



BANQUE MISR S.A.E

Consolidated Financial Statements

for the financial year ended
December 31, 2024



WORKING TOGETHER FOR PROSPERITY

Banque Misr
Consolidated Financial Statements
for the financial year ended at December 31, 2024

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Translation of Auditor's Report
Originally Issued in Arabic

Forvismazars - Mostafa Shawki

Chartered Accountants

Accountability State Authority (ASA)

AUDITORS' REPORT

To: The Shareholders of Banque Misr (S.A.E.)

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Banque Misr (S.A.E) Which comprise the consolidated statement of financial position as of 31 December 2024 and the related consolidated statements of income, comprehensive income, cash flows and changes in owners' equity for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the consolidated financial statements

These consolidated financial statements are the responsibility of the bank's management. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the rules of preparation and presentation of banks' financial statements, basis of recognition and measurement issued by Central Bank of Egypt (CBE) board of directors on 16 December 2008 which had been amended according to the instructions issued on February 26, 2019 and in light of the prevailing Egyptian laws, management responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement whether due to fraud or error, this responsibility also includes selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Egyptian Standards on Auditing and in the light of prevailing Egyptian laws, those standards Those standards require planning and performing the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit process involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements, the procedures selected depend on the auditors' judgment including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the bank's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the



bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

Cairo: July,6, 2025

AUDITORS

Acc. Khaled Said Elrabat

forvis mazars Mostafa Shawki



Acc. Mona Salah Eldeen Nosseir

Mona Nosseir
Accountability State Authority (ASA)

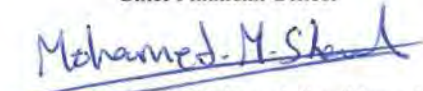
Banque Misr
Consolidated Statement of Financial Position as at December 31, 2024

Translated from Arabic
Amounts in EGP Millions

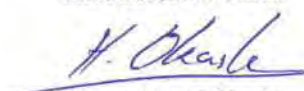
	Note no	December 31, 2024	December 31, 2023
Assets			
Cash and balances with central banks	14	312,855	164,558
Due from banks	15	1,142,877	630,161
Loans and advances to banks	16	35,402	11,572
Loans and advances to customers	17	1,440,457	1,097,403
Financial investments			
- At fair value through P&L	18	15,204	8,709
- At fair value through OCI	19	726,997	577,126
- At amortized cost	20	314,554	350,129
- In associates and joint ventures	21	9,036	7,856
Intangible assets	22	3,781	2,700
Other assets	23	163,282	101,195
Real estate Investments	24	1,401	1,043
Property, plant and equipment	25	21,632	14,728
Deferred tax assets	32	4,370	1,792
Total assets		4,191,848	2,968,972
Liabilities and shareholders' equity			
Liabilities			
Due to banks	26	153,048	112,940
Customers' deposits	27	2,932,778	2,207,357
Financial derivatives	28	3,600	41
Other loans	29	490,994	296,804
Other liabilities	30	227,409	119,497
Other provisions	31	22,521	11,480
Post retirement benefits liabilities	33	11,940	10,472
Total liabilities		3,842,290	2,758,591
Shareholders' Equity			
Paid in capital	34	110,000	50,000
Reserves	35	140,407	106,238
Retained earnings		95,815	51,236
Total parent shareholders' equity		346,222	207,474
Non controlling interest		3,336	2,907
Total liabilities and shareholders' equity		4,191,848	2,968,972
Contingent liabilities and commitments			
Liabilities for letters of guarantee, letters of credit and other commitments.	36	421,401	267,407

The accompanying notes are an integral part of these financial statements

Chief Financial Officer


Mohamed Mohamed Sherif Ismael

Chief Executive Officer


Hisham Ahmed Okasha

Chairman

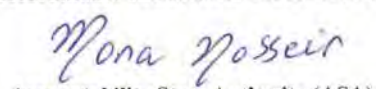

Essam Eldin Elwakil

Auditors

Accountant / Khaled Saied Elabbat


Forvis mazars Mostafa Shawki

Accountant / Mona Salah Eldeen Nosseir


Accountability State Authority (ASA)

Banque Misr
Consolidated Income Statement
For the financial year ended Decemebr 31,2024

