237)
Net change in other comprehensive income	-	-	-	-	-	485,269,800	-	-	-	-	485,269,800
Net profit for the period	-	-	-	-	-	-	-	-	-	6,951,498,394	6,951,498,394
Balance at 31 March 2025	10,774,114,830	5,374,787,415	51,014,340,813	12,856,666	60,878,621	1,791,688,809	1,045,272	21,453,923	13,872,099,445	6,951,498,394	89,874,764,188

The accompanying notes from (1) to (39) are an integral part of these Separate Financial Statements.

Qatar National Bank S.A.E
Separate Statement of Cash Flows
For Three Months Period Ended 31 March 2025

(All amounts are shown in Egyptian Pounds)

	Note	March 31, 2025	March 31, 2024
Cash flows from operating activities			
Profit before tax		9,924,811,396	10,283,191,732
Adjusted by:			
Property and Equipment depreciation and Intangible assets amortization	(10)	137,963,212	125,121,143
Impairment credit losses	(12)	714,957,380	2,222,372,208
Loans written off during the period		(259,979,284)	(41,825,189)
Recovery from loans previously written off		133,904,961	165,844,899
Net formed / (reversed) other provisions		35,139,224	34,430,357
Utilized provisions other than loans provision		(102,473)	(1,525,041)
Translation differences of other provisions in foreign currencies		(1,001,492)	390,969,348
Translation differences of other Financial assets provisions in foreign currencies other than loans provision		(1,425,072)	82,734,491
Translation differences resulting from monetary foreign currency investments		93,072,424	(4,809,483,628)
Amortization of premium / discount for bonds		(98,005,098)	(150,413,466)
Dividend income	(8)	(105,217,250)	-
Gain on financial investments	(22)	(63,404,592)	(110,240,327)
Operating profits before changes in assets and liabilities resulting from operating activities		10,510,713,336	8,191,176,527
Net decrease / increase in assets and liabilities			
Due from banks		(12,040,379,863)	(5,285,062,700)
Treasury bills and Other Governmental notes		6,956,952,088	12,288,012,928
Loans and credit facilities to Banks		13,491,101	835,557,382
Loans and credit facilities to customers		(20,882,402,380)	(46,858,406,746)
Financial derivatives		(4,356,953)	137,941,613
Financial investment recognized at fair value through profit or loss		(289,799)	10,692,157
Other assets		(5,009,838,836)	(2,187,011,911)
Due to banks		(12,451,022,007)	2,671,971,790
Customer deposits		47,341,956,752	91,895,342,244
Other liabilities		1,839,847,925	458,014,923
Defined benefits obligation		30,885,805	24,180,251
Income tax paid		(1,142,469,177)	(2,293,815,937)
Net cash flows resulting from operating activities (1)		15,163,087,992	59,888,592,521
Cash flows from investing activities			
Acquisition of Property and Equipment and Intangible assets		(389,541,403)	(114,647,484)
Proceeds from financial investments other than held for trading investments		5,541,932,150	8,841,626,899
Acquisition of financial investments other than held for trading investments		(3,525,651,338)	(4,348,912,193)
Dividends received		1,428,570	-
Net cash flows resulting from investing activities (2)		1,628,167,979	4,378,067,222
Cash flows from financing activities			
Other loans		(1,297,368,607)	1,002,057,238
Dividends paid		(5,852,700,098)	(3,763,549,651)
Net cash flows used in financing activities (3)		(7,150,068,705)	(2,761,492,413)
Net increase in cash and cash equivalents during the period (1+2+3)		9,641,187,266	61,505,167,330
Cash and cash equivalents at the beginning of the year		201,375,854,698	49,046,171,055
Cash and cash equivalents at the end of the period	(36)	211,017,041,964	110,551,338,385
Cash and cash equivalents at end of the period are represented in :			
Cash and due from Central Bank of Egypt	(16)	69,025,004,240	67,919,271,016
Due from banks	(17)	134,966,865,035	94,271,233,796
Treasury bills and Other Governmental notes		134,718,949,780	149,967,481,227
Balances with Central Bank of Egypt (mandatory reserve)		(62,196,374,626)	(60,824,499,565)
Due from banks with maturities more than 3 months		(24,171,621,484)	-
Treasury bills and Other Governmental notes with maturity more than 3 months		(41,325,780,981)	(140,782,148,089)
Cash and cash equivalents at end of the period		211,017,041,964	110,551,338,385

The accompanying notes from (1) to (39) are an integral part of these Separate Financial Statements.

1. Background:

QNB "S.A.E" ("The Bank") was incorporated as an investment and commercial bank on April 13, 1978, in accordance with the provisions of the Investment Law no 43 of 1974 and its executive regulations and the amendments thereon. The Bank provides all banking services related to its activity, through its Head Office located in 5 Champlion Street - Downtown - Cairo and its 235 branches served by 7,397 staff at the date of the financial statements. The Bank is listed on the Egyptian Stock Exchange (EGX).

These Financial statements were approved by the Board of Directors on April 09, 2025.

2. Summary of significant accounting policies:-

2.1 Basis of preparation of the separate financial statements

These separate financial statements have been prepared in accordance with the instructions of the Central Bank of Egypt (CBE) rules approved by its Board of Directors on December 16, 2008; and as per IFRS 9 "Financial Instruments" in accordance with the instructions of the Central Bank of Egypt (CBE) dated February 26, 2019.

The separate and consolidated financial statements of the Bank and its subsidiaries have been prepared in accordance with the instructions of the Central Bank of Egypt (CBE) rules, the affiliated companies are entirely included in the consolidated financial statements and these companies are the companies that the Bank - directly or indirectly has more than half of the voting rights or has the ability to control the financial and operating policies, regardless of the type of activity, the Bank's consolidated financial statements can be obtained from the Bank's management. The Bank accounts for investments in subsidiaries and associate companies in the separate financial statements at cost minus impairment loss.

The separate financial statements of the Bank should be read with its consolidated financial statements, for the period ended on March 31, 2025 to get complete information on the Bank's financial position, income statements, cash flows and change in shareholders equity.

2.2 Accounting for Investments in subsidiaries and associates

Investments in subsidiaries and associates are presented in the attached separate financial statements using the cost method which represents the bank's direct share ownership and not according to the business results and the net assets of the investees. And the consolidated financial statements provide a wider understanding for the consolidated financial position, business results and the consolidated cash flows for the bank and its subsidiaries (The Group), including the bank's share in the net assets of its associate companies.

2.2.1 Investments in subsidiaries

Subsidiaries are entities (including Special Purposes Entities / SPEs) which the bank exercises direct or indirect control over its financial and operating policies in order to get benefits from its activities and usually have an ownership share of more than half of its voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered in assessing whether the bank has the control over its investees.

2.2.2 Investments in associates

Associates are entities over which the bank exercises significant influence directly or indirectly, but without exercising control or joint control, where the bank holds 20% to 50% of voting rights in the associate.

The purchase method is used to account for the bank's purchases of subsidiaries and associates when they are initially recognized; the acquisition date is the date on which the acquirer obtains control or significant influence of acquiree "subsidiary or associate". According to the purchase method, the investments in subsidiaries and associates are initially recognized at cost (which may be incorporated goodwill). The acquisition cost represents the fair value of the consideration given in addition to the other acquisition related costs.

In business combination achieved in stages, and business combination achieved through more than one transaction, is then dealing with every transaction of such transactions that separately on the basis of the acquisition consideration and fair value information at the date of each transition until the date where the control is achieved.

The investments in subsidiaries and associates are subsequently accounted for using the cost method on the separate financial statements. According to the cost method; investments are recognized at acquisition cost less any impairment losses in value, if any. Dividends are recognized as revenue in the separate income statement when they are declared and the bank's right to collect them has been established.

2.3 Segment reporting

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

The Bank is divided into two main business lines, which are corporate banking and retail banking. In addition, a corporate center acts as a central funding department for the bank's core businesses. The dealing room, proprietary activity and other non-core businesses are reported under the corporate banking business line.

Qatar National Bank S.A.E
Notes to the Separate Financial Statements
For Three Months Period Ended 31 March 2025

(All amounts are shown in Egyptian Pounds)

For the purpose of preparation of segment reporting by geographical region, segment profit or loss and assets and liabilities are presented based on the location of the branches. Given that the bank does not have any entity abroad, and unless otherwise stated in a specific disclosure, all equity and debt instruments of the bank issued by foreign institutions and credit facilities granted to foreign counterparties are reported based on the location of the domestic branch where such assets are recorded.

2.4 Foreign currency translation

2.4.1 Functional and presentation currency

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

2.4.2 Transactions and balances in foreign currencies

The Bank maintains its accounting records in Egyptian pounds. Transactions in foreign currencies during the period are translated into the Egyptian pounds using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are re-translated at end of reporting period at the exchange rates then prevailing. Foreign exchange gains and losses resulting from settlement and translation of such transactions and balances are recognized in the income statement and reported under the following line items:

- Net trading income from held for trading assets and liabilities;
- Other operating revenues (expenses) from the remaining assets and liabilities;
- Investments in equity instrument recognized at fair value through other comprehensive income in equity.

Changes in the fair value of investments in debt instruments; which represent monetary financial instruments, denominated in foreign currencies and classified as FVTOCI assets are analyzed into differences resulting from changes in the amortized cost of the instrument, differences resulting from changes in the applicable exchange rates and differences resulting from changes in the fair value of the instrument. Differences resulting from changes in the amortized cost are recognized and reported in the income statement in "Interest on loans and similar income" whereas differences resulting from changes in foreign exchange rates are recognized and reported in "Other operating revenues (expenses)". The remaining differences resulting from changes in fair value are recognized in equity and accumulated in the "Fair value reserve" in Other Comprehensive Income.

Valuation differences arising on the measurement of non-monetary items at fair value include gains or losses resulting from changes in foreign currency exchange rates used to translate those items. Total fair value changes arising on the measurement of equity instruments classified as at fair value through the profit or loss are recognized in the income statement, whereas total fair value changes arising on the measurement of equity instruments classified as FVTOCI are recognized directly in equity in the "Fair value revaluation reserve" in Other comprehensive income.

2.5 Financial assets

Financial assets classified as amortized cost, fair value through other comprehensive income (FVTOCI) and fair value through profit or loss (FVTPL). The classification depends on the business model of the financial assets that are managed with its contractual cash flow and is determined by management at the time of initial recognition.

Business model assessment:

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

- The stated policies and objectives for the portfolio and the operation of those policies in practice. Whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets.
- How the performance of the portfolio is evaluated and reported to the bank's management;
- The risks that affect the performance of the business model) and the financial assets held withing that business model) and its strategy for how those risks are managed;
- How managers of the business are compensated 9e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- The frequency, volume, and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the bank's stated objective for managing the financial assets is achieved and how cash flows are realized.

Assessment of whether contractual cash flows are solely payments of principal and interest (SPPI):

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

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

- Contingent events that would change the amount and timing of cash flows;
- Leverage features;
- Prepayment and extension terms;
- Terms that limit the bank's claim to cash flows from specified assets (e.g. non0recourse loans); and
- Features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

2.5.2.1 Financial assets classified as amortized cost

The financial asset is retained in the business model of financial assets held to collect contractual cash flow. The objective from this business model is to collect contractual cash flow which represented in principal and interest. The sale is an exceptional event for the purpose of this model and under the terms of the standard represented in following:

- Significant deterioration for the issuer of financial instrument;
- Lowest sales in terms of rotation and value;
- A clear and reliable documentation process for the justification of each sale and its conformity with the requirements of the standard.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at Fair Value Through Profit and Loss (FVTPL):

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are Solely Payment of Principal and Interest (SPPI).

2.5.2.2 Financial assets classified as fair value through other comprehensive income

The financial asset is retained in the business model of financial assets held to collect contractual cash flows and sales. Held to collect contractual cash flows and sales are integrated to achieve the objective of the model. Sales are high in terms of turnover and value as compared to the business model retained for the collection of contractual cash flows.

A debt instrument is measured at Fair Value Through Other Comprehensive Income (FVOCI) only if it meets both of the following conditions and is not designated as at Fair Value Through Profit and Loss (FVTPL):

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are Solely Payment of Principal and Interest (SPPI).

On initial recognition of an equity investment that is not held for trading, the bank may irrevocably elect to present subsequent changes in fair value in Other Comprehensive Income (OCI). This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at Fair Value Through Profit and Loss (FVTPL).

2.5.2.3 Financial assets classified as fair value through profit or loss

The financial asset is held in other business models including trading, management of financial assets at fair value, maximization of cash flows through sale.

The objective of the business model is not to retain the financial asset for the collection of contractual or retained cash flows for the collection of contractual cash flows and sales. Collecting contractual cash flows is an incidental event for the objective of the model.

The characteristics of the business model are as follows:

- Structuring a set of activities designed to extract specific outputs;
- Represents a complete framework for a specific activity (inputs - activities - outputs);
- One business model can include sub-business models.

2.6 Offsetting of financial assets and financial liabilities

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

2.7 Financial derivatives and hedge accounting

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

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

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

- Hedging instruments of the risks associated with fair value changes of recognized assets or liabilities or firm commitments (fair value hedge);
- Hedging of risks relating to future cash flows attributable to a recognized asset or liability or a highly probable forecast transaction (cash flow hedge).

Hedge accounting is used for derivatives designated in a hedging relationship when the following criteria are met. At the inception of the hedging relationship, the bank documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the bank documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

2.7.1 Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognized immediately in the profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The effective portion of changes in the fair value of the interest rate swaps and the changes in the fair value of the hedged item attributable to the hedged risk are recognized in profit or loss. Additionally, interest differential on interest rate swaps is recognized in profit or loss as part of "Net interest income" line item in the income statement. Any ineffectiveness is recognized in profit or loss in "Net trading income".

When the hedging instrument no longer qualifies for hedge accounting, the adjustment to the carrying amount of a hedged item, measured at amortized cost, arising from the hedged risk is amortized to profit or loss from that date to maturity of the asset using the effective interest method. Adjustment to the carrying amount of a hedged equity instrument that has been deferred in equity remains in equity until the asset is derecognized.

2.7.2 Cash flow hedge

The effective portion of changes in the fair value of derivatives designated and effective for cash flow hedge is recognized in equity while changes in fair value relating to the ineffective portion is recognized immediately in the income statement in "Net trading income".

Amounts accumulated in equity are transferred to income statement in the relevant periods when the hedged item affects the income statement. The effective portion of changes in fair value of interest rate swaps and options are reported in "Net trading income".

When a hedging item expires, or is sold or if hedging instrument no longer qualifies for hedge accounting requirements, gains or losses that have been previously accumulated in equity remain in equity and are only recognized in profit or loss when the forecast transaction ultimately occurs. If the forecast transaction is no longer expected to occur, any related cumulative gain or loss on the hedging instrument that has been recognized in equity shall be reclassified immediately to profit or loss.

2.7.3 Derivatives that do not qualify for hedge accounting

Where a derivative instrument does not qualify for hedge accounting, changes in fair value of that derivative and related interest are recognized immediately in the income statement in "Net trading income" line item. However, gains or losses arising from changes in fair value of derivatives that are managed in conjunction with financial assets or financial liabilities, designated upon initial recognition at fair value through profit or loss, are included in "Net income from financial instruments designated upon initial recognition as at fair value through profit or loss".

2.8 Interest income and expense

- Interest income and expense on all interest-bearing financial instruments are recognized in "Interest income" and "Interest expense" line items in the income statement using the effective interest rate method.

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

Interest income on loans is recognized on an accrual basis except for the interest income on non-performing loans, which ceases to be recognized as revenue when the recovery of interest or principle is in doubt.

- Interest income on non-performing or impaired (Stage 3) loans and receivables ceases to be recognized in profit or loss and is rather recorded off-balance sheet in statistical records. Interest income on these loans is recognized as revenue on a cash basis as follows:

1- For retail loans, personal loans, small and medium business loans, real estate loans for personal housing and small loans for businesses, when interest income is collected and after recovery of all arrears.

2- For corporate loans, interest income is recognized on a cash-basis after the bank collects 25% of the rescheduled installments and provided these installments continue to be paid for at least one year.

If a loan continues to be performing thereafter, interest accrued on the principal then outstanding starts to be recognized as revenues. Interest that is marginalized prior to the date when the loan becomes performing is not recognized in the profit or loss except when the total balance of loan, prior to that date, is paid in full.

2.9 Fees and commission income

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

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

Loan syndication fees received by the bank are recognized as revenue when the syndication has been completed, only if the bank arranges the loan and retains no part of the loan package for itself (or retains a part at the same effective interest rate for comparable risk as other participants).

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

2.10 Dividends income

Dividend income on investments in equity instruments and similar assets is recognized in the income statement when the bank's right to receive payment is established.

2.11 Purchase and resale agreements and sale and repurchase agreements (repos and reverse repos)

Financial instruments sold under repurchase agreements are not derecognized from the statement of financial position and cash receipts are shown in liability side in the statement of financial position.

2.12 Impairment of financial assets

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.

Financial assets are classified at three stages at each reporting date:

- Stage 1 : Financial assets that have not experienced a significant increase in credit risk since the date of initial recognition, and the expected credit loss is calculated for 12 months.
- Stage 2 : Financial assets that have experienced a significant increase in credit risk since the initial recognition or the date on which the investments are made, and the expected credit loss is calculated over the life of the asset.
- Stage 3 : Impairment of financial assets whose expected credit loss is based on life-time expected credit loss to be recognized on the basis of the difference between the carrying amount of the instrument and the present value of expected future cash flows.

Credit losses and impairment losses on the value of financial instruments are measured as follows:

- The low risk financial instrument is classified at initial recognition in the first stage and credit risk is monitored continuously by the Bank's credit risk management.
- If it is determined that there has been a significant increase in credit risk since the initial recognition, the financial instrument is transferred to the second stage where it is not yet considered impaired at this stage.
- If there are indicators of impairment of the financial instrument, it is transferred to the third stage.
- The purchased or originated credit impaired financial assets are recognized on the initial recognition of the second stage directly and therefore the expected credit losses are measured on the basis of expected credit losses over the life of the asset.

2.12.2.1 Significant increase in credit risk

The Bank considers that the financial instrument has experienced a significant increase in the credit risk when one or more of the following quantitative and qualitative criteria, as well as the factors relating to default, have been met.

2.12.2.2 Quantitative factors

When the probability of default over the remaining life of the instrument is increased from the date of the financial position compared to the probability of default over the remaining life expected at initial recognition in accordance with the Bank's acceptable risk structure.

The bank uses three criteria for determining whether there has been a significant increase in credit risk:

- A quantitative test based on movement in PD;
- Qualitative indicators; and
- A back stop of 30 days past due

Definition of default

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

- Facilities with rating of 8,9 and 10 based on the bank's Obligor Risk Rating Model.
- the borrower is more than 90 days past due on any material credit obligation to the bank (except for SMEs where a back stop of 180 days is applied).

2.12.2.3 Qualitative factors

Retail loans, micro and small businesses

If the borrower encounters one or more of the following events:

- The borrower submits a request to convert short-term to long-term payments due to negative effects on the borrower's cash flows.
- Extension of the deadline for repayment at the borrower's request.
- Frequent Past dues over the previous 12 months.
- Future adverse economic changes affecting the borrower's future cash flows.

Corporate loans and medium businesses

If the borrower has a follow-up list and / or financial instrument faced one or more of the following events:

- A significant increase in the rate of return on the financial asset as a result of increased credit risk.
- Significant negative changes in the activity and physical or economic conditions in which the borrower operates.
- Scheduling request as a result of difficulties facing the borrower.
- Significant negative changes in actual or expected operating results or cash flows.
- Future economic changes affecting the borrower's future cash flows.
- Early indicators of cash flow / liquidity problems such as delays in servicing creditors / business loans.
- Cancellation of a direct facility by the bank due to the high credit risk of the borrower.

Nonpayments

The loans and facilities of institutions, medium, small, micro and retail banking are included in stage two if the period of non-payment is more than 60 days and less than 90 days, (180 days for SME's according to CBE Circular dated 14 December 2021 regarding the temporary amendments of SME's NPL treatment in IFRS9 regulation) . Note that this period (60 days) will be reduced by (10) days per year to become (30) days during (3) years from the date of application (Year 2019).

Transfer between the three stages:

Transfer from second stage to first stage:

The financial asset shall not be transferred from the second stage to the first stage unless all the quantitative and qualitative elements of the first stage are met and the full arrears of the financial asset and the proceeds are paid.

Transfer from third stage to second stage:

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

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

2.13 Intangible assets

2.13.1 Goodwill

Goodwill, arising from the acquisition or legal merger of subsidiaries, represents the difference between the cost of the combination and the acquirer's interest in the fair value of the identifiable assets, liabilities and qualifying contingent liabilities of the acquiree at the acquisition date. Goodwill is annually tested for impairment and is written-down to profit or loss at an annual amortization of 20% or impairment loss, whichever is higher.

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2.13.2 Software (computer programs)

Expenditure on upgrade and maintenance of computer programs is recognized as an expense in the income statement in the period in which it is incurred. Expenditures directly incurred in connection with specific software are recognized as intangible assets if they are controlled by the bank and when it is probable that they will generate future economic benefits within more than one year that exceed its cost. Direct costs include the cost of the staff involved in upgrading the software in addition to a reasonable portion of relative overheads.

Upgrade costs are recognized and added to the original cost of the software when it is likely that such costs will increase the efficiency or enhance the performance of the computers software beyond its original specification.

Cost of computer software recognized as an asset shall be amortized over the period of expected benefits from three to five years except for the core IT system which is amortized over ten years.

2.14 Property and Equipment

The Bank's property and equipment include lands and buildings of the bank which basically comprise the head office premises and branch buildings. All property and equipment are carried at historical cost net of accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the construction or acquisition of the items. Subsequent costs are included in the assets carrying amount or recognized separately, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the bank and the cost of the item can be measured reliably. Repairs and maintenance expenses are recognized in profit or loss within "other operating costs" line item during the financial year in which they are incurred.

The Bank considers the residual value of its property and equipment as insignificant and immaterial in relation to the depreciable amount; therefore, the depreciable amount of the bank's property and equipment is determined without any deduction for residual values. Depreciation is charged so as to write off the cost of assets, other than land which is not depreciated, over their estimated useful lives, using the straight-line method based on the following annual rates:

Buildings		50 years
Fixtures	Decoration & installations	10 years
	Lifts	15 years
	Electricity & Air conditioning	10 years
	Generators	30 years
	Telephone network & CCTV	10 years
	Firefighting system & Plumbing system	10 years
	Other installations	10 years
Leasehold improvements		The shortest of 10 years or contract period

Depreciation periods for property and equipment, other than buildings, depend on their useful lives which are usually estimated as specified below:

Furniture	10 years
Armored vaults	20-30 years
IT equipment	5 years
Electric appliances	5 years
Vehicles	5 years

The bank reviews the carrying amounts of its depreciable property and equipment whenever changes in circumstances or events indicate that the carrying amounts of those assets may not be recovered. Where the carrying amount of an asset exceeds its recoverable amount, the carrying amount is reduced to its recoverable amount.

The recoverable amount of an asset is the higher of the asset's net realizable value or value in use. Gains or losses on disposals are determined by comparing proceeds with relevant carrying amount. These are included in the profit or loss in other operating income (expenses) in the income statement.

2.15 Impairment of non-financial assets

Non-financial assets that do not have definite useful lives, except for goodwill, are not amortized. These are annually tested for impairment. Depreciable property and equipment are tested for impairment whenever changes in circumstances or events indicate that the carrying amounts of those assets may not be recovered. Impairment loss is recognized and the carrying amount of an asset is reduced to the extent that such carrying amount exceeds the asset's recoverable amount.

The recoverable amount of an asset is the higher of the asset's net realizable value or value in use. For the purpose of estimating the impairment loss, where it is not possible to estimate the recoverable amount of an individual asset, the bank estimates the recoverable amount of the cash-generating unit to which the asset belongs is estimated.

At the end of each year, the bank reviews non-financial assets for which an impairment loss is recognized to assess whether or not all or part of such impairment losses should be reversed through profit or loss.

2.16 Leasing

All lease contracts to which the bank is a party are treated as operating or finance leases as follows:

2.16.1 As a lessee

Lease payments made under operating leases, net of any discounts received from the lessor, are recognized as an expense in the profit or loss on a straight-line basis over the lease term.

2.16.2 As a lessor

Assets leased out under operating lease contracts are reported as part of the property and equipment in the statement of financial position and are depreciated over the expected useful lives of the assets, on the same basis as other property assets. Lease rental income is recognized in profit or loss, net of any discounts granted to the lessee, using the straight line method over the contract term.

2.17 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances due within three months from date of placement or acquisition. They include cash and balances placed with the Central Bank of Egypt (other than those required under the mandatory reserve), current accounts with banks and treasury bills, certificates of deposits and other governmental notes.

2.18 Other provisions

Provisions for obligations, other than those for credit risk or employee benefits, due within more than 12 months from the date of separate financial statements are recognized based on the present value of the best estimate of the consideration required to settle the present obligation at the reporting date. An appropriate pretax discount rate that reflects the time value of money is used to calculate the present value of such provisions.

For obligations due within less than twelve months from the date of separate financial statements, provisions are calculated based on undiscounted expected cash outflows unless the time value of money is material, in which case provisions are measured at present value.

When a provision is wholly or partially no longer required, it is reversed through the profit or loss under "Other Operating Income (Expenses)" line item.

2.19 Financial guarantees

A financial guarantee contract is a contract issued by the bank as security for loans or overdrafts due from its clients to other entities that requires the bank to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantees are generally issued by the bank to beneficiary banks, corporations and other entities on behalf of the bank's clients.

When a financial guarantee is recognized initially, it is measured at its fair value plus, transaction costs that is directly attributable to the issue of such financial guarantee.

After initial recognition, a financial guarantee contract issued by the bank is measured at the higher of:

- (I) The amount initially recognized less, when appropriate, cumulative amortization of security fees recognized as income in profit or loss using the straight-line method over the term of the guarantee; and
- (II) The best estimate for the payments required to settle any financial obligation resulting from the financial guarantee at the reporting date.

Such estimates are made based on experience in similar transactions and historical losses as supported by management judgment.

Any increase in the obligations resulting from the financial guarantee, shall be recognized within other operating income (expenses) in the income statement.

2.20 Employee benefits

Post-employment benefits (defined benefit plans) and defined contribution plans:

The Bank is liable for all obligations arising from its plans for employee benefits which comply, in all material respects, with the principles set out below. Starting 1 January 2009, the bank has fully complied with the policy referred to below, and recognized any adjustments, resulting from the first full implementation of amendments to the CBE rules, directly on retained earnings.

The Bank provides several post-employment benefits to its employees, such as the medical care scheme which qualifies as a defined-benefit plan. A defined benefit plan commits the bank, either formally or constructively, to pay a certain amount or level of future benefits and therefore bears the medium- or long-term risk.

The Bank recognizes the defined benefit obligation as a liability in the statement of financial position under "obligations for post-retirement schemes" to cover the total value of such obligations. This is assessed regularly by independent actuary using the projected unit credit method. This valuation technique incorporates assumptions about demographics variables, staff turnover, salary growth rate and discount and inflation rates.

When these plans are financed from external funds classified as plan assets, the fair value of these funds is subtracted from the defined benefit obligation. Differences arising from changes in the actuarial assumptions and estimates are recognized in the income statement as actuarial gains or losses to the extent of the higher of the following two amounts as of the end of the previous financial period:

- 10% of the present value of the defined benefit obligation (before deducting plan assets); and
- 10% of the fair value of the plan assets.

Actuarial gains and losses that exceed the 10 percent criteria above are amortized to profit or loss over the expected average remaining working lives of the participating employees.

Past service cost is recognized immediately to the extent that the benefits have already vested, and otherwise is amortized on a straight-line basis over the average period until the benefits become vested. Annual cost of employee benefits plans is reported as part of general and administrative expenses (employee costs).

Defined contribution plans are pension schemes whereby the bank pays defined contributions to an independent entity. The Bank shall not be under legal or constructive obligation to pay more contributions if this entity doesn't maintain adequate assets to pay-off the employees' benefits in return for their service in the current and previous periods.

According to the defined contribution plans, the bank pays contributions to private sector pension scheme under mandatory or voluntary contractual arrangement. The Bank shall be under no additional obligation other than the contribution payments. Contributions to defined contribution retirement benefit plans are recognized as employee benefits cost when employees have rendered service entitling them to the contributions. Prepaid contributions shall be recognized as assets to the extent that these contribution payments will reduce future payments or result in cash refunds.

2.21 Income taxes

Income tax expense on the years's profit or loss represents the sum of the tax currently payable and deferred tax and is recognized in the income statement, except when they relate to items that are recognized directly in equity, in which case the tax is also recognized in equity.

The Bank's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting Year, in addition to income tax differences related to prior years.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the separate financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. However, when it is expected that the tax benefit will increase, the carrying amount of deferred tax assets shall increase to the extent of previous reduction.

2.22 Borrowings

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

2.23 Capital

2.23.1 Capital issuance cost

Issued and paid up-capital (i.e. Bank's own equity instruments) is initially measured at the cash proceeds received, less transaction costs directly attributable to the issuance of new shares, issuance of shares to effect business combination, or issue of share options. Transaction costs, net of tax benefits, are reported as a deduction from equity.

2.23.2 Dividends

Dividends on equity instruments issued by the bank are recognized when the general assembly of the bank's shareholders approves them. Dividends include the employees' profit share and the board of directors' remuneration as prescribed by the bank's articles of incorporation and the corporate law.

2.24 Fiduciary activities

The Bank carries out fiduciary activities that result in ownerships or management of assets on behalf of individuals, trusts, and retirement benefit plans and other institutions. These assets and income arising thereon are not recognized in the bank's separate financial statements, as they are not assets or income of the bank.

2.25 Comparative figures

Comparative figures are reclassified, where necessary, to conform to changes in the current Year's financial statements presentation.

3. Management of financial risks

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

For example, the bank has laid down to determine and analyze the risks, set limits to the risks and control them through reliable methods and up-to-date systems. The Bank regularly reviews the risk management policies and systems and amendments thereto, so that they reflect the changes in markets, products and services and the best up-to-date applications.

Risks are managed in accordance with pre-approved policies by the board of directors. The risk management department identifies, evaluates and covers financial risks, in close collaboration with the bank's various operating units. The board of directors provides written rules which cover certain risk areas, such as credit risk, foreign exchange risk, interest rate risk and the use of derivative and non-derivative financial instruments. Moreover, the risk department is responsible for the periodic review of risk management and the control environment independently.

Risk management strategy

The Bank operates in business lines, which generate a range of risks whose frequency, severity and volatility can be of different and significant magnitudes. A greater ability to calibrate its risk appetite and risk parameters, the development of risk management core competencies, as well as the implementation of a high-performance and efficient risk management structure are therefore critical undertakings for bank.

Thus, the primary objectives of the bank's risk management framework are:

- To contribute to the development of the Bank in various business lines to reach an ideal level of general risk.
- To guarantee the bank's sustainability as a going concern, through the implementation of a high-quality risk management infrastructure.

In defining the bank's overall risk appetite, the bank management takes various considerations and variables into account, including:

- The relative balance between risk and reward of the bank's various activities.
- Earnings sensitivity to business, credit and economic cycles.
- The aim of achieving a well-balanced portfolio of earnings streams.

Risk management governance and risk principles

Bank's risk management governance is based on:

- i) Strong managerial involvement, throughout the entire organization, starting from the Board of Directors down to operational field management teams.
- ii) A tight framework of internal procedures and guidelines;
- iii) Continuous supervision by business lines and support functions as well as by an independent body to monitor risks and to enforce rules and procedures.

Within the board, the Risk and Audit Committees are more specifically responsible for examining the consistency of the internal framework for monitoring risks and compliance.

Risk categories

The following are part of the risks associated with Bank's Banking activities:

a- Credit risk:

(Including country risk): represents risk of losses arising from the inability of the Bank's customers, sovereign issuers or other counterparties to meet their financial commitments.

Credit risk also includes the replacement risk linked to market transactions. In addition, credit risk may be further increased by a concentration risk, which arises either from large individual exposures or from groups of counterparties with a high default probability.

b- Market risk:

Represents risk of loss resulting from changes in market prices and interest rates.

c- Operational risk:

(Including legal, compliance, accounting, environmental, reputational risks, etc.): represents risk of loss or fraud or of producing inaccurate financial and accounting data due to inadequacies or failures in procedures and internal systems, human error or external events. Additionally, operational risks may also take the form of compliance risk, which is the risk of the bank incurring either legal, administrative or disciplinary sanctions or financial losses due to failure to comply with relevant rules and regulations.

d- Structural interest and exchange rate risk:

Represents risk of loss or of residual depreciation in the bank's balance sheet and off-balance sheet assets arising from changes in interest or exchange rates. Structural interest and exchange rate risk arises from banking commercial activities and on Corporate Center transactions (operations on equities, investments and bond issues).

e- Liquidity risk:

Represents the risk that bank might not be able to meet its obligations as they become due.

The Bank dedicates significant resources to constantly adapting its risk management to its activities and ensures that its risk management framework operates in full compliance with the following fundamental principles of:

- Full independence of risk assessment departments from the operating divisions; and
- Consistent approach to risk assessment and monitoring applied throughout the bank.

The Risk Division is independent from the bank's operating entities and reports directly to general management. Its role is to contribute to the development and profitability of the bank by ensuring that the risk management framework in place is both robust and effective. It employs various teams specializing in the operational management of credit and market risk.

More specifically, the Risk Division:

- Defines and approves the methods used to analyze, assess, approve and monitor credit risks, country risks, market risks and operational risks; conducts a critical review of commercial strategies in high risk areas and continually seeks to improve such risk forecasting and management;
- Contributes to independent assessment by analyzing transactions implying a credit risk and by providing guidance on transactions proposed by sales managers;
- Identifying a frame for all Bank's operational risks.

The Assets and Liabilities Unit under the Finance Division, for its part, is entrusted with assessing and managing other major types of risks, namely liquidity and structural risks (resulting from interest rate, exchange rate and liquidity) as well as the bank's long term financing, management of capital requirements and equity structure.

The Internal Legal Counsel deals with compliance and legal risks.

Responsibility for devising the relevant risk management structure and defining risk management operating principles lies mainly with both the Risk Division and, in particular fields, the assets and liabilities management under Finance Division.

The Bank's Risk Committee is in charge of reviewing all the bank's key risk management issues and meets at least on quarterly basis. Risk Committee's monthly meetings involve members of the Executive Committee, the heads of the business lines and the Risk Division managers and are used to review all the core strategic issues: risk-taking policies, assessment methods, material and human resources, analysis of credit portfolios and of the cost of risk, market and credit concentration limits (by product, country, sector, region, etc.).

On the other hand, the Assets and Liabilities management committee (ALCO) is competent for matters relating to funding and liquidity policy making and planning.

All new products and activities or products under development must be submitted to the New Product Committee.

This New Product Committee aims at ensuring that, prior to the launch of a new activity or product, all associated risks are fully understood, measured, approved and subject to adequate procedures and controls, using the available information and processing systems.

Operational risks, permanent control and audit (periodic) control process are supervised by the Audit and Accounts Committee that meets on a quarterly basis.

Finally, the Bank's risk management principles, procedures and infrastructures and their implementation are monitored by the Internal Audit team and the External Auditors.

(A) CREDIT RISKS

The Bank is exposed to the credit risk which is the risk resulting from failure of the client to meet its contractual obligations towards the bank. The credit risk is considered to be the most significant risk for the bank, therefore requiring careful management. The credit risk manifests itself in the lending activities and debt instruments in bank's assets as well as off balance sheet financial instruments, such as letters of credit and letters of guarantee.

(A/1) Credit risk management: organization and structure

Maintaining comprehensive and efficient management and monitoring of credit risk – which constitutes the bank's primary source of risk – is vital to preserving bank financial strength and profitability. As a result, the bank implements a tight credit risk control framework, whose cornerstone is the Credit Risk Policy and Authorities defined jointly by the Risk Division and the Business Lines, and is subject to periodic review and approval by the Board of Directors.

Within the Risk Division, persons are responsible for:

- Setting credit limits by customer, customer group or transaction type;
- Approving credit score or internal customer rating criteria;
- Monitoring and surveillance of large exposures and various credit portfolios; and
- Reviewing specific and general provisioning policies.

In addition, comprehensive portfolio analysis is performed in order to provide guidance to the General Management on the bank's overall credit risk exposure as well as reporting to Risk Committee.

The Risk Division also helps define criteria for measuring risk and defining appropriate provisioning practices.

Risk approval

Embedded in bank's credit policy is the concept that approval of any credit risk undertaking must be based on sound knowledge of the client and a thorough understanding of the client's business, the purpose, nature and structure of the transaction and the sources of repayment, while bearing in mind the bank's risk strategy and risk appetite.

The risk approval process is based on four core principles:

- All transactions involving replacement risk must be pre-authorized, replacement risk is bearing a loss when a bank is forced to replace a contract in case of breaching the original party's contract (debtor risk, non-settlement or non-delivery risk and issuer risk).
- Staff assessing credit risk is fully independent from the decision-making process.
- Subject to relevant credit delegations, responsibility for analyzing and approving risk lies with the most appropriate business line or credit risk unit, which reviews all authorization requests relating to a specific client or client group, to ensure a consistent approach to risk management.
- All credit decisions systematically include internal obligor risk ratings, as proposed by business lines and vetted by the Risk Division and approved by concerned Credit Committee.

Risk management and audit

Changes in the quality of outstanding commitments are reviewed on a periodic basis and at least once a quarter, as part of the "sensitive names" and provisioning procedures. This review is based on analyses performed by the business divisions and the risk function. Furthermore, the Internal Audit also carries out file reviews or risk audits in the bank's branch groups and reports its findings to the General Management.

Replacement risk

Replacement risk provides the measurement of the replacement cost of a transaction in the event of default by the original counterparty and the necessity to close the ensuing position with counterparty; hence, the replacement cost is the result of the market price between the date on which the original transaction is entered into and the default date. Transactions giving rise to replacement risk include interest rate swaps and forward FX deals.

Replacement risk management

The Bank places great emphasis on carefully monitoring its replacement risk exposure in order to minimize its losses in case of default of its counterparties and counterparty limits are, therefore, assigned to all trading counterparties, irrespective of their status (bank, other financial institution, corporate and public institutions).

(A/2) Risk measurement and internal ratings

Bank rating system is based on three key pillars:

- The internal ratings models used to measure and quantify counterparty risk.
- A set of procedures defining guidelines for devising and using ratings (scope, frequency of rating revision, procedure for approving ratings, etc.).
- Reliance on human judgment to improve modeling results to include elements outside the scope of rating model.

Credit risk rating is supported by a set of procedures ensuring reliable, consistent and timely default and loss data detection.

Rating models are reviewed and developed when necessary. The Bank regularly evaluates performance of credit rating models and their capacity to predict default cases.

The calculations used to measure and monitor replacement risk include:

- Current Average Risk (CAR) is a calculation of the Average risk of all the future scenarios, excluding the negative scenarios, i.e., when the replacement makes a gain.
- Credit value at risk (VAR) is a calculation of the largest loss that would be incurred in 99% of cases.

Following are some risk mitigations methods:

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:

- Real estate mortgage;
- Pledge on business assets like machinery and merchandise;
- Pledge in financial instruments like debt instruments and equity.

The long term financing and lending for companies are often collateralized while credit facilities for persons are not collateralized. 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.

Collaterals taken to secure assets other than Loans and credit facilities are identified according to the nature of the instrument.

Debit instruments and treasury bills are often not collateralized.

Derivatives

The Bank exercise prudential strict control procedures on net open positions of derivatives. i.e. the difference between sale and purchase agreements at the level of value and duration. The amount exposed to credit risk at any time is determined at fair value of the instrument that may achieve benefit to the bank. i.e. any assets with high positive fair value which represents insignificant part of contractual imputed value used to reflect the volume of existing instruments. This credit risk is managed as part of overall lending limit granted to the customer together with the potential risk as a result of market changes.

The Bank doesn't obtain collaterals for credit risk related to such instruments except for the amounts requested by the bank as marginal deposits from other parties.

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(A/3) Provisioning policy (Measurement of expected credit losses)

The Bank's policies require the identification of three stages of classifying financial assets measured at amortized cost, loan commitments and financial guarantees as well as debt instruments at fair value through other comprehensive income in accordance with changes in credit quality since initial recognition and thereafter measuring the impairment losses (expected credit losses) as follows:

The un-impaired financial asset is classified at initial recognition in the first stage and credit risk is monitored continuously by the Bank's credit risk management.

In the case of a significant increase in credit risk since the initial recognition, the financial asset is transferred to the second stage and the financial asset is not considered at this stage (the expected credit loss over the life of the asset without impairment).

In case of indications of impairment of the financial asset, it is transferred to the third stage. The Bank relies on the following indicators to determine whether there is objective evidence of impairment:

- A significant increase in the rate of return on the financial asset as a result of increased credit risk.
- Significant negative changes in the activity and financial or economic conditions in which the borrower operates.
- Scheduling request as a result of difficulties facing the borrower.
- Significant negative changes in actual or expected operating results or cash flows.
- Future economic changes affecting the borrower's future cash flows.
- Early indicators of cash flow / liquidity problems such as delays in servicing creditors / business loans.
- Cancellation of a direct facility by the bank due to the high credit risk of the borrower.

The following is excluded from the calculation of expected credit losses:

- Deposits with banks that are maturing one month or less from the date of the financial position.
- Current accounts with banks.
- Balances with the Central Bank in local currency.
- Guarantees issued by the Egyptian government and the Central Bank to meet outstanding claims in local currency may be considered for the purpose of calculating expected credit losses.
- Debt instruments issued by the Egyptian government in local currency are excluded from measuring expected credit losses

The following table illustrates the proportional distribution of loans and credit facilities reported in the financial position for each of the four internal ratings of the Bank and their relevant impairment losses:

	March 31, 2025		December 31, 2024	
	Loans and credit facilities	Allowance for impairment loss	Loans and credit facilities	Allowance for impairment loss
1- Good debts	87.51%	7.74%	86.39%	7.90%
2- Normal watch-list	5.72%	19.66%	6.71%	21.40%
3- Special watch-list	1.45%	6.18%	1.52%	6.87%
4- Non performing loan	5.32%	66.42%	5.38%	63.83%
	100%	100%	100%	100%

(A/4) General Model for Measurements of Banking Risks:

In addition to the four categories of the bank's internal credit ratings indicated above, management classifies Loans and credit facilities based on more detailed subgroups in accordance with the CBE requirements.

Assets exposed to credit risk in these categories are classified according to detailed rules and terms depending heavily on information relevant to the customer, his activity, financial position and his repayment track record.

The Bank calculates the allowances required for impairment of assets exposed to credit risk, including commitments relating to credit on the basis of rates determined by CBE. In case, the allowance required for impairment losses as per CBE credit worthiness rules exceeds the provisions as required by the expected credit loss, that excess shall be debited from distributable net profits and carried to the general banking risk reserve in the equity section. Such reserve is always adjusted, on a regular basis, by any increase or decrease so that the reserve shall always be equivalent to the amount of increase between the two provisions. Such reserve is not available for distribution; note (35) shows the movement (if any) on the general banking risk reserve during the financial period.

Below is a statement of credit rating for corporations as per the Bank's internal ratings compared with those of CBE's; it also includes the percentages of provisions required for impairment of assets exposed to credit risk.

CBE rating	Description	Required Provision According to ORR%	Internal Rating	Internal Description
1	Low risk	0%	1	Good debts
2	Moderate risks	1%	1	Good debts
3	Satisfactory risks	1%	1	Good debts
4	Appropriate risks	2%	1	Good debts
5	Acceptable risks	2%	1	Good debts
6	Marginally acceptable risks	3%	2	Normal watch-list
7	Watch-list	5%	3	Special watch-list
8	Substandard debts	20%	4	Non-performing loans
9	Doubtful debts	50%	4	Non-performing loans
10	Bad debts	100%	4	Non-performing loans

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(A/5) Maximum limit for credit risk before collaterals

Financial position items exposed to credit risks	March 31, 2025	December 31, 2024
Treasury bills and Other Governmental notes	134,282,848,071	130,925,413,471
Loans and credit facilities to banks	2,500,938,937	2,504,444,938
Loans and credit facilities to customers		
Retail loans		
- Overdrafts	4,288,365,516	4,261,472,000
- Credit cards	1,973,339,086	2,250,177,858
- Personal loans	53,232,919,711	49,956,409,240
- Real estate loans	8,878,091,171	8,269,226,822
Corporate loans		
- Overdrafts	150,735,625,495	146,312,853,344
- Direct loans	98,317,098,246	96,605,131,122
- Syndicated Loans and facilities	44,300,862,229	33,435,330,839
- Other loans	2,883,275,361	3,088,936,641
Segregated interest , unearned discount & deferred income	(177,633,388)	(168,736,354)
Financial derivatives	3,930,142	3,693,595
Financial investments		
- Debt instrument	116,499,093,650	118,072,255,117
Other Financial assets	14,801,891,351	10,324,142,511
Total	632,520,645,578	605,840,751,144

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

Due from banks	March 31, 2025			Total
	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	
Credit rating				
Good debts	55,992,943,209	10,286,402,730	-	66,279,345,939
Normal watch-list	40,584,635,233	19,670,483,463	-	60,255,118,696
Special watch-list	-	8,432,400,400	-	8,432,400,400
Non performing loan	-	-	-	-
	96,577,578,442	38,389,286,593	-	134,966,865,035
Allowance for impairment losses	(65,288,798)	(32,731,825)	-	(98,020,623)
Carrying amount	96,512,289,644	38,356,554,768	-	134,868,844,412

Due from banks	December 31, 2024			Total
	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	
Credit rating				
Good debts	47,920,064,824	8,187,863,865	-	56,107,928,689
Normal watch-list	36,459,710,447	17,969,347,807	-	54,429,058,254
Special watch-list	-	10,854,282,065	-	10,854,282,065
Non performing loan	-	-	-	-
	84,379,775,271	37,011,493,737	-	121,391,269,008
Allowance for impairment losses	(65,688,919)	(42,365,372)	-	(108,054,291)
Carrying amount	84,314,086,352	36,969,128,365	-	121,283,214,717

Treasury bills and Other Governmental notes	March 31, 2025			Total
	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	
Credit rating				
Good debts	-	-	-	-
Normal watch-list	134,565,495,010	-	-	134,565,495,010
Special watch-list	-	-	-	-
Non performing loan	-	-	-	-
	134,565,495,010	-	-	134,565,495,010
Allowance for impairment losses	(282,646,939)	-	-	(282,646,939)
Carrying amount	134,282,848,071	-	-	134,282,848,071

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Treasury bills and Other Governmental notes	December 31, 2024			Total
	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	
Credit rating				
Good debts	-	-	-	-
Normal watch-list	131,094,220,487	-	-	131,094,220,487
Special watch-list	-	-	-	-
Non performing loan	-	-	-	-
	131,094,220,487	-	-	131,094,220,487
Allowance for impairment losses	(168,807,016)	-	-	(168,807,016)
Carrying amount	130,925,413,471	-	-	130,925,413,471

Loans and credit facilities to Banks	March 31, 2025			Total
	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	
Credit rating				
Good debts	-	2,514,159,014	-	2,514,159,014
Normal watch-list	-	-	-	-
Special watch-list	-	-	-	-
Non performing loan	-	-	-	-
	-	2,514,159,014	-	2,514,159,014
Allowance for impairment losses	-	(13,220,077)	-	(13,220,077)
Carrying amount	-	2,500,938,937	-	2,500,938,937

Loans and credit facilities to Banks	December 31, 2024			Total
	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	
Credit rating				
Good debts	-	-	-	-
Normal watch-list	-	2,524,609,541	-	2,524,609,541
Special watch-list	-	3,157,277	-	3,157,277
Non performing loan	-	-	-	-
	-	2,527,766,818	-	2,527,766,818
Allowance for impairment losses	-	(23,321,880)	-	(23,321,880)
Carrying amount	-	2,504,444,938	-	2,504,444,938

Retail loans	March 31, 2025			Total
	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	
Credit rating				
Good debts	63,649,511,586	-	-	63,649,511,586
Normal watch-list	2,105,806,383	-	-	2,105,806,383
Special watch-list	-	3,228,365,613	-	3,228,365,613
Non performing loan	-	-	1,213,784,742	1,213,784,742
	65,755,317,969	3,228,365,613	1,213,784,742	70,197,468,324
Allowance for impairment losses	(604,812,905)	(174,460,390)	(1,045,479,545)	(1,824,752,840)
Carrying amount	65,150,505,064	3,053,905,223	168,305,197	68,372,715,484

Retail loans	December 31, 2024			Total
	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	
Credit rating				
Good debts	60,489,071,776	-	-	60,489,071,776
Normal watch-list	1,861,790,294	-	-	1,861,790,294
Special watch-list	-	2,902,005,321	-	2,902,005,321
Non performing loan	-	-	1,137,813,255	1,137,813,255
	62,350,862,070	2,902,005,321	1,137,813,255	66,390,680,646
Allowance for impairment losses	(529,273,088)	(149,013,571)	(975,108,067)	(1,653,394,726)
Carrying amount	61,821,588,982	2,752,991,750	162,705,188	64,737,285,920

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Corporate loans	March 31, 2025			Total
	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	
Credit rating				
Good debts	270,320,675,991	3,941,746,264	-	274,262,422,255
Normal watch-list	17,291,420	19,984,163,580	-	20,001,455,000
Special watch-list	-	2,352,331,401	-	2,352,331,401
Non performing loan	-	-	19,348,597,135	19,348,597,135
	270,337,967,411	26,278,241,245	19,348,597,135	315,964,805,791
Allowance for impairment losses	(1,031,444,118)	(5,427,108,646)	(13,269,391,696)	(19,727,944,460)
Carrying amount	269,306,523,293	20,851,132,599	6,079,205,439	296,236,861,331

Corporate loans	December 31, 2024			Total
	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	
Credit rating				
Good debts	251,952,658,767	3,160,601,806	-	255,113,260,573
Normal watch-list	44,187,914	22,601,522,162	-	22,645,710,076
Special watch-list	-	2,634,080,683	-	2,634,080,683
Non performing loan	-	-	18,509,363,824	18,509,363,824
	251,996,846,681	28,396,204,651	18,509,363,824	298,902,415,156
Allowance for impairment losses	(1,101,016,052)	(5,856,757,653)	(12,502,389,505)	(19,460,163,210)
Carrying amount	250,895,830,629	22,539,446,998	6,006,974,319	279,442,251,946

Debt instruments at fair value through other comprehensive income	March 31, 2025			Total
	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	
Credit rating				
Good debts	21,913,562,839	-	-	21,913,562,839
Normal watch-list	10,579,881,751	-	-	10,579,881,751
Special watch-list	-	-	-	-
Non performing loan	-	-	-	-
	32,493,444,590	-	-	32,493,444,590
Allowance for impairment losses	(7,315,493)	-	-	(7,315,493)
Carrying amount - fair value	32,493,444,590	-	-	32,493,444,590

Debt instruments at fair value through other comprehensive income	December 31, 2024			Total
	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	
Credit rating				
Good debts	20,706,652,459	-	-	20,706,652,459
Normal watch-list	10,541,836,451	-	-	10,541,836,451
Special watch-list	-	-	-	-
Non performing loan	-	-	-	-
	31,248,488,910	-	-	31,248,488,910
Allowance for impairment losses	(7,337,046)	-	-	(7,337,046)
Carrying amount - fair value	31,248,488,910	-	-	31,248,488,910

Debt instruments at amortized cost	March 31, 2025			Total
	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	
Credit rating				
Good debts	-	-	-	-
Normal watch-list	84,005,649,060	-	-	84,005,649,060
Special watch-list	-	-	-	-
Non performing loan	-	-	-	-
	84,005,649,060	-	-	84,005,649,060
Allowance for impairment losses	-	-	-	-
Carrying amount	84,005,649,060	-	-	84,005,649,060

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Debt instruments at amortized cost	December 31, 2024			Total
	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	
Credit rating				
Good debts	-	-	-	-
Normal watch-list	86,823,766,207	-	-	86,823,766,207
Special watch-list	-	-	-	-
Non performing loan	-	-	-	-
	86,823,766,207	-	-	86,823,766,207
Allowance for impairment losses	-	-	-	-
Carrying amount	86,823,766,207	-	-	86,823,766,207

The following table shows changes in impairment credit losses between the beginning and ending of the period as a result of these factors:

Due from banks	March 31, 2025			Total
	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	
Allowance for impairment losses at January 01, 2025	65,688,919	42,365,372	-	108,054,291
New financial assets purchased or issued	-	-	-	-
Financial assets have been matured or derecognised	(71,410)	(9,421,548)	-	(9,492,958)
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Changes in the probability of failure and loss in the event of failure and the balance exposed to failure	-	-	-	-
Changes on model assumptions and methodology	-	-	-	-
Loans written-off during the period	-	-	-	-
Foreign exchange translation differences	(328,711)	(211,999)	-	(540,710)
Balance at the end of the period	65,288,798	32,731,825	-	98,020,623

Due from banks	December 31, 2024			Total
	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	
Allowance for impairment losses at January 01, 2024	49,525,613	-	-	49,525,613
New financial assets purchased or issued	-	42,365,372	-	42,365,372
Financial assets have been matured or derecognised	(14,176,294)	-	-	(14,176,294)
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Changes in the probability of failure and loss in the event of failure and the balance exposed to failure	-	-	-	-
Changes on model assumptions and methodology	-	-	-	-
Loans written-off during the year	-	-	-	-
Foreign exchange translation differences	30,339,600	-	-	30,339,600
Balance at the end of the year	65,688,919	42,365,372	-	108,054,291

Treasury bills and Other Governmental notes	March 31, 2025			Total
	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	
Allowance for impairment losses at January 01, 2025	168,807,016	-	-	168,807,016
New financial assets purchased or issued	114,684,642	-	-	114,684,642
Financial assets have been matured or derecognised	-	-	-	-
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Changes in the probability of failure and loss in the event of failure and the balance exposed to failure	-	-	-	-
Changes on model assumptions and methodology	-	-	-	-
Loans written-off during the period	-	-	-	-
Foreign exchange translation differences	(844,719)	-	-	(844,719)
Balance at the end of the period	282,646,939	-	-	282,646,939

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Treasury bills and Other Governmental notes	December 31, 2024			Total
	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	
Allowance for impairment losses at January 01, 2024	105,988,188	-	-	105,988,188
New financial assets purchased or issued	-	-	-	-
Financial assets have been matured or derecognised	(8,674,335)	-	-	(8,674,335)
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Changes in the probability of failure and loss in the event of failure and the balance exposed to failure	-	-	-	-
Changes on model assumptions and methodology	-	-	-	-
Loans written-off during the year	-	-	-	-
Foreign exchange translation differences	71,493,163	-	-	71,493,163
Balance at the end of the year	168,807,016	-	-	168,807,016

Loans and credit facilities to Banks	March 31, 2025			Total
	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	
Allowance for impairment losses at January 01, 2025	-	23,321,880	-	23,321,880
New financial assets purchased or issued	-	-	-	-
Financial assets have been matured or derecognised	-	(9,985,100)	-	(9,985,100)
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Changes in the probability of failure and loss in the event of failure and the balance exposed to failure	-	-	-	-
Changes on model assumptions and methodology	-	-	-	-
Loans written-off during the period	-	-	-	-
Foreign exchange translation differences	-	(116,703)	-	(116,703)
Balance at the end of the period	-	13,220,077	-	13,220,077

Loans and credit facilities to Banks	December 31, 2024			Total
	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	
Allowance for impairment losses at January 01, 2024	-	1,670,812	-	1,670,812
New financial assets purchased or issued	-	20,764,077	-	20,764,077
Financial assets have been matured or derecognised	-	-	-	-
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Changes in the probability of failure and loss in the event of failure and the balance exposed to failure	-	-	-	-
Changes on model assumptions and methodology	-	-	-	-
Loans written-off during the year	-	-	-	-
Foreign exchange translation differences	-	886,991	-	886,991
Balance at the end of the year	-	23,321,880	-	23,321,880

Retail loans	March 31, 2025			Total
	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	
Allowance for impairment losses at January 01, 2025	529,273,088	149,013,571	975,108,067	1,653,394,726
Net impairment loss recognized during the period	75,539,817	10,096,931	99,808,767	185,445,515
Loans written-off during the period	-	-	(29,437,289)	(29,437,289)
Collections of loans previously written-off	-	15,349,888	-	15,349,888
Foreign exchange translation differences	-	-	-	-
Balance at the end of the period	604,812,905	174,460,390	1,045,479,545	1,824,752,840

Retail loans	December 31, 2024			Total
	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	
Allowance for impairment losses at January 01, 2024	245,166,104	143,779,975	883,924,099	1,272,870,178
Net impairment loss recognized during the year	284,106,984	(33,751,674)	269,369,579	519,724,889
Loans written-off during the year	-	-	(178,185,611)	(178,185,611)
Collections of loans previously written-off	-	38,985,270	-	38,985,270
Foreign exchange translation differences	-	-	-	-
Balance at the end of the year	529,273,088	149,013,571	975,108,067	1,653,394,726

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Corporate loans	March 31, 2025			Total
	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	
Allowance for impairment losses at January 01, 2025	1,101,016,052	5,856,757,653	12,502,389,505	19,460,163,210
New financial assets purchased or issued	6,860,441	42,345	-	6,902,786
Financial assets have been matured or derecognised	(3,026,169)	(1,959,310)	(21,912,571)	(26,898,050)
Transfer to stage 1	68,890,022	(68,580,478)	(309,544)	-
Transfer to stage 2	(14,977,141)	14,977,141	-	-
Transfer to stage 3	(717,125)	(332,254,680)	332,971,805	-
Changes in the probability of failure and loss in the event of failure and the balance exposed to failure	(123,153,884)	(142,079,317)	687,117,738	421,884,537
Changes on model assumptions and methodology	-	-	-	-
Loans written-off during the period	-	(8,007)	(230,533,988)	(230,541,995)
Collections of loans previously written-off	-	118,555,073	-	118,555,073
Foreign exchange translation differences	(3,448,078)	(18,341,774)	(331,249)	(22,121,101)
Balance at the end of the period	1,031,444,118	5,427,108,646	13,269,391,696	19,727,944,460

Corporate loans	December 31, 2024			Total
	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	
Allowance for impairment losses at January 01, 2024	1,387,991,908	4,487,617,751	8,785,969,267	14,661,578,926
New financial assets purchased or issued	318,036,953	3,113,421,902	-	3,431,458,855
Financial assets have been matured or derecognised	(793,882,187)	(4,174,408,342)	(45,017,027)	(5,013,307,556)
Transfer to stage 1	173,327,746	(173,216,060)	(111,686)	-
Transfer to stage 2	(32,585,115)	32,585,115	-	-
Transfer to stage 3	(13,465,892)	(413,212,540)	426,678,432	-
Changes in the probability of failure and loss in the event of failure and the balance exposed to failure	(429,080,321)	1,051,806,179	5,676,790,996	6,299,516,854
Changes on model assumptions and methodology	-	-	-	-
Loans written-off during the year	-	(25,272)	(3,600,198,151)	(3,600,223,423)
Collections of loans previously written-off	-	345,758,401	-	345,758,401
Foreign exchange translation differences	490,672,960	1,586,430,519	1,258,277,674	3,335,381,153
Balance at the end of the year	1,101,016,052	5,856,757,653	12,502,389,505	19,460,163,210

Debt instruments at fair value through other comprehensive income	March 31, 2025			Total
	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	
Allowance for impairment losses at January 01, 2025	7,337,046	-	-	7,337,046
New financial assets purchased or issued	110,195	-	-	110,195
Financial assets have been matured or derecognised	(95,761)	-	-	(95,761)
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Changes in the probability of failure and loss in the event of failure and the balance exposed to failure	-	-	-	-
Changes on model assumptions and methodology	-	-	-	-
Loans written-off during the period	-	-	-	-
Foreign exchange translation differences	(35,987)	-	-	(35,987)
Balance at the end of the period	7,315,493	-	-	7,315,493

Debt instruments at fair value through other comprehensive income	December 31, 2024			Total
	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	
Allowance for impairment losses at January 01, 2024	710,129	-	-	710,129
New financial assets purchased or issued	5,921,575	-	-	5,921,575
Financial assets have been matured or derecognised	-	-	-	-
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Changes in the probability of failure and loss in the event of failure and the balance exposed to failure	-	-	-	-
Changes on model assumptions and methodology	-	-	-	-
Loans written-off during the year	-	-	-	-
Foreign exchange translation differences	705,342	-	-	705,342
Balance at the end of the year	7,337,046	-	-	7,337,046

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Debt instruments at amortized cost	March 31, 2025			Total
	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	
Allowance for impairment losses at January 01, 2025	-	-	-	-
New financial assets purchased or issued	-	-	-	-
Financial assets have been matured or derecognised	-	-	-	-
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Changes in the probability of failure and loss in the event of failure and the balance exposed to failure	-	-	-	-
Changes on model assumptions and methodology	-	-	-	-
Loans written-off during the period	-	-	-	-
Foreign exchange translation differences	-	-	-	-
Balance at the end of the period	-	-	-	-

Debt instruments at amortized cost	December 31, 2024			Total
	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	
Allowance for impairment losses at January 01, 2024	-	-	-	-
New financial assets purchased or issued	-	-	-	-
Financial assets have been matured or derecognised	-	-	-	-
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Changes in the probability of failure and loss in the event of failure and the balance exposed to failure	-	-	-	-
Changes on model assumptions and methodology	-	-	-	-
Loans written-off during the year	-	-	-	-
Foreign exchange translation differences	-	-	-	-
Balance at the end of the year	-	-	-	-

Off balance sheet items exposed to credit risks	March 31, 2025	December 31, 2024
	Financial guarantees	255,000
L/Cs	6,922,179,776	4,693,066,288
Accepted papers	2,656,695,312	3,082,753,242
L/Gs	87,922,649,549	85,742,233,015
Total	97,501,779,637	93,518,307,545

Commitments for credit facilities and others exposed to credit risk have a carrying amount of EGP 51,086,246,404 at the end of current reporting period against EGP 51,766,479,043 at in the prior year.

The preceding table shows the maximum limit exposure to risks at the end of March 2025 and December, 2024 without taking into consideration collaterals held by the bank, if any. For financial position items, amounts stated depend on the net carrying amount shown in the financial position.

The preceding table related to financial position items exposed to credit risks shows that 58% of the maximum limit exposed to credit risk at the end of current reporting period is attributable to loans and credit facilities to customers and Banks against 57% at the end of the prior year, investments in debt instruments constitute 18% against 19% at the end of the prior year and treasury bills and other governmental notes constitute 21% against 22% at the end of the prior year.

The management is confident of its ability to maintain control on an ongoing basis and maintain the minimum credit risk resulting from loan portfolio, facilities, and debt instruments based on the following facts:

- 93% of the loans and credit facilities portfolio at the end of the current reporting period comprises loans and credit facilities classified at the top 2 categories of the internal rating against 93% at the end of the prior year.
- 93% of the loan and credit facilities portfolio at the end of the current reporting period does not have arrears or indicators of impairment against 93% at the end of the prior year.

Loans and credit facilities that are individually assessed for impairment (Stage 3) at the end of the current reporting period have a carrying amount of EGP 20,562,381,877. Impairment on these loans and credit facilities represents 70 % of their carrying amount. Loans and credit facilities, that are individually assessed for impairment at the end of the prior year had a carrying amount of EGP 19,647,177,079 and their impairment represents 69% of such carrying amount.

- The Bank applied more prudential selection process on granting loans and credit facilities during the current reporting period ended March 31, 2025.
- 91% of investments in debt instruments and treasury bills and other governmental notes treasury bills at the end of the current reporting period comprise local sovereign debt instruments against 92% at the end of the prior year.

(A/6) Loans and credit facilities

Balances of loans and credit facilities in terms of credit risk rating are analyzed below:

	March 31, 2025		December 31, 2024	
	Loans and credit facilities to customers	Loans and credit facilities to banks	Loans and credit facilities to customers	Loans and credit facilities to banks
Neither have arrears nor impaired	359,844,245,822	2,514,159,014	340,614,279,337	2,527,766,818
Have arrears but not impaired	5,755,646,416	-	5,031,639,386	-
Impaired	20,562,381,877	-	19,647,177,079	-
Total	386,162,274,115	2,514,159,014	365,293,095,802	2,527,766,818
Less: Allowance for impairment losses	(21,552,697,300)	(13,220,077)	(21,113,557,936)	(23,321,880)
Less: Unearned discount & deferred income	(177,633,388)	-	(168,736,354)	-
Net	364,431,943,427	2,500,938,937	344,010,801,512	2,504,444,938

Total credit allowance for loans and credit facilities to customers at the end of the current reporting period amounted to EGP 21,522,697,300 (EGP 21,113,557,936 at the end of the prior year) of which EGP 14,314,871,241 represent impairment in stage three (EGP 13,477,497,572 at the end of the prior year) and EGP 7,237,826,059 represent impairment for stage one and stage two in the credit portfolio (EGP 7,636,060,364 at the end of the prior year).

Note (20-A) includes additional information on the allowance for impairment losses for Loans and credit facilities to customers during the current reporting period.

During the current accounting period, the loans and credit facilities to customers portfolio increase by 6% due to the increase on lending activity.

Loans and credit facilities which do not have arrears and are not impaired

The credit quality of Loans and credit facilities that not impaired is assessed by reference to the bank's internal rating.

Loans and credit facilities to customers

Rating	March 31, 2025				Total
	Overdrafts	Credit cards	Personal loans	Real estate loans	
Good debts	4,289,865,534	2,105,796,925	48,701,012,325	8,552,836,802	63,649,511,586
Normal watch-list	-	-	-	-	-
Special watch-list	7,211	-	-	-	7,211
Total	4,289,872,745	2,105,796,925	48,701,012,325	8,552,836,802	63,649,518,797

Rating	Corporate				Total
	Overdrafts	Direct loans	Syndicated Loans and facilities	Other loans	
Good debts	145,471,189,579	84,571,773,129	41,181,666,280	2,887,463,655	274,112,092,643
Normal watch-list	4,799,378,891	12,347,486,112	2,649,492,650	-	19,796,357,653
Special watch-list	363,588,965	557,440,676	1,365,247,088	-	2,286,276,729
Total	150,634,157,435	97,476,699,917	45,196,406,018	2,887,463,655	296,194,727,025

Guaranteed loans are not considered subject to impairment for the non-performing category after taking into consideration the collectability of the guarantees.

Rating	December 31, 2024				Total
	Overdrafts	Credit cards	Personal loans	Real estate loans	
Good debts	4,261,678,582	2,377,171,901	45,825,911,718	8,024,309,575	60,489,071,776
Normal watch-list	11,563	-	-	-	11,563
Special watch-list	4,943	-	-	-	4,943
Total	4,261,695,088	2,377,171,901	45,825,911,718	8,024,309,575	60,489,088,282

Rating	Corporate				Total
	Overdrafts	Direct loans	Syndicated Loans and facilities	Other loans	
Good debts	140,738,060,110	81,107,847,561	30,088,667,837	3,095,321,087	255,029,896,595
Normal watch-list	4,972,838,463	14,483,954,807	3,030,786,758	-	22,487,580,028
Special watch-list	513,368,851	726,878,829	1,367,466,752	-	2,607,714,432
Total	146,224,267,424	96,318,681,197	34,486,921,347	3,095,321,087	280,125,191,055

Guaranteed loans are not considered subject to impairment for the non-performing category after taking into consideration the collectability of the guarantees.

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Loans and credit facilities which have arrears but are not impairment

These are loans and credit facilities with past-due installments but are not subject to impairment, unless information has otherwise indicated. Loans and credit facilities to customers which have arrears but are not subject to impairment are analyzed below:

March 31, 2025					
Retail					
	Overdrafts	Credit cards	Personal loans	Real estate loans	Total
Up to 30 days	-	148,908,894	1,764,508,800	192,388,690	2,105,806,384
More than 30 – 60 days	-	153,911,930	2,395,928,515	176,429,014	2,726,269,459
More than 60 – 90 days	-	16,283,501	468,605,057	17,200,384	502,088,942
Total	-	319,104,325	4,629,042,372	386,018,088	5,334,164,785

Corporate					
	Overdrafts	Direct loans	Syndicated Loans and facilities	Other loans	Total
Up to 30 days	229,150	171,045,081	-	-	171,274,231
More than 30 – 60 days	-	141,224,767	-	-	141,224,767
More than 60 – 90 days	-	58,556,826	-	-	58,556,826
More than 90 days	-	50,425,807	-	-	50,425,807
Total	229,150	421,252,481	-	-	421,481,631

December 31, 2024					
Retail					
	Overdrafts	Credit cards	Personal loans	Real estate loans	Total
Up to 30 days	-	117,129,586	1,585,507,947	159,141,199	1,861,778,732
More than 30 – 60 days	-	146,901,827	2,369,981,333	119,275,902	2,636,159,062
More than 60 – 90 days	-	14,124,263	235,562,657	16,154,395	265,841,315
Total	-	278,155,676	4,191,051,937	294,571,496	4,763,779,109

Corporate					
	Overdrafts	Direct loans	Syndicated Loans and facilities	Other loans	Total
Up to 30 days	-	77,496,180	-	-	77,496,180
More than 30 – 60 days	-	47,995,365	-	-	47,995,365
More than 60 – 90 days	-	32,386,783	-	-	32,386,783
More than 90 days	-	109,981,949	-	-	109,981,949
Total	-	267,860,277	-	-	267,860,277

Past due loans and credit facilities are those amounts, or any part thereof, which have fallen due but for which no payment has been received in accordance with the contractual terms. These include arrears for periods more than one day.

Amounts shown in the note represent the whole balance of the loan or facility and not only the past due amounts. These do not include the remaining loans and credit facilities of the same customer so long default has not fully or partially occurred on those loans.

On initial recognition of loans and credit facilities, the fair value of collaterals, if any, is assessed based on valuation methods used for similar assets but are not recognized in the financial statements since these do not represent assets of the bank at that date. In subsequent periods, the fair value is updated to reflect the market price or prices for similar assets.

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Loans and credit facilities which are individually impaired
Loans and credit facilities to customers

At the end of the current reporting period the carrying amount of loans and credit facilities, that are assessed to be individually impaired (Stage 3) excluding any cash flows expected to arise from the associated guarantees, amounted to EGP 20,562,381,877 against EGP 19,647,177,079 at the end of the prior year.

The following table provides a breakdown of the balance of such loans and credit facilities which are individually impaired including the fair value of the collaterals shall prevail when calculating the provisions.

	March 31, 2025				
	Overdrafts	Credit cards	Personal loans	Real estate loans	Total
Loans which are individually impaired	111,593,269	52,173,968	958,931,993	91,085,512	1,213,784,742
Fair value of collaterals	-	2,695,875	1,038,560	-	3,734,435
	Corporate				
	Overdrafts	Direct loans	Syndicated Loans and facilities	Other loans	Total
Loans which are individually impaired	5,244,852,401	13,802,911,345	293,233,389	7,600,000	19,348,597,135
Fair value of collaterals	359,720,171	1,141,567,011	-	-	1,501,287,182
	December 31, 2024				
	Overdrafts	Credit cards	Personal loans	Real estate loans	Total
Loans which are individually impaired	81,259,106	50,227,975	925,379,291	80,946,883	1,137,813,255
Fair value of collaterals	-	-	1,130,261	-	1,130,261
	Corporate				
	Overdrafts	Direct loans	Syndicated Loans and facilities	Other loans	Total
Loans which are individually impaired	5,833,210,836	12,375,319,599	293,233,389	7,600,000	18,509,363,824
Fair value of collaterals	388,161,722	874,212,779	-	-	1,262,374,501

Restructured Loans and credit facilities:

The Bank applies different types of restructuring policies to its loans and credit facilities, which include extending payment terms, executing forced management programmes and applying prepayment and extension provisions to the loan. The applied restructuring policies depend on factors or criteria that indicate, in management judgment that the counterparty's continuous payment of the loan is unlikely to occur in the absence of such restructuring policies that are subject to ongoing review. Within the bank renegotiated outstanding loans relate to long-term loans made to any type of clientele (retail and corporate loans clients).

Total renegotiated loans amounted to EGP 6,128,474,517 at the end of the current reporting period against EGP 6,309,255,157 at the end of the prior year. These balances do not include any amounts whose commercial terms were renegotiated to preserve the quality of the bank's relationship with its clients, including those terms pertaining to loans interest rates and/or loans repayment periods.

The Bank practice calls for most clients whose loans have been renegotiated to be maintained in the "non-performing" category, as long as the bank remains uncertain of their ability to meet their future commitments in accordance with the definition of default under Basel II.

Loans and credit facilities to customers

Corporate loans	March 31, 2025	December 31, 2024
Overdrafts	2,994,155,116	3,095,775,492
Direct loans	3,134,319,401	3,213,479,665
Total	6,128,474,517	6,309,255,157

(A/7) Debt instruments, treasury bills, and other governmental notes

The following table shows a breakdown of debt instruments, treasury bills, and other governmental notes (excluding allowances for impairment) per last rating for Fitch and its equivalent:

	Rating	March 31, 2025	December 31, 2024
Egyptian Treasury Bills and Other Governmental	B	134,565,495,010	131,094,220,487
Fair value through other comprehensive income			
Other debt instruments	Unrated	2,138,743,778	2,218,406,603
Other debt instruments	A to A+	5,071,443,606	5,057,464,202
Egyptian debt instruments	B	10,579,881,752	10,541,836,451
US Treasury Bonds	AA+	14,703,375,454	13,430,781,654
Amortized cost			
Egyptian Treasury Bonds	B	84,005,649,060	86,823,766,207
Total		251,064,588,660	249,166,475,604

(A/8) Acquisition of collaterals

The Bank acquire foreclosed asset as acquisition of guarantees as following:

Asset type	March 31, 2025	December 31, 2024
Building & Lands	-	222,999,649

Assets acquired are classified under the other Assets item in the financial position. These assets are sold or used for the purposes of the Bank whenever practicable.

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(A/9) Concentration of risks of financial assets exposed to credit risks

(Geographical segments)

The following table provides a breakdown of the gross amount of the most significant credit risk limits to which the bank is exposed at the end of the current reporting period (excluding allowances for impairment). The gross amount of all financial assets including loans and credit facilities is segmented into the geographical regions of the bank's clients except for investments in foreign treasury bonds which are reported in the "other countries" category.

	Arab Republic of Egypt				Total	Other countries	Total
	Great Cairo	Alex	Delta	Red Sea & Upper Egypt			
Treasury bills and Other Governmental notes	134,565,495,010	-	-	-	134,565,495,010	-	134,565,495,010
Loans and credit facilities to banks	-	-	-	-	-	2,514,159,014	2,514,159,014
Loans and credit facilities to customers							
Retail loans							
Overdrafts	2,713,175,079	873,970,011	629,575,576	184,745,348	4,401,466,014	-	4,401,466,014
Credit cards	1,820,355,074	291,554,722	260,775,837	104,389,585	2,477,075,218	-	2,477,075,218
Personal loans	39,025,858,048	5,145,601,178	6,873,637,227	3,243,890,237	54,288,986,690	-	54,288,986,690
Real estate loans	7,219,984,252	322,404,372	631,156,842	856,394,936	9,029,940,402	-	9,029,940,402
Corporate loans							
Overdrafts	125,071,102,977	18,400,636,742	8,460,326,801	3,947,172,466	155,879,238,986	-	155,879,238,986
Direct loans	82,418,862,023	12,396,018,561	11,152,220,625	5,733,762,534	111,700,863,743	-	111,700,863,743
Syndicated loans and facilities	41,429,996,565	2,039,678,459	1,954,469,833	65,494,550	45,489,639,407	-	45,489,639,407
Other loans	2,812,024,267	34,139,388	-	48,900,000	2,895,063,655	-	2,895,063,655
Financial derivatives	-	-	-	-	-	3,930,142	3,930,142
Financial investments							
Debt instruments	96,724,274,590	-	-	-	96,724,274,590	19,774,819,060	116,499,093,650
Other financial assets	13,801,169,938	442,198,524	467,330,119	85,935,438	14,796,634,019	153,624,952	14,950,258,971
Total at the end of the current period	547,602,297,823	39,946,201,957	30,429,492,860	14,270,685,094	632,248,677,734	22,446,533,168	654,695,210,902
Total at the end of the comparative year	529,037,971,748	36,656,566,412	30,258,573,602	12,836,294,576	608,789,406,338	18,641,737,694	627,431,144,032

(Business segments)

The following table provides a breakdown of the gross amount of the most significant credit risk limits to which the bank is exposed at the end of the current reporting year (excluding allowances for impairment). The gross amount of all financial assets is segmented into business sectors in which the bank's clients operate.

	Agricultural entities	Industrial entities	Trading entities	Service entities	Governmental sector	Foreign Governments	Other activities	Individuals	Total
Treasury bills and Other Governmental notes	-	-	-	-	134,565,495,010	-	-	-	134,565,495,010
Loans and credit facilities to banks	-	-	-	-	-	-	2,514,159,014	-	2,514,159,014
Loans and credit facilities to customers									
Retail loans									
Overdrafts	-	-	-	-	-	-	-	4,401,466,014	4,401,466,014
Credit cards	-	-	-	-	-	-	-	2,477,075,218	2,477,075,218
Personal loans	-	-	-	-	-	-	-	54,288,986,690	54,288,986,690
Real estate loans	-	-	-	-	-	-	-	9,029,940,402	9,029,940,402
Corporate loans									
Overdrafts	3,124,826,682	60,855,935,938	16,223,672,951	75,674,803,415	-	-	-	-	155,879,238,986
Direct loans	1,211,854,292	69,080,728,535	15,885,698,715	25,522,582,201	-	-	-	-	111,700,863,743
Syndicated loans and facilities	116,221,979	33,290,214,172	5,745,945,652	6,337,257,604	-	-	-	-	45,489,639,407
Other loans	-	522,842,415	709,265,369	781,167,046	-	-	881,788,825	-	2,895,063,655
Financial derivatives	-	-	-	-	-	-	3,930,142	-	3,930,142
Financial investments									
Debt instruments	-	-	-	2,138,743,778	94,585,530,812	14,703,375,454	5,071,443,606	-	116,499,093,650
Other financial assets	62,340,117	2,292,476,855	539,899,626	1,834,184,694	9,084,976,418	145,326,089	8,298,863	982,756,309	14,950,258,971
Total at the end of current period	4,515,243,070	166,042,197,915	39,104,482,313	112,288,738,738	238,236,002,240	14,848,701,543	8,479,620,450	71,180,224,633	654,695,210,902
Total at the end of the comparative year	3,793,692,895	156,123,104,064	37,962,150,046	105,455,494,840	234,679,954,847	13,553,850,453	8,763,837,503	67,099,059,384	627,431,144,032

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(B) Market Risk

Market risk is the risk of losses resulting from unfavorable changes in market parameters. It contains all trading book transactions as well as some banking book portfolios valued using the mark-to-market approach. The bank's policy on market risk transactions is "Prudent" in that:

- Products subject to "market risk" which are offered by the Bank to its customers are restricted to cash and simple financial derivatives such as interest rate swaps and foreign exchange swap and forward contracts.
- The only trading activity conducted by the Bank is over-night foreign exchange position, within a prudent limit that cannot be exceeded.
- Open positions must be centrally managed and matched.

The front-office managers assume primary responsibility in terms of risk exposure; however, management lies with an independent structure being the Market Risk Controller (MRC), within Risk Division. The main function of MRC is the ongoing analysis, independently from the trading rooms, of the positions and risks linked to the market activities of the bank and the comparison of these positions to the allowed limits. The MRC carries out the following functions:

- Daily and periodic analysis and reporting (independently from the front office) of the exposures, stress tests and risks incurred by the bank's market activities and comparison of said exposure and risks with the pre-set limits.
- Definition of the risk-measurement methods and control procedures, approval of the valuation methods used to calculate and monitor risks, including those made on a gross or nominal basis.
- Management of the approval process for limits.
- Reviewing new products or services from market risk aspect under New Product Committee to ensure that market risks are properly identified and controlled.

At the proposal of this MRC and Head of Risk Division, the board sets the levels of authorized risk by type of market activity and makes the main decisions concerning bank's market risk management.

(B/1) Methods of Measuring Market Risk and Defining Exposure Limits

As a part of managing market risk, the Bank has several hedging strategies and enters into interest rate swaps to balance the risks inherent in debt instruments and fixed rate long term loans, if the fair value option is applied. The Bank uses a lot of methods to control market risk such as stress testing "ST".

Stress testing gives indicator of the loss volume expected that may arise from sharp adverse circumstances. Stress testing is designed to match business using standard analysis for specific scenarios. The Bank sets a maximum limit of expected losses of 10% from authorized limit according to internal bank rules.

(B/2) Stress test for foreign exchange risk

The following table provides FX position (whether short or long) for all balance sheet items and off balance sheet items.

Currency	Short/Long FX positions	FX short positions	FX long positions	Expected loss at 10%
USD	194,880,837	-	194,880,837	19,488,084
EUR	208,632	-	208,632	20,863
GBP	652,552	-	652,552	65,255
JPY	(6,428)	(6,428)	-	(643)
CHF	231,395	-	231,395	23,140
DKK	(240,217)	(240,217)	-	(24,022)
NOK	275,083	-	275,083	27,508
SEK	53,100	-	53,100	5,310
CAD	406,799	-	406,799	40,680
AUD	73,453	-	73,453	7,345
AED	694,972	-	694,972	69,497
KWD	(192,209)	(192,209)	-	(19,221)
OMR	14,569	-	14,569	1,457
QAR	696,800	-	696,800	69,680
SAR	3,008,108	-	3,008,108	300,811
CNY	248,674	-	248,674	24,867
EGP	(201,006,120)	(201,006,120)	-	-
Maximum expected loss at March 31, 2025				20,100,611
Maximum expected loss at December 31, 2024				26,885,308

(B/3) Foreign exchange rate volatility risk (concentration of FX risk on financial instruments)

The Bank is exposed to foreign exchange rate volatility risk in terms of the financial position and cash flows. The board of directors set limits for foreign exchange risk at the total value of positions at the end of the day and during the day when timely control is exercised. The following table summarizes the bank's exposure to the risks of fluctuations in foreign exchange rates at the end of the current reporting period. This table includes the carrying amounts of the financial instruments in terms of their relevant currencies and in EGP equivalent.

	EGP	USD	EUR	GBP	Other currencies	Total
Financial assets						
Cash and due from Central Bank of Egypt (CBE)	66,008,103,547	2,235,864,896	587,069,296	71,073,356	122,893,145	69,025,004,240
Due from banks	22,093,961,849	92,959,589,423	17,227,831,029	2,019,156,493	568,305,618	134,868,844,412
Treasury bills and Other Governmental notes	115,021,996,581	19,260,851,490	-	-	-	134,282,848,071
Loans and credit facilities to Banks	-	2,500,938,937	-	-	-	2,500,938,937
Loans and credit facilities to customers	255,996,176,485	102,154,712,751	6,213,125,443	48,950,982	18,977,766	364,431,943,427
Financial derivatives	-	3,930,142	-	-	-	3,930,142
Financial investments						
Fair value through other comprehensive income	13,466,269,360	21,850,897,999	5,505,577	-	-	35,322,672,936
Amortized cost	84,005,649,060	-	-	-	-	84,005,649,060
Fair value through profit or loss	106,211,194	-	-	-	-	106,211,194
Other financial assets	13,631,007,981	1,092,028,314	70,550,798	8,202,017	102,241	14,801,891,351
Total financial assets	570,329,376,057	242,058,813,952	24,104,082,143	2,147,382,848	710,278,770	839,349,933,770
Financial liabilities						
Due to banks	3,336,025,715	216,034,951	46,345,774	73,221,784	-	3,671,628,224
Customer deposits	478,253,872,435	224,378,248,419	23,900,652,867	2,065,044,286	607,776,104	729,205,594,111
Financial derivatives	4,688,964	-	-	-	-	4,688,964
Other loans	212,043,748	2,557,677,386	65,164,132	-	-	2,834,885,266
Other financial liabilities	2,927,320,181	580,032,695	15,186,781	5,408,627	108,245	3,528,056,529
Total financial liabilities	484,733,951,043	227,731,993,451	24,027,349,554	2,143,674,697	607,884,349	739,244,853,094
Net financial position	85,595,425,014	14,326,820,501	76,732,589	3,708,151	102,394,421	100,105,080,676
At the end of the comparative year						
Total financial assets	546,947,984,701	228,358,014,663	22,343,543,082	2,613,499,065	970,226,624	801,233,268,136
Total financial liabilities	465,675,410,690	214,480,273,778	22,328,419,762	2,558,331,810	729,257,084	705,771,693,124
Net financial position	81,272,574,011	13,877,740,885	15,123,320	55,167,255	240,969,540	95,461,575,012

(B/4) Structural Interest Rate Risk

- Structural interest rate risk is linked to commercial activities and corporate center transactions. Structural interest rate risk arises from residual gaps (surplus or deficit) of the bank's fixed-rate positions. The general principle is to reduce structural interest rate risk to the maximum extent.
- Whenever possible, commercial operations are hedged against interest rate, either through micro-hedging (individual hedging of each commercial transaction) or macro-hedging techniques (hedging of portfolios of similar commercial transactions within the treasury department).
- Consequently, structural interest rate risk only results from the residual positions remaining after hedging. The absence of interest rate derivative market in Egyptian Pound makes it difficult to hedge positions in this currency.

Organization of the management of Structural Interest Rate risks

- Identification and measurement of the risk is carried out by the Assets & Liabilities Management Unit (ALMU) which comes under the authority of the Bank's finance department.
- Risk assessment, limits and corrective actions are decided by the Assets & Liabilities Management Committee (ALCO) headed by the Chief Executive Officer with the participation of the Managing Directors, the Chief Financial Officer and the Commercial Divisions Heads, the Branch Network Head, the General Secretary and the Head of the Dealing Room.
- Execution of the necessary actions decided by the ALCO for the rectification of the gaps is carried out by the dealing room through the financial market. Progress is reported and notified to the ALMU/ALCO.

Assets & Liabilities Management Committee (ALCO) duties

- Decide on the limits for the sensitivity.
- Review, validate and approve any assumptions used for the identification and measurements of the respective risks.
- Review interest rate Gap and sensitivity position reported through ALMU.
- Assess, amend and approve recommendations for bringing the Gap (if any) within the previously approved limits.

Assets & Liabilities Management Unit (ALMU) duties

- Document and maintain the respective risks management policy as approved by the ALCO.
- Construct and continuously elaborate on the models used for the identification and measurement of the respective risks.
- Report to ALCO on the respective exposures and the evolution of such exposures over time.
- Provide recommendations for bringing the gaps within limits.
- Follow up and notify ALCO of the progress made in the implementation of the ALCO decisions.

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Dealing Room duties

Provide frequent updates on markets movements.

Execute and Report progress of ALCO approved recommendations.

Co-ordinate with ALMU on the spontaneous hedging of special transactions according to ALCO approved policy and recommendations.

Bank's Objective of Interest Rate Risk Management

The Bank's aim is to reduce exposure to structural interest rate risk as much as possible.

Any residual interest rate risk exposure must comply with the sensitivity limits approved by the ALCO. Sensitivity is defined as the variation in the net present value of future residual fixed-rate positions for a 1% parallel increase in the yield curve. Adherence to applicable limits is closely monitored.

Measurement and monitoring of structural interest rate risks

In order to quantify the Bank's exposure to structural interest rate risks, all fixed rate assets and liabilities on future maturities are analyzed to identify any gaps.

On a quarterly basis, assets and liabilities are analyzed independently, without any prior matching. Maturities on outstanding positions are determined on the basis of the contractual terms of the transactions and models of historic client behavior (e.g. saving accounts) as well as conventional assumptions for some balance sheet items (e.g. equity).

Once the gaps have been identified for each major currency, the sensitivity is calculated as the variation of the net present value of the fixed rate position of an instantaneous parallel shift of the 1% in the yield curve of each major currency. The cumulative sensitivity for all currencies as well as for any single currency should not exceed the above mentioned limit.

The following table summarizes the extent to which the bank is exposed to the risks of fluctuations in the interest rate including the carrying amount of the financial instruments distributed on the basis of the rate prevailing in re-pricing dates or maturity dates, whichever is earlier.

At the end of the period	Up to one month	More than one month up to 3 months	More than 3 months up to one year	More than one year up to 5 years	More than 5 years	Interest free	Total
Financial assets							
Cash and due from Central Bank of Egypt (CBE)	-	-	-	-	-	69,025,004,240	69,025,004,240
Due from banks	62,088,586,917	63,053,214,292	7,408,970,605	-	-	2,318,072,598	134,868,844,412
Treasury bills and Other Governmental notes	96,048,190,870	6,830,423,539	31,404,233,662	-	-	-	134,282,848,071
Loans and credit facilities to Banks	2,500,938,937	-	-	-	-	-	2,500,938,937
Loans and credit facilities to customers	292,504,327,544	12,671,856,556	15,289,050,450	35,577,378,611	8,389,330,266	-	364,431,943,427
Financial derivatives	-	-	-	-	-	3,930,142	3,930,142
Financial investments							
Fair value through other comprehensive income	578,347,727	2,884,885,039	5,756,949,010	23,273,262,814	-	2,829,228,346	35,322,672,936
Amortized cost	3,497,028,235	2,180,764,086	13,534,514,122	62,105,351,655	2,687,990,962	-	84,005,649,060
Fair value through profit or loss	-	-	-	-	-	106,211,194	106,211,194
Other financial assets	-	-	-	-	-	14,801,891,351	14,801,891,351
Total financial assets	457,217,420,230	87,621,143,512	73,393,717,849	120,955,993,080	11,077,321,228	89,084,337,871	839,349,933,770
IRS (notional amount)	-	-	-	3,793,830,000	-	-	3,793,830,000
Financial liabilities							
Due to banks	3,299,024,562	-	-	-	-	372,603,662	3,671,628,224
Customer deposits	449,455,857,666	59,988,373,515	50,183,477,084	86,593,856,769	143,032,774	82,840,996,303	729,205,594,111
Financial derivatives	-	-	-	-	-	4,688,964	4,688,964
Other loans	2,566,317,282	38,154,157	213,131,834	17,281,993	-	-	2,834,885,266
Other financial liabilities	-	-	-	-	-	3,528,056,529	3,528,056,529
Total financial liabilities	455,321,199,510	60,026,527,672	50,396,608,918	86,611,138,762	143,032,774	86,746,345,458	739,244,853,094
IRS (notional amount)	3,793,830,000	-	-	-	-	-	3,793,830,000
Re-pricing gap	(1,897,609,280)	27,594,615,840	22,997,108,931	38,138,684,318	10,934,288,454	2,337,992,413	100,105,080,676
At the end of the comparative year							
Total financial assets	428,731,183,426	81,359,607,126	65,508,187,148	122,256,822,385	10,827,332,130	92,550,135,921	801,233,268,136
IRS (notional amount)	-	-	-	3,812,910,000	-	-	3,812,910,000
Total financial liabilities	412,284,734,792	67,006,129,057	46,016,544,610	88,038,041,244	146,519,014	92,279,724,407	705,771,693,124
IRS (notional amount)	3,812,910,000	-	-	-	-	-	3,812,910,000
Re-pricing gap	12,633,538,634	14,353,478,069	19,491,642,538	38,031,691,141	10,680,813,116	270,411,514	95,461,575,012

(C) Liquidity Risk

Liquidity risk is defined as the risk of not being able to meet cash flow or collateral requirements when they fall due and at a reasonable price. The bank manages this exposure through modeling of its cash flow under several scenarios.

Organization of Liquidity Risk Management

Identification and measurement of the risk is carried out by the Assets & Liabilities Management Unit (ALMU) which comes under the authority of the bank's Finance Department.

Risk assessment and corrective actions are decided by the Assets & Liabilities Management Committee (ALCO) headed by the Chief Executive Officer with the participation of the Managing Directors, the Chief Financial Officer and the Commercial Divisions Heads, the Branch Network Head, the General Secretary and the Head of the Dealing Room.

Execution of the necessary actions decided by the ALCO for the rectification of the gaps is carried out by the dealing room and/or the business lines. Progress is reported and notified to the ALMU/ALCO.

Assets & Liabilities Management Committee (ALCO) duties

- Review, validate and approve any assumptions and scenarios used for the identification and measurements of the respective risks.
- Review the structured liquidity Gap reported by ALMU.
- Assess, amend and approve recommendations for funding strategy and/or the portfolio composition for the remedy of the gaps.

Assets & Liabilities Management Unit (ALMU) duties

- Document and maintain the respective risks' management policy as approved by the ALCO.
- Construct and continuously elaborate on the models used for the identification and measurement of the respective risks.
- Report to ALCO on the respective exposures and the evolution of such exposures over time.
- Follow up and notify ALCO of the progress made in the implementation of the ALCO decisions.
- Co-ordinate with the various business lines for funding needs and report potential impact on the liquidity gap.
- Test and advice on the potential impact of any new product offering on the structured liquidity positions.

Dealing Room duties

- Is responsible for managing short term liquidity.
- Provide frequent updates on markets' status and alerting signals of liquidity stretches.
- Execute and Report progress of ALCO approved recommendations.
- Communicate their funding needs to ALMU for the construction of the liquidity gap.

Bank's Objective of Liquidity Risk Management

The bank's objective is to finance its activities at the best possible rates under normal conditions and to ensure it can meet its obligations in the event of a crisis.

To this end, the main principles of the bank's liquidity management are as follows:

- Management of the short-term liquidity in accordance with the regulatory framework.
- Diversification of funding sources.
- Maintenance of a portfolio of liquid assets.

Measurement and monitoring of structural liquidity risks

The bank's liquidity management framework comprises the following processes:

- Regular assessment of the bank structural liquidity profile and its development over time.
- Monitoring of the diversification of funding sources.
- Assessment of the bank's funding needs on the basis of the budget forecasts in order to plan appropriate funding solutions.

Liquidity gaps are constructed by listing the respective on and off-balance sheet-items according to the currency of denomination and residual maturity. Maturities on outstanding assets and liabilities are determined on the basis of the contractual terms of transactions, models of historic client behavior patterns (e.g. savings accounts) as well as conventional assumptions relating to certain balance sheet items (e.g. equity).

Liquidity Risk

Liquidity risk represents difficulty encountering the bank in meeting its financial commitments upon maturity and refurbishing amounts withdrawn. This may result in failure in fulfilling obligations related to depositors and meeting lending commitments.

March 31, 2025

Contractual maturities	Up to one month	More than one month up to 3 months	More than 3 months up to one year	More than one year up to 5 years	More than 5 years	Total
Financial liabilities						
Due to banks	3,716,209,210	-	-	-	-	3,716,209,210
Customer deposits	532,197,031,245	63,511,248,053	65,170,860,058	109,494,191,449	175,426,220	770,548,757,025
Other loans	57,918,973	68,667,506	1,722,095,210	1,135,686,837	-	2,984,368,526
Total financial liabilities	535,971,159,428	63,579,915,559	66,892,955,268	110,629,878,286	175,426,220	777,249,334,761

- All balances shown in the table above represent the undiscounted cash flows; therefore, it is not possible to match these figures with the corresponding items in the statement of financial position.
- The spot foreign exchange rate and interest rate prevailing at that date are used in the above table.

December 31, 2024

Contractual maturities	Up to one month	More than one month up to 3 months	More than 3 months up to one year	More than one year up to 5 years	More than 5 years	Total
Financial liabilities						
Due to banks	16,122,650,692	-	-	-	-	16,122,650,692
Customer deposits	481,908,835,102	71,915,042,690	60,544,787,965	110,058,124,158	183,758,312	724,610,548,227
Other loans	1,402,791,887	26,400,013	1,136,285,405	1,742,832,606	-	4,308,309,911
Total financial liabilities	499,434,277,681	71,941,442,703	61,681,073,370	111,800,956,764	183,758,312	745,041,508,830

- All balances shown in the table above represent the undiscounted cash flows; therefore, it is not possible to match these figures with the corresponding items in the statement of financial position.
- The spot foreign exchange rate and interest rate prevailing at that date are used in the above table.

Assets available to meet all liabilities and cover loan commitments include cash, balances with Central Banks, due from banks, treasury bills, other governmental notes and Loans and credit facilities to banks and clients. Maturity term of percentage of loans to clients that are maturing within a year is extended in the normal course of the bank's business. Moreover, some debt instruments, treasury bills and other governmental notes are pledged to cover liabilities. The Bank has the ability to meet unexpected net cash flows through selling securities, and finding other financing sources.

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Cash flow derivatives
Derivatives settled on a gross-basis

The Bank is a party to derivative contracts that are settled on a gross-basis, in particular foreign exchange derivatives. The following table shows derivative financial liabilities that shall be settled in gross distributed over the remaining periods of contractual maturities at the balance sheet date. The amounts shown in the table represent the undiscounted cash flows.

March 31, 2025						
Maturities for statement of financial position items	Up to one month	More than one month up to 3 months	More than 3 months up to one year	More than one year up to 5 years	More than 5 years	Total
Held for trading derivatives						
Foreign exchange derivatives						
Cash outflows	1,469,627,041	1,692,635,931	533,329,463	-	-	3,695,592,435
Cash inflows	1,471,522,504	1,679,882,468	528,746,708	-	-	3,680,151,680

December 31, 2024						
Maturities for statement of financial position items	Up to one month	More than one month up to 3 months	More than 3 months up to one year	More than one year up to 5 years	More than 5 years	Total
Held for trading derivatives						
Foreign exchange derivatives						
Cash outflows	1,398,522,151	980,198,180	199,350,107	-	-	2,578,070,438
Cash inflows	1,399,870,944	981,831,629	199,587,371	-	-	2,581,289,944

Cash flow for Off-balance sheet items

March 31, 2025				
Maturities for off-balance sheet items	Less than one year	More than one year and less than 5 years	More than 5 years	Total
Financial guarantees	255,000	-	-	255,000
Operating lease commitments	192,621,613	571,018,151	134,306,737	897,946,501
Capital commitments resulting from acquisition of property and equipment	1,508,705,014	-	-	1,508,705,014
Total	1,701,581,627	571,018,151	134,306,737	2,406,906,515

	Less than one year	More than one year and less than 5 years	More than 5 years	Total
Commitments for credit facilities and others exposed to credit risk	47,174,854,125	3,678,105,797	233,286,482	51,086,246,404

December 31, 2024				
Maturities for off-balance sheet items	Less than one year	More than one year and less than 5 years	More than 5 years	Total
Financial guarantees	255,000	-	-	255,000
Operating lease commitments	190,842,397	559,152,213	149,278,619	899,273,229
Capital commitments resulting from acquisition of property and equipment	1,437,705,910	-	-	1,437,705,910
Total	1,628,803,307	559,152,213	149,278,619	2,337,234,139

	Less than one year	More than one year and less than 5 years	More than 5 years	Total
Commitments for credit facilities and others exposed to credit risk	45,578,551,520	5,908,054,745	279,872,778	51,766,479,043

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(D) Fair value of financial assets and liabilities and sources of fair value
(D/1) Financial instruments measured at fair value

Financial assets classified as trading financial assets at fair value with changes in fair value are measured in the statement of income under 'Net trading income'.

Debt instruments classified as financial assets at fair value through other comprehensive income are measured at fair value with changes in fair value recognized in the other comprehensive income statement under "fair value reserve".

For investments in equity instruments, equity securities listed on the stock exchange are measured at fair value in accordance with quoted market prices on the date of the separate financial statements.

For non-listed shares, except for strategic investments, they are evaluated in one of the accepted techniques: discounted cash flow method multiples of value "and the inclusion of the valuation differences in other comprehensive income within the" fair value reserve "; for strategic investments, the cost or nominal value is the fair value of those investments.

The table below shows the financial assets and liabilities at fair value in the separate financial statements within the fair value hierarchy, based on the levels of inputs that are essential for measuring the fair value as a whole:

Level 1:

The first level inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Bank can access on the measurement date.

Level 2:

The inputs of the second level are all inputs other than quoted prices within the first level and these inputs are observable for the asset or liability, directly or indirectly.

Level 3:

The third level inputs are the unobservable inputs of the asset or liability.

Financial Assets	March 31, 2025			Total
	Level 1	Level 2	Level 3	
US Treasury Bonds	14,703,375,454	-	-	14,703,375,454
Other debt instruments	5,071,443,606	2,138,743,778	-	7,210,187,384
Egyptian debt instruments	10,579,881,752	-	-	10,579,881,752
Funds at fair value through other comprehensive income	95,855,635	-	-	95,855,635
Funds at fair value through profit or loss	106,211,194	-	-	106,211,194
Equity Instruments	194,577,868	-	2,538,794,843	2,733,372,711
Financial derivatives	-	3,930,142	-	3,930,142

Financial Assets	December 31, 2024			Total
	Level 1	Level 2	Level 3	
US Treasury Bonds	13,430,781,654	-	-	13,430,781,654
Other debt instruments	5,057,464,202	2,218,406,603	-	7,275,870,805
Egyptian debt instruments	10,541,836,451	-	-	10,541,836,451
Funds at fair value through other comprehensive income	89,081,205	-	-	89,081,205
Funds at fair value through profit or loss	105,921,395	-	-	105,921,395
Equity Instruments	177,067,823	-	2,548,051,135	2,725,118,958
Financial derivatives	-	3,693,595	-	3,693,595

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(D/2) Financial instruments not measured at fair value

The following table summarizes the carrying amount and fair value of financial assets and liabilities that are not stated in the statement of financial position at fair value:

	Carrying amount		Fair value	
	March 31, 2025	December 31, 2024	March 31, 2025	December 31, 2024
Financial assets				
Due from banks	134,868,844,412	121,283,214,717	134,868,844,412	121,283,214,717
Loans and credit facilities to Banks	2,500,938,937	2,504,444,938	2,496,470,687	2,499,826,410
Loans and credit facilities to customers	364,431,943,427	344,010,801,512	365,579,723,898	341,759,239,671
Financial investments at amortized Cost				
Debt instruments	84,005,649,060	86,823,766,207	82,351,205,813	82,447,541,915
Financial liabilities:				
Due to banks	3,671,628,224	16,122,650,231	3,671,628,224	16,122,650,231
Customer deposits	729,205,594,111	681,863,637,359	719,601,110,541	669,663,643,525
Other loans	2,834,885,266	4,132,253,873	2,834,885,266	4,132,253,873

Due from banks:

The carrying amount of variable interest rate of placements and deposits for one day represents reasonable estimate for its fair value. Fair value expected for due to banks with free interest rate is the current value. Fair value expected for deposits bearing fixed interest rate is the current value for those deposits as it is maturity is less than one year.

Loans and credit facilities to customers:

Loans and credit facilities are stated at the statement of financial position net of allowance for impairment losses.

Debt instruments at amortized cost:

The fair value of debt instruments is determined at the cost charged on the "Egyptian Treasury Bonds" according to Reuters announced at the end of the financial period.

Customer deposits and due to other banks:

The estimated fair value for deposits of indefinite maturity, including free-interest rate deposits, represents the amount paid on demand.

(E) Capital management

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

- Compliance with the legally imposed capital requirements in Egypt.
- Protecting the Bank's ability to continue as a going concern and enabling it to generate yield for shareholders and other parties dealing with the Bank.
- Maintaining a strong capital base to enhance growth of the Bank's operations.
- Capital adequacy and uses are reviewed by the bank's management in accordance with the requirements of the regulatory authority represented by the Central Bank of Egypt (CBE). Data is submitted and filed with the CBE on a quarterly basis. The CBE requires the Bank to comply with the following:
 - Maintaining EGP 5 Billion as a minimum requirement for the issued and paid-up capital. The Bank's paid-up capital amounted to EGP 10,774,114,830 at the end of the current period.
 - 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 average of the bank's assets and contingent liabilities. Minimum level of capital adequacy ratio reached 12.50 % during current period, The Bank's capital adequacy ratio reached 22.94% at the end of the current period (December 31, 2024: 22.65%) according to Basel II.

The numerator in the capital adequacy ratio according to Basel II comprise the following 2 tiers:

- Tier 1: basic capital which comprises paid-up capital (net of treasury stock), plus: retained earnings and reserves resulting from profit appropriations (other than general reserve for banking risks & special reserve), less: any goodwill previously recognized and any carried forward losses, plus: the carrying amount of other comprehensive income.
- The interim net profit was incorporated in Tier 1 capital in accordance with the decision of Central Bank of Egypt Board of Directors held on 15 February 2017.
- Tier 2: subordinated capital which comprises with equivalent amount of the loans provision for debt instrument / Loans and credit facilities at stage 1 which does not exceed 1.25% from the total risk-weighted average of assets and contingent liabilities, plus: the carrying amount of subordinated loans/deposits maturing over more than 5 years (provided that such carrying amount shall be reduced by 20 % of its value in each of the last five years of their maturity), in addition to 45% from increase in fair value above the carrying amount of investments in subsidiaries and associates and 45% from special reserve.

In calculating the numerator of the capital adequacy ratio, total value of Tier 2 should not exceed total value of Tier 1. Also, total value of subordinated loans (deposits) should not exceed 50 % of Tier 1.

Assets are risk weighted at a range of 0 to 200%. Risk classification of these assets is based on the type of the debtor as to reflect the associated credit risk and after consideration of cash collaterals. The same treatment is applied for the off-balance sheet items which shall be adjusted to reflect the contingent nature of and potential loss on these amounts.

Capital adequacy Standard had been prepared based on Basel II requirements, and Central Bank of Egypt Board of Directors had approved in its meeting held on December 18, 2012, which had been issued on December 24, 2012 and in accordance with the instructions of the Central Bank of Egypt for the capital adequacy ratio (Basel II) issued during May 2019, And CBE instructions issued in January 2021 regarding the adoption of Standardized Approach for measuring operational risk starting from year 2022 to replace Basic Indicator Approach.

The tables below summarizes the compositions of Tier 1, Tier 2 and the capital adequacy ratio based on Basel II:

According to Basel II	March 31, 2025	December 31, 2024 Restated**
Tier 1 capital		
Share capital	10,774,114,830	10,774,114,830
General reserve	51,014,340,813	51,014,340,813
Legal reserve	5,374,787,415	5,374,787,415
Other reserves	60,878,621	60,878,621
Retained earnings	15,062,088,311	15,062,088,311
Net profit for the period	6,986,302,174	-
General risk reserve	21,453,923	21,453,923
Other comprehensive income	1,784,373,316	1,299,081,963
Total deductions from capital invested	(1,081,833,220)	(1,034,149,604)
Total tier 1 capital	89,996,506,183	82,572,596,272
Tier 2 capital		
45% from special reserve	16,761,150	16,761,150
Impairment provision for loans, debt instruments and contingent liabilities in stage one*	2,158,323,655	2,010,617,253
Total tier 2 capital	2,175,084,805	2,027,378,403
Total capital	92,171,590,988	84,599,974,675
Risk weighted assets and contingent liabilities:		
Credit Risk	375,339,498,216	354,718,307,707
Market Risk	876,979	2,371,562
Operational Risk	26,375,223,426	18,715,383,276
Total risk weighted assets and contingent liabilities	401,715,598,621	373,436,062,545
Capital adequacy ratio for Tier 1	22.40%	22.11%
Capital adequacy ratio	22.94%	22.65%

* Provided it does not exceed 1.25% from total value of risk weighted assets and contingent liabilities.

** After 2024 profit distribution.

- Based on Consolidated financial statement after the disposal of insurance activity.

Leverage financial ratio

Central Bank of Egypt Board of Directors had approved in its meeting held on July 7, 2015 on special supervisory instructions related to leverage ratio which maintaining a minimum level of leverage ratio of 3% to be reported in quarterly basis to be obligatory ratio started from year 2018.

This ratio will be included in Basel requirement Tier1 in order to maintain Egyptian Banking system strong and safe, as long to keep up with best international regulatory treatments.

Leverage financial ratio reflect relationship between Tier 1 for capital that is used in capital adequacy ratio (after exclusions) and other assets (on balance sheet and off-balance sheet) that are not risk weighted assets.

Ratio Elements

I- The numerator elements

The numerator consists of Tier 1 for capital that is used in capital adequacy ratio (after exclusions) in accordance with the requirements of the regulatory authority represented by the Central Bank of Egypt (CBE).

II- The denominator elements

The denominator consists of all bank assets (on balance sheet and off-balance sheet) according to financial statements called "Bank exposures" which include total the following:

- 1- On balance sheet exposure items after deducting some of Tier I Exclusions for capital base.
- 2- Derivatives contracts exposures.
- 3- Financing Financial papers operations exposures.
- 4- Off-balance sheet items (weighted by credit conversion factor).

The tables below summarizes the leverage financial ratio:	March 31, 2025	December 31, 2024 Restated*
Tier 1 capital after exclusions	89,996,506,183	82,572,596,272
Total on-balance sheet exposures, derivatives contracts and financial papers operations.	851,224,477,444	812,021,143,669
Total exposures off-balance sheet	55,526,673,788	54,381,387,115
Total exposures on-balance sheet and off-balance sheet	906,751,151,232	866,402,530,784
Leverage financial ratio	9.93%	9.53%

* After 2024 profit distribution.

- Based on Consolidated financial statements after the disposal of insurance activity.

4- Significant accounting estimates and assumptions :

In the application of the bank's accounting policies, which are described in note 3, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting Period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial Period.

a. Impairment of Loans and credit facilities (Expected Credit Loss)

The Bank reviews its Loans and credit facilities portfolio, at least, on a quarterly basis. Management uses its discretionary judgment in determining whether it is necessary to recognize impairment loss in the income statement. This requires it to identify any reliable evidence indicating measurable decline in the expected future cash flows from loan portfolio before identifying any decline for each individual loan.

This evidence includes data indicating negative change in the ability of a portfolio of borrowers to repay the bank, or local and economic circumstances related to default. On scheduling future cash flows, the management use estimates based on previous experience related to impairment of assets having similar credit risks. Such experience refers to impairment similar to that of the portfolio in question. The methods and assumptions used in estimating both the amount and timing of the future cash flows are reviewed on a regular basis to minimize any discrepancy between the estimated loss and actual loss based on management given experience.

b. Fair value of derivatives

Fair value of derivative financial instruments not quoted in an active market is determined using valuation techniques. When these techniques (such as the pricing models) are used to determine fair value, periodic tests and review are performed on them using competent independent personnel other than those responsible for the preparation of such techniques. All such models have been approved and tested prior to use to ensure that their results reflect reliable data and prices that can be compared to the market. These models use market observable data only to the extent it is practical to obtain such data, however, some areas such as credit risk related to the bank and counterparties, volatility and correlations requires management judgement. Changes in assumptions about these factors can affect the fair value of the financial instrument's disclosure.

c. Debt instrument at amortized cost:

Non-derivative financial assets with fixed or determinable payments and maturity dates are classified as debt instruments at amortized cost "within the business model of financial assets held to collect contractual cash flows".

If classification of investments as amortized cost – other than stakes required to be retained by the Bank in accordance with the provisions of the law – were suspended by the bank, the carrying amount of the outstanding amortized cost investments at the end of the current reporting period would have decreased by EGP 1,654,443,247 to reach the fair value with a corresponding decrease in the fair value through other comprehensive income.

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5-Segmentation analysis

(5/A) Segmental analysis by activity

Segment activity includes operational processes, assets used in offering banking services, management of surrounding risks and related yield. Such activity may be different from other activities. Segmentation analysis of operations according to banking activities includes:

Corporate:

This includes current account activities, deposits, overdrafts, loans, credit facilities, and financial derivatives to large, medium, and small entities.

Individual :

This includes current account activities, deposits, savings, credit cards, personal loans, and real estate loans.

Other businesses:

They include other Banking activities such as fund management.

Inter-segment activities are affected within the bank's normal course of business. Assets and liabilities of each segment include operating assets and liabilities as shown in the bank's balance sheet.

At the end of the current period

Income and expenses according to segmental activities (March 31, 2025)	Corporate	Investments	Individual	Other businesses	Total
Net interest income	3,283,429,993	901,967,839	2,822,165,442	3,996,830,835	11,004,394,109
Net fee and commission income	1,146,829,140	(4,743,446)	484,223,508	111,986,005	1,738,295,207
Dividend income	-	105,217,250	-	-	105,217,250
Net trading income	159,890,338	-	24,610,491	37,817,137	222,317,966
Gain on financial investments	-	63,404,592	-	-	63,404,592
Impairment credit losses	(401,889,273)	(114,699,076)	(185,445,515)	(12,923,516)	(714,957,380)
Administrative expenses	(868,580,387)	(923,447)	(1,247,151,180)	86,495,775	(2,030,159,239)
Other operating revenues (expenses)	(160,018,780)	15,962,214	(266,877,227)	(52,767,316)	(463,701,109)
Profit before income tax	3,159,661,031	966,185,926	1,631,525,519	4,167,438,920	9,924,811,396
Income tax expense	(946,583,351)	(289,453,679)	(488,778,662)	(1,248,497,310)	(2,973,313,002)
Net profit for the current period	2,213,077,680	676,732,247	1,142,746,857	2,918,941,610	6,951,498,394

Assets and liabilities according to segmental activities (March 31, 2025)	Corporate	Investments	Individual	Other businesses	Total
Segment activity assets	296,084,150,093	254,257,643,100	68,347,793,334	199,570,088,117	818,259,674,644
Unclassified assets	-	-	-	-	29,688,008,510
Total assets	296,084,150,093	254,257,643,100	68,347,793,334	199,570,088,117	847,947,683,154
Segment activity liabilities	475,077,708,522	-	254,107,393,786	6,531,694,257	735,716,796,565
Unclassified liabilities	-	-	-	-	22,356,122,401
Total liabilities	475,077,708,522	-	254,107,393,786	6,531,694,257	758,072,918,966

At the end of the comparative period

Income and expenses according to segmental activities (March 31, 2024)	Corporate	Investments	Individual	Other businesses	Total
Net interest income	3,169,251,519	1,854,229,048	2,450,579,483	2,243,720,934	9,717,780,984
Net fee and commission income	779,346,178	(11,931,682)	432,468,058	77,606,255	1,277,488,809
Dividend income	-	-	-	-	-
Net trading income	675,701,329	-	98,035,993	(667,441,059)	106,296,263
Gain on financial investments	-	110,240,327	-	-	110,240,327
Impairment credit losses	(1,787,832,917)	(263,196,449)	(172,953,372)	1,610,530	(2,222,372,208)
Administrative expenses	(796,590,854)	(1,595,143)	(1,064,349,376)	70,219,389	(1,792,315,984)
Other operating revenues (expenses)	(112,144,762)	285,821,841	(152,981,615)	3,065,378,077	3,086,073,541
Profit before income tax	1,927,730,493	1,973,567,942	1,590,799,171	4,791,094,126	10,283,191,732
Income tax expense	(643,505,359)	(658,806,587)	(531,032,629)	(1,599,339,096)	(3,432,683,671)
Net profit for the comparative period	1,284,225,134	1,314,761,355	1,059,766,542	3,191,755,030	6,850,508,061

At the end of the comparative year

Assets and liabilities according to segmental activities (December 31, 2024)	Corporate	Investments	Individual	Other businesses	Total
Segment activity assets	279,274,905,222	252,458,051,985	64,709,166,846	185,625,653,086	782,067,777,139
Unclassified assets	-	-	-	-	26,908,181,432
Total assets	279,274,905,222	252,458,051,985	64,709,166,846	185,625,653,086	808,975,958,571
Segment activity liabilities	447,577,622,789	-	234,286,014,570	20,263,713,474	702,127,350,833
Unclassified liabilities	-	-	-	-	18,299,813,507
Total liabilities	447,577,622,789	-	234,286,014,570	20,263,713,474	720,427,164,340

(5/B) Segmental analysis by geographic area

At the end of the current period

Income and expenses according to geographical segments (March 31, 2025)	Great Cairo	Alex	Delta	Red Sea / Upper Egypt	Head office	Total
Net interest income	4,917,148,242	777,411,029	654,341,394	320,039,185	4,335,454,259	11,004,394,109
Net fee and commission income	962,978,913	184,209,529	171,638,380	77,579,193	341,889,192	1,758,295,207
Dividend income	-	-	-	-	105,217,250	105,217,250
Net trading income	121,591,646	26,961,604	20,565,614	13,699,818	59,499,284	222,317,966
Gain on financial investments	-	-	-	-	63,404,592	63,404,592
Impairment credit losses	(538,337,342)	56,200,757	(80,306,147)	(14,906,956)	(137,607,692)	(714,957,380)
Administrative expenses	(1,461,179,693)	(267,428,544)	(233,717,703)	(126,535,767)	58,702,468	(2,030,159,239)
Other operating revenues (expenses)	(322,807,066)	(51,605,026)	(20,845,154)	(25,448,101)	(42,995,762)	(463,701,109)
Profit before income tax	3,679,394,700	725,749,349	511,676,384	244,427,372	4,763,563,591	9,924,811,396
Income tax expense	(1,102,287,154)	(217,422,769)	(153,289,970)	(73,226,488)	(1,427,086,621)	(2,973,313,002)
Net profit for the current period	2,577,107,546	508,326,580	358,386,414	171,200,884	3,336,476,970	6,951,498,394

Assets and liabilities according to geographical segments (March 31, 2025)	Great Cairo	Alex	Delta	Red Sea/ Upper Egypt	Head office	Total
Assets of geographical segments	292,236,882,819	39,303,205,820	27,620,905,252	13,657,118,959	474,588,169,820	847,406,282,670
Unclassified assets	-	-	-	-	-	541,400,484
Total assets	292,236,882,819	39,303,205,820	27,620,905,252	13,657,118,959	474,588,169,820	847,947,683,154
Liabilities of geographical segments	565,232,837,266	84,908,717,799	54,924,392,705	31,009,265,796	12,192,961,069	748,268,174,635
Unclassified liabilities	-	-	-	-	-	9,804,744,331
Total liabilities	565,232,837,266	84,908,717,799	54,924,392,705	31,009,265,796	12,192,961,069	758,072,918,966

At the end of the comparative period

Income and expenses according to geographical segments (March 31, 2024)	Great Cairo	Alex	Delta	Red Sea/ Upper Egypt	Head office	Total
Net interest income	4,555,614,237	728,755,283	589,521,767	271,192,227	3,572,697,470	9,717,780,984
Net fee and commission income	605,319,991	115,207,335	125,899,579	46,712,881	384,349,023	1,277,488,809
Dividend income	-	-	-	-	-	-
Net trading income	90,969,030	16,081,465	10,182,615	3,244,709	(14,181,556)	106,296,263
Gain on financial investments	-	-	-	-	110,240,327	110,240,327
Impairment credit losses	(1,627,887,607)	(128,962,961)	(194,876,324)	(6,691,903)	(263,953,413)	(2,222,372,208)
Administrative expenses	(1,270,499,484)	(237,697,385)	(214,850,265)	(114,431,026)	45,162,176	(1,792,315,984)
Other operating revenues (expenses)	(153,106,554)	(41,708,724)	(43,981,720)	(20,552,688)	3,345,423,227	3,086,073,541
Profit before income tax	2,200,409,613	451,675,013	271,895,652	179,474,200	7,179,737,254	10,283,191,732
Income tax expense	(734,529,741)	(150,775,895)	(90,762,848)	(59,911,180)	(2,396,704,007)	(3,432,683,671)
Net profit for the comparative period	1,465,879,872	300,899,118	181,132,804	119,563,020	4,783,033,247	6,850,508,061

At the end of the comparative year

Assets and liabilities according to geographical segments (December 31, 2024)	Great Cairo	Alex	Delta	Red Sea/ Upper Egypt	Head office	Total
Assets of geographical segments	275,843,750,806	36,004,958,928	27,597,361,058	12,260,250,514	456,726,537,875	808,432,859,181
Unclassified assets	-	-	-	-	-	543,099,390
Total assets	275,843,750,806	36,004,958,928	27,597,361,058	12,260,250,514	456,726,537,875	808,975,958,571
Liabilities of geographical segments	546,412,000,613	76,925,204,742	51,201,434,667	26,730,636,500	11,311,506,317	712,580,782,839
Unclassified liabilities	-	-	-	-	-	7,846,381,501
Total liabilities	546,412,000,613	76,925,204,742	51,201,434,667	26,730,636,500	11,311,506,317	720,427,164,340

Geographical segmental analysis is based on the locations of branches through which the bank provides its services.

	March 31, 2025	March 31, 2024
6- Net interest income		
Interest from loans and similar income:		
Loans and credit facilities:		
- Customers and banks	17,978,297,463	11,844,892,161
Total	17,978,297,463	11,844,892,161
Treasury bills, bonds and Other Governmental notes	12,238,271,311	11,944,939,292
Other debt instruments	218,921,115	128,536,092
Deposits and current accounts	3,315,532,885	1,827,664,448
Net interest differential on hedging instruments (IRS contracts)	(4,221,641)	(9,991,630)
Total	33,746,801,133	25,736,040,363
Cost of deposits and similar expense :		
Deposits and current accounts:		
- Banks	(40,786,215)	(161,128,545)
- Customers	(22,648,633,253)	(15,789,046,470)
Total	(22,689,419,468)	(15,950,175,015)
Repo arrangements	(734,559)	(2,016,396)
Other loans	(52,252,997)	(66,067,968)
Total	(22,742,407,024)	(16,018,259,379)
Net	11,004,394,109	9,717,780,984
7- Net fee and commission income:	March 31, 2025	March 31, 2024
Fee and commission income:		
Credit fees and commission	1,169,635,177	987,860,208
Custody fees	42,566,733	28,215,393
Investment commission	8,731,832	8,283,504
Other fees	914,062,662	674,522,801
Total	2,134,996,404	1,698,881,906
Fee and commission expense:		
Brokerage fees	(6,328,484)	(11,151,646)
Other fees	(390,372,713)	(410,241,451)
Total	(396,701,197)	(421,393,097)
Net	1,738,295,207	1,277,488,809
8- Dividend income	March 31, 2025	March 31, 2024
subsidiaries	99,981,250	-
Equity instruments at fair value through other comprehensive income	5,236,000	-
Total	105,217,250	-
9- Net trading income:	March 31, 2025	March 31, 2024
Forex operations:		
Foreign exchange trading gains (loss)	230,887,348	210,183,940
Changes in fair value of currency forward contracts	(8,412,711)	(105,184,080)
Changes in fair value of currency swap contracts	30,152	1,609
Changes in fair value IRS contracts	(186,823)	1,294,794
Total	222,317,966	106,296,263
10- Administrative expenses	March 31, 2025	March 31, 2024
Staff cost:		
Salaries and wages	967,497,689	769,380,381
Social insurance	50,654,621	42,699,138
Pension cost:		
Defined contribution scheme	35,083,944	30,400,885
Other retirement benefits (Defined benefit scheme)	31,015,330	25,240,491
Total	1,084,251,584	867,720,895
Depreciation and amortization	137,963,212	125,121,143
Other administrative expenses	807,944,443	799,473,946
Total	2,030,159,239	1,792,315,984
11- Other operating revenues (expenses)	March 31, 2025	March 31, 2024
Foreign exchange differences from translation of foreign currency monetary assets and liabilities other than held for trading items and those classified as at fair value through profit or loss at initial recognition	(52,014,525)	3,331,738,447
Software cost	(339,118,064)	(181,503,206)
Operating lease rental expense	(56,446,125)	(51,462,011)
Gain on sale of foreclosed assets reverted to the bank in settlement of debts	5,010,000	105,713
Other provisions (net of reversed amounts)	(35,139,224)	(34,430,357)
Other income (expense)	14,006,829	21,624,955
Total	(463,701,109)	3,086,073,541
12- Impairment credit losses	March 31, 2025	March 31, 2024
Loans and credit facilities to customers	(587,334,788)	(1,960,786,289)
Loans and credit facilities to Banks	9,985,100	2,369,620
Due from banks	9,492,958	605,009
Treasury bills and Other Governmental notes	(114,684,642)	(262,437,929)
Debt instruments at fair value through other comprehensive income	(14,434)	(758,520)
Other assets	(32,401,574)	(1,364,099)
Total	(714,957,380)	(2,222,372,208)

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13- Income tax expense	March 31, 2025	March 31, 2024
Current tax	(3,017,676,414)	(3,613,539,903)
Deferred tax	44,363,412	180,856,232
Total	(2,973,313,002)	(3,432,683,671)

Additional data on deferred tax is disclosed in note 31. Income tax expense is different from the tax that would have arisen had the statutory tax rate been applied on pre-tax accounting profit as shown below:

Profit before tax	9,924,811,396	10,283,191,732
Income tax calculated at 22.5 % tax rate	2,233,082,564	2,313,718,140
Tax impact for:		
Non-taxable income	(89,264,821)	(60,182,131)
Non-deductible expenses for tax purposes	794,405,097	966,110,542
Recognize of deferred tax assets	(1,296,518)	4,796,081
Provision and segregated interest	70,228,367	389,097,271
Tax deductible (10% on dividend income)	10,521,725	-
Effective income tax expense	3,017,676,414	3,613,539,903

Tax Position

A) QNB Position:

A-1) Corporate Tax

The Bank's accounts were tax-inspected and settled with respect to Tax since the beginning of activity till the end of December 31, 2010.

Years 2011 and 2012 transferred to court.

Years 2013 till 2020 have been inspected, and the due tax was paid.

Years 2021, the period for the examination was requested, and the documents were submitted to the Egyptian Tax Authority during the legal dates.

Year 2022 & 2023 the Bank submitted its tax return in the due date and books have not been inspected yet.

Year 2024, the bank's tax return is under preparation and will be submitted to the tax authority on legal dates.

A-2) Salaries Taxes

The Bank's books have been inspected, and the due tax was paid until year 2020.

Years from 2021 to 2024 the Bank submitted its tax return in the due date and books have not been inspected yet.

A-3) Stamp duties

The Bank's books have been inspected, for all branches until July 31, 2006 and all tax was paid.

Years August 01, 2006 till December 31, 2021 have been inspected, and the due tax was paid.

Years from 2021 to 2024 the Bank paid the taxes on the due date and books have not been inspected yet.

(B) EX-MIBank Position:

B-1) Corporate tax

The Bank's accounts were tax- inspected and settled since the beginning of activity till November 30,2006.

B-2) Salaries taxes

The Bank's books have been inspected, and the due tax was paid till November 30, 2006.

B-3) Stamp duties

The Bank's books have been inspected for all branches until July 31, 2006 and all due tax was paid.

Period from August 01, 2006 till November 30, 2006 have been inspected, and the due tax was paid.

14- Earnings Per Share	March 31, 2025	March 31, 2024
Net Profit for the Period	6,951,498,394	6,850,508,061
Remuneration for the Board Members (from the period's net profit)*	(5,000,000)	(5,000,000)
Staff profit share (from the period's net profit)*	(700,676,143)	(689,653,796)
Profit available to shareholders	6,245,822,251	6,155,854,265
Weighted average number of the shares outstanding during the period	2,154,822,966	2,154,822,966
Earning Per Share	2.90	2.86

* Estimate amount based on bank approved budget. The actual amount will be subject to the ordinary AGM approval at the end of year.

15- Classification and measurement of financial assets and financial liabilities

The following table shows the gross financial assets and financial liabilities (excluding allowances for impairment) according to the business model classification:

March 31, 2025	Amortized cost	Debt instruments at fair value through other comprehensive income	Equity instruments at fair value through other comprehensive income	Financial instruments at fair value through profit or loss	Total Carrying amount
Cash and due from Central Bank of Egypt (CBE)	69,025,004,240	-	-	-	69,025,004,240
Due from banks	134,966,865,035	-	-	-	134,966,865,035
Treasury bills and Other Governmental notes	19,543,498,429	115,021,996,581	-	-	134,565,495,010
Loans and credit facilities to Banks	2,514,159,014	-	-	-	2,514,159,014
Loans and credit facilities to customers	386,162,274,115	-	-	-	386,162,274,115
Financial derivatives	-	-	-	3,930,142	3,930,142
Fair value through other comprehensive income	-	32,493,444,590	2,829,228,346	-	35,322,672,936
Amortized cost	84,005,649,060	-	-	-	84,005,649,060
Fair value through profit or loss	-	-	-	106,211,194	106,211,194
Other financial assets	14,950,258,971	-	-	-	14,950,258,971
Total financial assets	711,167,708,864	147,515,441,171	2,829,228,346	110,141,336	861,622,519,717
Due to banks	3,671,628,224	-	-	-	3,671,628,224
Customer deposits	729,205,594,111	-	-	-	729,205,594,111
Financial derivatives	-	-	-	4,688,964	4,688,964
Other loans	2,834,885,266	-	-	-	2,834,885,266
Other financial liabilities	3,528,056,529	-	-	-	3,528,056,529
Total financial liabilities	739,240,164,130	-	-	4,688,964	739,244,853,094

December 31, 2024	Amortized cost	Debt instruments at fair value through other comprehensive income	Equity instruments at fair value through other comprehensive income	Financial instruments at fair value through profit or loss	Total Carrying amount
Cash and due from Central Bank of Egypt (CBE)	71,189,180,717	-	-	-	71,189,180,717
Due from banks	121,391,269,008	-	-	-	121,391,269,008
Treasury bills and Other Governmental notes	19,867,621,720	111,226,598,767	-	-	131,094,220,487
Loans and credit facilities to Banks	2,527,766,818	-	-	-	2,527,766,818
Loans and credit facilities to customers	365,293,095,802	-	-	-	365,293,095,802
Financial derivatives	-	-	-	3,693,595	3,693,595
Fair value through other comprehensive income	-	31,248,488,910	2,814,200,163	-	34,062,689,073
Amortized cost	86,823,766,207	-	-	-	86,823,766,207
Fair value through profit or loss	-	-	-	105,921,395	105,921,395
Other financial assets	10,440,112,213	-	-	-	10,440,112,213
Total financial assets	677,532,812,485	142,475,087,677	2,814,200,163	109,614,990	822,931,715,315
Due to banks	16,122,650,231	-	-	-	16,122,650,231
Customer deposits	681,863,637,359	-	-	-	681,863,637,359
Financial derivatives	-	-	-	8,809,370	8,809,370
Other loans	4,132,253,873	-	-	-	4,132,253,873
Other financial liabilities	3,644,342,291	-	-	-	3,644,342,291
Total financial liabilities	705,762,883,754	-	-	8,809,370	705,771,693,124

Qatar National Bank S.A.E
Notes to the Separate Financial Statements
For Three Months Period Ended 31 March 2025

(All amounts are shown in Egyptian Pounds)

16- Cash and due from Central Bank of Egypt (CBE)	March 31, 2025	December 31, 2024
Cash	6,828,629,614	9,381,610,325
Balances with CBE (mandatory reserve)	62,196,374,626	61,807,570,392
Total	69,025,004,240	71,189,180,717
Interest free balances	69,025,004,240	71,189,180,717
Total	69,025,004,240	71,189,180,717

17- Due from Banks	March 31, 2025	December 31, 2024
Current accounts	6,197,803,050	8,837,770,998
Deposits	128,769,061,985	112,553,498,010
	134,966,865,035	121,391,269,008
Less : Allowance for impairment losses	(98,020,623)	(108,054,291)
Total	134,868,844,412	121,283,214,717
Balances at CBE other than those under the mandatory reserve	40,584,635,233	36,459,710,448
Local banks	31,402,883,863	27,298,465,872
Foreign Banks	62,979,345,939	57,633,092,688
Less : Allowance for impairment losses	(98,020,623)	(108,054,291)
Total	134,868,844,412	121,283,214,717
Interest free balances	2,318,072,598	8,112,997,540
Balances at floating interest rates	3,879,730,452	724,773,458
Balances at fixed interest rates	128,769,061,985	112,553,498,010
Less : Allowance for impairment losses	(98,020,623)	(108,054,291)
Total	134,868,844,412	121,283,214,717
Current balances	134,868,844,412	121,283,214,717
Total	134,868,844,412	121,283,214,717

18- Treasury bills and Other governmental notes	March 31, 2025	December 31, 2024
91 days maturity	6,516,350,000	4,300,425,000
182 days maturity	8,389,900,000	9,318,800,000
More than 182 days maturity	35,594,633,080	41,365,735,160
Less : Unearned interest	(2,781,933,300)	(2,579,205,871)
	47,718,949,780	52,405,754,289
Less : Allowance for impairment losses	(282,646,939)	(168,807,016)
Fair Value Reserve	(153,454,770)	(311,533,802)
Total Treasury bills	47,282,848,071	51,925,413,471
Other governmental notes	87,000,000,000	79,000,000,000
Total Treasury bills and Other governmental notes	134,282,848,071	130,925,413,471
Treasury bills and Other governmental notes classified as amortized cost	19,260,851,490	19,698,814,704
Treasury bills and Other governmental notes classified as FVOCI	115,021,996,581	111,226,598,767
Total	134,282,848,071	130,925,413,471

19- Loans and credit facilities to Banks	March 31, 2025	December 31, 2024
Other loans	-	3,157,277
Term Loans	2,514,159,014	2,524,609,541
Total	2,514,159,014	2,527,766,818
Less : Allowance for impairment losses	(13,220,077)	(23,321,880)
Total	2,500,938,937	2,504,444,938

20- Loans and credit facilities to customers	March 31, 2025			December 31, 2024		
	Total	Allowance for impairment losses	Net	Total	Allowance for impairment losses	Net
Individuals						
Overdrafts	4,401,466,014	(113,100,498)	4,288,365,516	4,342,954,194	(81,482,194)	4,261,472,000
Credit cards	2,477,075,218	(503,736,132)	1,973,339,086	2,705,555,552	(455,377,694)	2,250,177,858
Personal loans	54,288,986,690	(1,056,066,979)	53,232,919,711	50,942,342,946	(985,933,706)	49,956,409,240
Real estate loans	9,029,940,402	(151,849,231)	8,878,091,171	8,399,827,954	(130,601,132)	8,269,226,822
Total (1)	70,197,468,324	(1,824,752,840)	68,372,715,484	66,390,680,646	(1,653,394,726)	64,737,285,920
Corporate including small loans for businesses						
Overdrafts	155,879,238,986	(5,143,613,491)	150,735,625,495	152,057,478,260	(5,744,624,916)	146,312,853,344
Direct loans	111,700,863,743	(13,383,765,497)	98,317,098,246	108,961,861,073	(12,356,729,951)	96,605,131,122
Syndicated loans and facilities	45,489,639,407	(1,188,777,178)	44,300,862,229	34,780,154,736	(1,344,823,897)	33,435,330,839
Other loans	2,895,063,655	(11,788,294)	2,883,275,361	3,102,921,087	(13,984,446)	3,088,936,641
Total (2)	315,964,805,791	(19,727,944,460)	296,236,861,331	298,902,415,156	(19,460,163,210)	279,442,251,946
Total loans and credit facilities to customers (1+2)	386,162,274,115	(21,552,697,300)	364,609,576,815	365,293,095,802	(21,113,557,936)	344,179,537,866
Less: Unearned discount and deferred income			(177,633,388)			(168,736,354)
Net Loans and credit facilities to customers distributed as follows:			364,431,943,427			344,010,801,512
Current balances			262,222,500,476			245,597,741,533
Non-current balances			102,209,442,951			98,413,059,979
Net Loans and credit facilities to customers			364,431,943,427			344,010,801,512

20-A Allowance for impairment losses

						March 31, 2025							
Individuals		Overdrafts	Credit cards	Personal loans	Real estate loans	Total	Corporate		Overdrafts	Direct loans	Syndicated loans and facilities	Other loans	Total
Balance at beginning of the year		81,482,194	455,377,694	985,933,706	130,601,132	1,653,394,726	Balance at beginning of the year		5,744,624,916	12,356,729,951	1,344,823,897	13,984,446	19,460,163,210
Net impairment loss recognized during the period		36,910,063	59,249,275	67,972,454	21,313,723	185,445,515	Net impairment loss recognized during the period		(594,481,293)	1,153,068,828	(154,518,007)	(2,180,255)	401,889,273
Loans written-off during the period		(5,291,759)	(10,890,837)	(13,189,069)	(65,624)	(29,437,289)	Loans written-off during the period		-	(230,541,995)	-	-	(230,541,995)
Collection of loans previously written-off		-	-	15,349,888	-	15,349,888	Collection of loans previously written-off		-	118,555,073	-	-	118,555,073
Foreign exchange translation differences		-	-	-	-	-	Foreign exchange translation differences		(6,530,132)	(14,046,360)	(1,528,712)	(15,897)	(22,121,101)
Balance at end of the period		113,100,498	503,736,132	1,056,066,979	151,849,231	1,824,752,840	Balance at end of the period		5,143,613,491	13,383,765,497	1,188,777,178	11,788,294	19,727,944,460
Total						21,552,697,300	Total						21,552,697,300
						December 31, 2024							
Individuals		Overdrafts	Credit cards	Personal loans	Real estate loans	Total	Corporate		Overdrafts	Direct loans	Syndicated loans and facilities	Other loans	Total
Balance at beginning of comparative year		60,172,193	122,029,564	975,527,353	115,141,068	1,272,870,178	Balance at beginning of comparative year		4,831,710,678	9,237,563,334	538,844,136	53,460,778	14,661,578,926
Net impairment loss recognized during the year		27,931,518	361,891,431	109,349,268	20,552,672	519,724,889	Net impairment loss recognized during the year		(186,257,741)	4,272,166,660	683,397,426	(51,638,192)	4,717,668,153
Loans written-off during the year		(6,621,517)	(28,543,301)	(137,928,185)	(5,092,608)	(178,185,611)	Loans written-off during the year		-	(3,600,223,423)	-	-	(3,600,223,423)
Collection of loans previously written-off		-	-	38,985,270	-	38,985,270	Collection of loans previously written-off		-	345,758,401	-	-	345,758,401
Foreign exchange translation differences		-	-	-	-	-	Foreign exchange translation differences		1,099,171,979	2,101,464,979	122,582,335	12,161,860	3,335,381,153
Balance at end of the year		81,482,194	455,377,694	985,933,706	130,601,132	1,653,394,726	Balance at end of the year		5,744,624,916	12,356,729,951	1,344,823,897	13,984,446	19,460,163,210
Total						21,113,557,936	Total						21,113,557,936

21- Financial Derivatives

				March 31, 2025		
		Notional amount	Assets	Liabilities		
(A) Held for trading	- Forward foreign exchange contracts	3,695,592,435	-	4,688,964		
	- Swap foreign exchange contracts	-	-	-		
	Total	3,695,592,435	-	4,688,964		
(B) Fair value hedge	- Interest rate swap contracts	3,793,830,000	3,930,142	-		
	Total	3,793,830,000	3,930,142	-		
Total		7,489,422,435	3,930,142	4,688,964		
				December 31, 2024		
		Notional amount	Assets	Liabilities		
(A) Held for trading	- Forward foreign exchange contracts	2,301,200,818	3,723,747	-		
	- Swap foreign exchange contracts	276,869,620	(30,152)	-		
	Total	2,578,070,438	3,693,595	-		
(B) Fair value hedge	- Interest rate swap contracts	3,812,910,000	-	8,809,370		
	Total	3,812,910,000	-	8,809,370		
Total		6,390,980,438	3,693,595	8,809,370		

Forward exchange contracts represent commitments to purchase local and foreign currencies including the unexecuted part of regular-way transactions. Interest rate swap contracts represent commitments to swap fixed interest rate with variable interest rate where the physical exchange of funds is not required except in foreign exchange swaps. The Bank's credit risk represents the cost of potential replacement of the swaps in case other parties fail to meet their obligations. This risk is controlled on an ongoing basis in terms of fair value and percentage of contracted amounts. To control the outstanding credit risk, the Bank assesses counterparties to the contract in the same manner used in lending activities.

- Fair value hedge

The Bank uses interest rate swap contracts to mitigate part of the risk of potential increase in fair value of its fixed rate customer deposits in foreign currencies to the extent caused by declining market interest rates.

Net fair value of hedging instruments (Interest rate swap) assets amounted to EGP 3,930,142 as of March 31, 2025 (Liability EGP 8,809,370 in the prior year). Gain resulting from hedging instruments amounted to EGP 12,739,511 (Loss of EGP 6,467,661 in the prior year) and Loss arose from the hedged items reached EGP12,926,334 (Gain of EGP 6,638,570 in the prior year).

22- Financial investments

Fair value through other comprehensive income (FVTOCI)	March 31, 2025	December 31, 2024
(A) Debt instruments at fair value:		
Listed Instruments in Egyptian Stock Exchange Market	12,718,625,530	12,760,243,054
Listed instruments in foreign stock exchange market	19,774,819,060	18,488,245,856
Total debt instruments measured at fair value through other comprehensive income	32,493,444,590	31,248,488,910
(B) Equity instruments at fair value:		
Listed instruments in Egyptian stock exchange market	194,577,868	177,067,823
Unlisted instruments in stock exchange market	2,538,794,843	2,548,051,135
Total equity instruments measured at fair value through other comprehensive income	2,733,372,711	2,725,118,958
(C) Money market funds and balanced funds:		
Unlisted instruments in stock exchange market	95,855,635	89,081,205
Total financial investments measured at Fair value through other comprehensive income (1)	35,322,672,936	34,062,689,073
Amortized cost		
(A) Debt Instruments:		
Listed instruments in stock exchange market	84,005,649,060	86,823,766,207
Total Debt instruments measured at amortized cost (2)	84,005,649,060	86,823,766,207
Fair value through profit or loss (FVTPL)		
(A) Mutual funds:		
Unlisted instruments in stock exchange market*	106,211,194	105,921,395
Total equity instruments measured at fair value through profit or loss (3)	106,211,194	105,921,395
Total Financial investments (1+2+3)	119,434,533,190	120,992,376,675
Current balances	26,643,697,534	24,134,521,127
Non-current balances	92,790,835,656	96,857,855,548
Total financial investment	119,434,533,190	120,992,376,675
Fixed interest debt instruments	114,360,349,872	115,853,848,514
Variable interest debt instruments	2,138,743,778	2,218,406,603
Total debt instruments	116,499,093,650	118,072,255,117

The following table analyzes the movements on financial investments during the period:

	Fair value through other comprehensive income	Amortized cost
Balance at the beginning of the current year	34,062,689,073	86,823,766,207
Additions	3,065,339,452	460,311,886
Amortization of premium / discount	14,990,131	83,014,967
Disposals (sale/redemption)	(2,117,083,558)	(3,361,444,000)
Translation differences resulting from monetary foreign currency denominated assets	(93,072,424)	-
Changes in fair value reserve	389,810,262	-
Transferred to Retained Earnings	-	-
Change in Allowance for impairment during the period	-	-
Balance at the end of the current period	35,322,672,936	84,005,649,060

The following table analyzes the movements on financial investments during the comparative year:

	Fair value through other comprehensive income	Amortized cost
Balance at the beginning of the comparative year	16,292,961,610	80,536,769,618
Additions	18,678,778,518	32,595,832,884
Amortization of premium / discount	76,090,486	338,697,706
Disposals (sale/redemption)	(8,587,914,953)	(26,647,534,001)
Translation differences resulting from monetary foreign currency denominated assets	6,120,000,464	-
Changes in fair value reserve	1,497,999,612	-
Transferred to Retained Earnings	(15,226,664)	-
Change in Allowance for impairment during the year	-	-
Balance at the end of the comparative year	34,062,689,073	86,823,766,207

	March 31, 2025	March 31, 2024
Gain on financial investments		
Gain on financial investments at fair value through profit or loss	5,121,027	4,475,843
Gain on selling financial investments at fair value through other comprehensive income	58,283,565	105,764,484
Total	63,404,592	110,240,327

- * The Bank's equity instruments classified in the fair value through other comprehensive income category represent Bank subscribed stake at 5% from the total certificates' number of its QNB First Fund with cumulative daily return (THEMAR Money Market Fund) upon its initial offering, in addition to the Bank subscribed stake at 20% from the total certificates' number of its QNB Second Fund with yearly / cumulative return (Tawazon Balanced Fund), in addition to the 20% from the total certificates' number of its QNB Third Fund with yearly / cumulative return (Tadowol Equity Fund) upon its initial offering. All stakes required to be retained by the Bank until maturity of the funds in accordance with the provisions of the law, had a nominal value of EGP 5 million each.

23- Investments in subsidiaries

The following table summarizes the Bank's holdings in its subsidiaries:

March 31, 2025	Country of residence	Investee's assets	Investee's liabilities (excluding equity)	Investee's revenues	Investee's profit (loss)	Carrying amount	The Bank's stake
QNB leasing company (Subsidiary)	Egypt	6,223,436,640	5,227,830,237	380,936,825	95,128,527	144,915,453	99.98%
QNB Life Insurance company (Subsidiary)	Egypt	11,322,073,478	9,481,467,007	270,821,325	199,341,650	69,179,676	99.98%
QNB Asset Management Egypt (Subsidiary)	Egypt	20,089,062	420,961	762,522	682,011	1,176,710	97.48%
QNB Factoring Company (Subsidiary)	Egypt	1,694,317,539	1,271,895,110	108,264,289	25,944,203	324,990,000	99.997%
Total		19,259,916,719	15,981,613,315	760,784,961	321,096,391	540,261,839	

December 31, 2024	Country of residence	Investee's assets	Investee's liabilities (excluding equity)	Investee's revenues	Investee's profit (loss)	Carrying amount	The Bank's stake
QNB leasing company (Subsidiary)	Egypt	5,555,080,352	4,525,228,741	1,238,014,439	287,487,362	144,915,453	99.98%
QNB Life Insurance company (Subsidiary)	Egypt	10,800,966,887	9,509,821,158	783,169,424	545,422,122	69,179,676	99.98%
QNB Asset Management Egypt (Subsidiary)	Egypt	19,377,434	391,345	2,669,568	2,398,417	1,176,710	97.48%
QNB Factoring Company (Subsidiary)	Egypt	1,152,104,234	749,078,076	308,400,744	63,679,328	324,990,000	99.997%
Total		17,527,528,907	14,784,519,320	2,332,254,175	898,987,229	540,261,839	

24- Intangible assets

	March 31, 2025	December 31, 2024
Software		
Net book value at the beginning of the year	543,099,390	477,474,366
Additions	33,520,632	196,797,514
Amortization	(35,219,538)	(131,172,490)
Net book value at the end of the period	541,400,484	543,099,390

25- Other assets

	March 31, 2025	December 31, 2024
Accrued revenues	14,950,258,971	10,440,112,213
Pre-paid expenses	477,338,481	534,066,908
Advance payments for acquisition of property and equipment	1,570,331,980	1,562,659,116
Foreclosed assets reverted to the bank in settlement of debts	233,284,926	242,524,926
Deposits held with others and custody	29,470,977	27,554,222
Advance payments to tax authority	8,163,824	7,223,007
Others	2,311,821,889	1,652,903,140
	19,580,671,048	14,467,043,532
Less : Expected credit loss (ECL)	(148,367,620)	(115,969,702)
Total	19,432,303,428	14,351,073,830

26- Property and Equipment

	Lands and buildings	Renovations of leased assets	Machinery & equipment	Others	Total
January 1, 2024					
Cost	3,145,470,486	402,423,087	1,652,150,499	315,224,142	5,515,268,214
Accumulated depreciation	(1,234,544,261)	(217,708,820)	(1,212,327,321)	(208,203,909)	(2,872,784,311)
Net book value	1,910,926,225	184,714,267	439,823,178	107,020,233	2,642,483,903
December 31, 2024					
Net book value at the beginning of the year	1,910,926,225	184,714,267	439,823,178	107,020,233	2,642,483,903
Additions	57,194,969	49,963,745	227,413,195	31,736,193	366,308,102
Disposals from property and equipment	(874,349)	(162,752)	(1,138,493)	(4,506,806)	(6,682,400)
Disposals from accumulated depreciation	852,468	162,752	1,134,226	4,506,806	6,686,252
Depreciation for the year	(131,835,223)	(31,046,696)	(185,493,686)	(27,992,365)	(376,367,970)
Net book value	1,836,264,090	203,631,316	481,738,420	110,764,061	2,632,397,887
January 1, 2025					
Cost	3,201,791,106	452,224,080	1,878,425,201	342,453,529	5,874,893,916
Accumulated depreciation	(1,365,527,016)	(248,592,764)	(1,396,686,781)	(231,689,468)	(3,242,496,029)
Net book value	1,836,264,090	203,631,316	481,738,420	110,764,061	2,632,397,887
March 31, 2025					
Net book value at the beginning of the year	1,836,264,090	203,631,316	481,738,420	110,764,061	2,632,397,887
Additions	4,781,889	7,625,034	332,772,630	10,841,218	356,020,771
Disposals from property and equipment	-	-	-	(314,000)	(314,000)
Disposals from accumulated depreciation	-	-	-	314,000	314,000
Depreciation for the period	(33,079,391)	(8,664,156)	(53,509,026)	(7,491,101)	(102,743,674)
Net book value	1,807,966,588	202,592,194	761,002,024	114,114,178	2,885,674,984
Balances at March 31, 2025					
Cost	3,206,572,995	459,849,114	2,211,197,831	352,980,747	6,230,600,687
Accumulated depreciation	(1,398,606,407)	(257,256,920)	(1,450,195,807)	(238,866,569)	(3,344,925,703)
Net book value	1,807,966,588	202,592,194	761,002,024	114,114,178	2,885,674,984

Qatar National Bank S.A.E
Notes to the Separate Financial Statements
For Three Months Period Ended 31 March 2025

(All amounts are shown in Egyptian Pounds)

27- Due to banks	March 31, 2025	December 31, 2024
Current accounts	463,589,383	15,799,484,736
Deposits	2,916,076,053	-
Repos transactions	291,962,788	323,165,495
Total	3,671,628,224	16,122,650,231
Central banks	291,962,788	323,165,495
Local banks	1,158	1,158
Foreign banks	3,379,664,278	15,799,483,578
Total	3,671,628,224	16,122,650,231
Non-interest bearing balances	372,603,662	15,718,908,383
Variable interest rate balances	90,985,721	80,576,353
Fixed interest rate balances	3,208,038,841	323,165,495
Total	3,671,628,224	16,122,650,231
Current balances	3,671,628,224	16,122,650,231
Total	3,671,628,224	16,122,650,231

28- Customer deposits	March 31, 2025	December 31, 2024
Demand deposits	254,625,771,904	221,345,846,979
Time deposits and call accounts	291,050,139,102	290,615,178,152
Term saving certificates	125,363,509,541	119,892,892,548
Saving deposits	48,611,464,117	41,043,076,877
Other deposits*	9,554,709,447	8,966,642,803
Total	729,205,594,111	681,863,637,359
Corporate deposits	475,098,200,325	447,577,622,789
Retail deposits	254,107,393,786	234,286,014,570
Total	729,205,594,111	681,863,637,359
Non-interest bearing balances	82,840,996,303	72,907,664,363
Variable interest rate balances	236,207,294,827	202,775,498,925
Fixed interest rate balances	410,157,302,981	406,180,474,071
Total	729,205,594,111	681,863,637,359
Current balances	636,907,234,165	590,004,605,868
Non-current balances	92,298,359,946	91,859,031,491
Total	729,205,594,111	681,863,637,359

* Other deposits include deposits covering irrevocable letters of credit in the total of EGP 721,622,034 as of March 31, 2025 (December 31, 2024 EGP 760,094,224). The fair value of these deposits approximates its carrying amount.

29- Other loans	March 31, 2025	December 31, 2024
National Bank of Egypt (Epap & Eco)	114,698,086	110,666,347
Commercial International Bank	180,500,000	136,500,000
European Bank for Reconstruction and Development	2,523,893,113	3,869,178,459
The Micro, Small and Medium Enterprises Development Agency	15,794,067	15,909,067
Total	2,834,885,266	4,132,253,873
Current balances	1,724,386,980	2,432,947,603
Non-current balances	1,110,498,286	1,699,306,270
Total	2,834,885,266	4,132,253,873

30- Other liabilities	March 31, 2025	December 31, 2024
Accrued interest	3,528,056,529	3,644,342,291
Unearned revenues	250,694,255	265,932,117
Accrued expenses	2,590,824,093	2,760,568,873
Sundry credit balances	6,181,803,193	3,782,588,725
Total	12,551,378,070	10,453,432,006

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31- Other provisions

March 31, 2025

Description	Balance at the beginning of the year	Formed during the period	Released during the period	Foreign currencies translation differences	Used during the period	Balance at the end of the period
				+ (-)		
Provision for tax claims	36,478,878	-	-	-	-	36,478,878
Provision for legal claims	20,167,772	77,111	-	(6,813)	(102,473)	20,135,597
Provision for contingent liabilities	652,246,154	35,042,606	-	(989,463)	-	686,299,297
Provision for fidelity	1,851,440	-	-	-	-	1,851,440
Provision for operational risk	1,049,475	19,507	-	(5,216)	-	1,063,766
Total	711,793,719	35,139,224	-	(1,001,492)	(102,473)	745,828,978

December 31, 2024

Description	Balance at the beginning of the year	Formed during the year	Released during the year	Foreign currencies translation differences	Used during the year	Balance at the end of the year
				+ (-)		
Provision for tax claims	36,478,878	-	-	-	-	36,478,878
Provision for legal claims	35,309,506	-	(13,135,654)	525,701	(2,531,781)	20,167,772
Provision for contingent liabilities	1,165,748,204	-	(893,149,375)	379,647,325	-	652,246,154
Provision for fidelity	61,171,778	869,718	-	34,028,935	(94,218,991)	1,851,440
Provision for operational risk	568,237	102,696	-	378,542	-	1,049,475
Total	1,299,276,603	972,414	(906,285,029)	414,580,503	(96,750,772)	711,793,719

32- Deferred income tax

Deferred tax has been calculated on all temporary tax differences using the balance sheet method and using the expected tax rate on a time that the Bank will recognize a benefit from assets / incurred liabilities at a tax rate of 22.5% for the current financial period. The Bank does not offset deferred tax assets and deferred tax liabilities unless the bank has a legally enforceable right to set off current tax assets against current tax liabilities; and if the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

Deferred tax assets and liabilities

Below are the balances and movements of deferred tax assets and liabilities:

Tax impact on temporary differences arising from:	Deferred tax assets		Deferred tax liabilities	
	March 31, 2025	December 31, 2024	March 31, 2025	December 31, 2024
Property and equipment	-	-	(178,034,443)	(176,727,828)
Provisions (other than the provision for loan impairment)	401,779,201	358,218,549	-	-
Differences in fair value of financial investments at fair value through other comprehensive income	-	-	(485,885,258)	(423,287,317)
Others	21,220,781	19,111,406	-	-
Deferred tax assets (liabilities)	422,999,982	377,329,955	(663,919,701)	(600,015,145)
Net balance of DTA (DTL)			(240,919,719)	(222,685,190)

Movement of deferred tax assets and liabilities:

	Deferred tax assets		Deferred tax liabilities	
	March 31, 2025	December 31, 2024	March 31, 2025	December 31, 2024
Beginning balance	377,329,955	473,589,832	(600,015,145)	(159,982,611)
DT recognized / utilized during the period	45,670,027	(96,259,877)	(63,904,556)	(440,032,534)
Closing balance	422,999,982	377,329,955	(663,919,701)	(600,015,145)

Balances of deferred tax assets (liabilities) recognized directly in equity

	March 31, 2025	December 31, 2024
Differences in fair value of financial investments at fair value through other comprehensive income	(485,885,258)	(423,287,317)

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33- Defined benefits obligation

	March 31, 2025	December 31, 2024
Amounts recognized in the statement of financial position:		
Liability for post-retirement medical benefits	657,407,937	626,522,132
Amounts recognized in the income statement:		
Post-retirement medical benefits	31,015,330	100,961,963
Post-retirement medical benefits obligation constitutes of:		
Balances shown in the statement of financial position are represented as follows:		
Present value of unfunded liabilities	594,945,282	563,288,192
Unrecognized actuarial gain	62,462,655	63,233,940
	657,407,937	626,522,132
Liability movements during the period are represented as follows:		
Balance at the beginning of the financial year	626,522,132	595,997,416
Current service cost	1,111,665	6,098,995
Interest cost	30,674,950	98,675,737
Actuarial gain/losses	(771,285)	(3,812,769)
Benefits paid	(129,525)	(70,437,247)
	657,407,937	626,522,132
Amounts recognized in the income statement are shown below:		
Current service cost	1,111,665	6,098,995
Interest cost	30,674,950	98,675,737
Actuarial gain/losses recognized during the period	(771,285)	(3,812,769)
	31,015,330	100,961,963

The main actuarial assumptions used by the Bank are outlined below:

	March 31, 2025	December 31, 2024
Discount rate (two plans):		
A- QNB current employees plan	24.29%	24.29%
B-Ex-MIBank retirees plan	24.29%	24.29%
QNB -long term increase in the cost of medical care (on top of inflation)	17.00%	17.00%
Ex-MIBank - long term increase in the cost of medical care (on top of inflation)	17.00%	17.00%

Sensitivities to +1% in discount rate (duration of the plan):

	Service cost	DBO
Post-retirement medical benefits	2.74%	4.80%

34- Issued and paid-up capital

(A) Authorized Capital

- The authorized capital amounts to EGP 15 billion.

(B) Issued and Paid up Capital

- The issued and paid up capital amounted to EGP 9,794,649,850 on December 31, 2018 representing 979,464,985 shares with a nominal value of EGP 10 each, of which 854,141,985 shares were paid in Egyptian pound and 125,323,000 shares were paid in foreign currency according to the exchange rates prevailing on the payment date.
- The Extraordinary General Assembly held on February 28, 2019 decided to increase the capital from EGP 9,794,649,850 to EGP 10,774,114,830, an increase of EGP 979,464,980 by transferring from the general reserve, and decided to split the face value of each share of the Bank's capital from EGP 10 to be EGP 5 .
- The issued and paid up capital amounted to EGP 10,774,114,830 on March 31, 2025 representing 2,154,822,966 shares with a nominal value of EGP 5 each, of which 1,904,176,966 shares were paid in Egyptian pound and 250,646,000 shares were paid in foreign currency according to the exchange rates prevailing on the payment date.

35- Reserves and retained earnings

(1) Reserves	March 31, 2025	December 31, 2024
General reserve (a)	51,014,340,813	37,142,241,367
General banking risk reserve (b)	1,045,272	1,045,272
Legal reserve (c)	5,374,787,415	4,084,886,756
Fair value reserve (d)	1,791,688,809	1,306,419,009
Special reserve (e)	12,856,666	12,856,666
Capital reserve	60,878,621	52,716,621
General risk reserve	21,453,923	21,453,923
Total reserves at the end of the period	58,277,051,519	42,621,619,614

Reserve movements are as follows:

(a) General reserve	March 31, 2025	December 31, 2024
Balance at the beginning of the financial year	37,142,241,367	28,884,568,918
Transferred from retained earnings	13,872,099,446	8,257,672,449
Balance at the end of the period	51,014,340,813	37,142,241,367

(b) General banking risk reserve	March 31, 2025	December 31, 2024
Balance at the beginning of the year	1,045,272	1,045,272
Transferred to retained earnings	-	-
Balance at the end of the period	1,045,272	1,045,272

General bank risk reserve represent the difference between the allowance required for impairment losses as per CBE credit worthiness rules and the allowance as required by the expected credit loss which recognized in financial statements .

In accordance with the instructions of the Central Bank of Egypt, the general banking risk reserve is supported annually by 10% of the value of the assets owned by the Bank in return for debt if these assets are not disposed of within the period specified in the law.

(c) Legal reserve	March 31, 2025	December 31, 2024
Balance at the beginning of the year	4,084,886,756	3,296,885,849
Transferred from the net profit of the prior year	1,289,900,659	788,000,907
Balance at the end of the period	5,374,787,415	4,084,886,756

According to the provisions of local laws, 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.

(d) Fair value reserve	March 31, 2025	December 31, 2024
Balance at the beginning of the year	1,306,419,009	(644,053,357)
Net change in fair value (Notes 18 and 22)	547,889,294	2,411,903,235
Impairment losses on debt instruments at fair value through other comprehensive income	(21,553)	6,626,917
Transferred to retained earnings	-	(15,226,664)
Deferred tax recognized during the period (Note 32)	(62,597,941)	(452,831,122)
Balance at the end of the period	1,791,688,809	1,306,419,009

(e) Special reserve

The application of the CBE new basis rules of preparation and presentation of financial statements as well as the modified principles of recognition and measurement requires to restate the comparative figures of the first financial year that have been impacted by this change, including comparative figures in the balance sheet and the income statements for the previous year as the impact of adjustment is positive, such impact was carried directly to retained earnings then transferred to the special reserve in equity and shall not be used except by approval from CBE. The following is a breakdown of the items that generated the special reserve amount:

	March 31, 2025	December 31, 2024
Amortized cost method using EIR for held to maturity investments	253,607	253,607
Amortized cost method using EIR for Available-for-sale investments	393,930	393,930
Deferred tax (Tax impact on adjustment)	(4,249,739)	(4,249,739)
Available-for-sale investments (Equity instruments)	16,458,868	16,458,868
Total	12,856,666	12,856,666

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(2) Profit for the period / year and retained earnings

	March 31, 2025	December 31, 2024
Movements on retained earnings:		
Balance at the beginning of the year	35,153,059,787	22,311,778,969
Net profit for the period / year	6,951,498,394	25,806,175,189
Previous year's profit distribution	(3,232,234,449)	(2,154,822,966)
Employees' profit share	(2,600,965,649)	(1,595,306,685)
Board of directors' remuneration	(19,500,000)	(13,420,000)
Banking System Support and Development Fund	(258,098,139)	(157,806,029)
Transferred to capital reserve	(8,162,000)	(9,666,000)
Transferred to general reserve	(13,872,099,446)	(8,257,672,449)
Transferred to legal reserve	(1,289,900,659)	(788,000,907)
Transferred from fair value reserve, net of tax	-	11,800,665
Balance at the end of the period	20,823,597,839	35,153,059,787

36- Cash and cash equivalents

For the purpose of presenting the cash flow statement, cash and cash equivalents include the following balances maturing within less than 3 months from placement or acquisition date.

	March 31, 2025	March 31, 2024
Cash and balances with central banks	6,828,629,614	7,094,771,451
Due from banks in less than 3 months	110,795,243,551	94,271,233,796
Treasury bills and other governmental notes (91 days)	93,393,168,799	9,185,333,138
Total	211,017,041,964	110,551,338,385

37- Contingent liabilities and other commitments

(a) Legal claims (litigation)

Several lawsuits were brought against the Bank and are still outstanding as of March 31, 2025. No provision has been formed since it is not probable that the Bank will incur losses in regard of these lawsuits.

(b) Capital commitments:

The Bank is a party to contracts for capital commitments amounting to EGP 1,508,705,014 as of March 31, 2025 (EGP 1,437,705,910 on December 31, 2024). These represent commitments by the Bank for the purchases of buildings and equipment. Management is sufficiently confident that net profit shall be realized and finance shall be made available to cover these commitments.

(c) Commitments for guarantees

The bank's commitments for loans, guarantees and facilities are set out below:

	March 31, 2025	December 31, 2024
Financial guarantees	255,000	255,000
Accepted papers	2,656,695,312	3,082,753,242
L/Gs	87,922,649,549	85,742,233,015
Import L/Cs	6,583,398,194	4,343,713,917
Export L/Cs	338,781,582	349,352,371
Total	97,501,779,637	93,518,307,545

(d) Commitments for credit facilities and others exposed to credit risk

	March 31, 2025	December 31, 2024
Commitments for credit facilities and others	51,086,246,404	51,766,479,043

(e) Commitments under operating lease contracts

Total minimum rental payments for the irrevocable operating lease contracts are as follows:

	March 31, 2025	December 31, 2024
Not more than one year	192,621,613	190,842,397
More than one year and less than 5 years	571,018,151	559,152,213
More than 5 years	134,306,737	149,278,619
Total	897,946,501	899,273,229

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38- Related-party transactions

Qatar National Bank (Q.P.S.C.) is the ultimate parent and controlling party as at the end of the reporting period which owns 94.97% of the bank's ordinary shares whereas the remaining 5.03% are held by other shareholders.

A number of transactions have been conducted during the reporting period with related parties within the bank's normal course of business. These include loans, deposits, and foreign currency transactions.

Related party transactions with the parent company other than the payment of dividends on ordinary shares:

QNB Group	March 31, 2025	December 31, 2024
Due from banks	10,515,614,182	10,103,837,297
Due to banks	3,117,214,062	321,832,979
Loans and credit facilities to banks	2,514,159,014	2,524,609,541
LGs for banks	23,322,064,781	21,411,983,025
Interest rate swap	3,793,830,000	3,812,910,000
Administrative expenses	68,013,863	240,079,224

(A) Loans and credit facilities to related parties

	Directors and other key management personnel (and close family members)		Subsidiaries	
	March 31, 2025	December 31, 2024	March 31, 2025	December 31, 2024
Outstanding loans at the beginning of the financial year	25,165	111	4,425,735,109	4,015,220,218
Loans issued during the financial period	40,557	25,165	1,287,350,911	1,531,375,304
Loans repayment during the financial period	-	(111)	(400,585,480)	(1,120,860,413)
Loans outstanding at the end of the financial period	65,722	25,165	5,312,500,540	4,425,735,109
Interest income on loans	44	4,661	259,424,223	875,123,878

Loans and credit facilities to related parties can be analyzed below

	Directors and other key management personnel (and close family members)		Subsidiaries	
	March 31, 2025	December 31, 2024	March 31, 2025	December 31, 2024
Overdrafts	-	-	18,591	179
Revolving term loan	-	-	5,312,481,949	4,425,734,930
Credit card	65,722	25,165	-	-
Direct loans	-	-	-	-
Total	65,722	25,165	5,312,500,540	4,425,735,109

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(B) Deposits from related parties

	Directors and other key management personnel (and close family members)		Subsidiaries	
	March 31, 2025	December 31, 2024	March 31, 2025	December 31, 2024
Deposits outstanding at the beginning of the financial year	85,088,627	19,391,336	1,976,452,672	559,059,134
Deposits placed during the period	2,523,138	68,620,420	816,859,641	1,926,988,182
Deposits repaid during the period	(805,409)	(2,923,129)	(543,946,275)	(509,594,644)
Deposits outstanding at the end of the financial period	86,806,356	85,088,627	2,249,366,038	1,976,452,672
Interest expense on deposits	3,767,474	11,178,127	27,150,483	99,240,773

Deposits from related parties can be analyzed below

	March 31, 2025	December 31, 2024	March 31, 2025	December 31, 2024
Demand Deposits	4,541,113	4,623,338	225,896,508	82,445,399
Saving account	1,240,329	916,149	-	-
Certificates of deposits	80,793,954	79,326,326	1,234,461,698	1,749,058,075
Time Deposits	230,960	222,814	789,007,832	144,949,198
Total	86,806,356	85,088,627	2,249,366,038	1,976,452,672

(C) Other transactions with related parties

	Directors and other key management personal (and close family members)		Subsidiaries	
	March 31, 2025	December 31, 2024	March 31, 2025	December 31, 2024
Fee and commission income	13,268	44,717	7,180,860	25,230,074
Guarantees issued by the bank	-	-	22,560,090	50,891,865
The above guarantees comprise:				
LGs	-	-	3	3
LCs	-	-	22,560,087	50,891,862
Total	-	-	22,560,090	50,891,865

The pricing for related parties' transactions are the same for other parties.

39- Money Market and balanced Funds

A- QNB First Fund with cumulative daily return (THEMAR Money Market Fund)

The Bank has set up an investment fund under the name of "THEMAR" with daily accumulated interest as one of the banking activities authorized in accordance with the provisions of the Capital Market Law 95 of 1992.

THEMAR initial offering was for one million certificates at nominal value of EGP 100 million, of which 50,000 certificates worth of EGP 5 million were subscribed by the bank at that time. EFG HERMES is managing this fund.

Total number of the outstanding certificates at March 31, 2025 reached 9,690,950 at a total value of EGP 7,156,824,721 The Bank currently holds 193,819 certificates worth of EGP 143,136,494 of which EGP 36,925,300 classified as fair value through other comprehensive income that represent 5% from the total number of certificates that were initially issued, whereas the remaining value of EGP 106,211,194 which represents 2% of the increase in fund's net asset value since initial subscription are classified as fair value through profit or loss.

According to the management agreement and the fund's prospectus, the Bank shall receive fees and commissions for supervising the fund and other administrative services. Total commissions for the current period amounting to EGP 8,604,657 have been reported in the "fees and commission income" line item in the income statement.

B- QNB Second Fund with periodically / cumulative return (Tawazon Balanced Fund)

The Bank has set up an investment fund under the name of Tawazon Fund with periodic income as one of the banking activities authorized in accordance with the provisions of the Capital Market Law 95 of 1992.

Tawazon initial offering was for two hundred and fifty thousand certificates amounting to EGP 25 million, of which 50,000 certificates worth of EGP 5 million were subscribed by the bank at that time. Beltone Asset Management is managing this fund.

Total number of the outstanding certificates at March 31, 2025 reached 91,102 at a total value of EGP 48,590,864 The Bank currently holds 50,000 certificates worth of EGP 26,668,385 that are classified as fair value through other comprehensive income and represent 20% of the total number of certificates that were initially issued.

According to the management agreement and the fund's prospectus, the Bank shall receive fees and commissions for supervising the fund and other administrative services. Total commissions for the current period amounting to EGP 56,714 have been reported in the "fees and commission income" line item in the income statement.

C- QNB Third Fund with periodically / cumulative return (Tadawol Equity Fund)

The Bank has set up an investment fund under the name of Tadawol Fund with periodic accumulated income as one of the banking activities authorized in accordance with the provisions of the Capital Market Law 95 of 1992.

Tadawol certificates were offered in a public offering amounting to EGP 25 million distributed over two hundred and fifty thousand certificates with a nominal value of EGP 100 each, subscriptions have only covered a number of one hundred and twenty five thousand certificates amounting to EGP 12.5 million, of which 50,000 certificates worth of EGP 5 million were subscribed at by the bank at that time. HC Fund Manager Asset Management is managing this fund.

Total number of the outstanding certificates at March 31, 2025 reached 91,421 at a total value of EGP 58,988,395 The Bank currently holds 50,000 certificates worth of EGP 32,261,950 that are classified as fair value through other comprehensive income and represent 40% from the total number of certificates that were initially issued.

According to the management agreement and the fund's prospectus, the Bank shall receive fees and commissions for supervising the fund and other administrative services. Total commissions for the current period amounting to EGP 70,462 have been reported in the "fees and commission income" line item in the income statement.