Translated from Arabic
Amounts in EGP Millions

	Note no	From 01/01/2024 To 31/12/2024	From 01/01/2023 To 31/12/2023
Interest on loans and similar income		564,979	379,370
Interest on deposits and similar expense		(378,911)	(246,014)
Net interest income	5	186,068	133,356
Fee and commission income		33,088	20,986
Fee and commission expense		(2,329)	(1,394)
Net fee and commission income	6	30,759	19,592
Dividends income	7	2,374	1,467
Net trading income	8	6,461	6,079
Gain on financial investments	9	14,786	4,627
(Charge) for expected credit loss	10	(86,655)	(27,624)
Administrative expenses	11	(60,324)	(41,805)
Other operating revenue (expense)	12	56,402	(2,256)
Share of result of associates	21	3,554	639
Profit before income tax		153,425	94,075
Income tax expense	13	(53,157)	(33,301)
Net profit for the financial year		100,268	60,774
Parent interest		99,963	60,532
Non-controlling interest		305	242
		100,268	60,774

Banque Misr
Consolidated Statement of Other Comprehensive Income
For the financial year ended December 31, 2024

Translated from Arabic
Amounts in EGP Millions

	From 01/01/2024 To 31/12/2024	From 01/01/2023 To 31/12/2023
Net profit for the financial year	100,268	60,774
Other Comprehensive income items		
Items that are not reclassified in profit or loss		
Net change in the fair value for equity instruments at fair value through OCI	9,176	5,844
Total items that are not reclassified in profit or loss	9,176	5,844
Items that are reclassified in profit or loss		
Net change in the fair value for debt instruments at fair value through OCI	2,118	(157)
Net change in ECL for debt instruments at fair value through OCI	626	861
Net change in foreign currency translation differences	16,218	1,975
Total items that are reclassified in profit or loss	18,962	2,679
Net Comprehensive income for the financial year	128,406	69,297

Banque Misr
Consolidated Statement of Cash Flows
For the financial year ended December 31, 2024

Translated from Arabic
Amounts in EGP Millions

	Note no	December 31, 2024	December 31, 2023
<u>Cash flows from operating activities</u>			
Net profit before income tax		153,425	94,075
Adjustments to reconcile net profit to cash flows provided by operating activities			
Depreciation and amortization		6,694	4,049
Impairment charge of assets		23,512	30,337
Other provisions charge		8,243	3,980
Revaluation differences of other provisions in foreign currencies		2,708	635
Revaluation differences of other loans in foreign currency		132,623	31,863
(Gains) on sale of fixed assets		(570)	(155)
(Gains) on sale of investments in associates		(189)	(3)
(Gains) Losses on sale of financial investments at fair value through OCI		(124)	2
Post retirement benefits cost		2,265	2,173
Dividend income		(2,374)	(1,467)
Share of result of associates		(3,554)	(639)
Operating profits before changes in assets and liabilities used in operating activities		322,659	164,850
<u>Net increase or decrease in assets and liabilities</u>			
Due from banks		(43,178)	(2,157)
Treasury bills		(110,257)	(107,986)
Financial Assests at Fair value through P&L		(5,924)	(601)
Loans and advances to banks		(23,881)	(3,148)
Loans and advances to customers		(434,532)	(289,425)
Other assets		(39,464)	(9,225)
Due to banks		40,109	11,774
Customers' deposits		725,422	191,253
Financial derivatives (net)		3,760	195
Other liabilities		85,713	39,556
Other provisions		91	(48)
Post retirement benefits liabilities		(798)	(919)
Paid income tax		(35,619)	(20,978)
Net cash flows provided from (used in) operating activities (1)		484,101	(26,859)

Translated from Arabic
Amounts in EGP Millions

Consolidated statement of cash flows (Cont.)

	Note no	December 31, 2024	December 31, 2023
<u>Cash flow from investing activities</u>			
Payments for the purchase of fixed assets and branches fixtures		(16,083)	(9,016)
Proceeds from sale of fixed assets		755	764
Proceeds from sale of financial investment other than financial investments at fair value through P&L		503,228	291,704
Payments for the purchase of financial investment other than financial investments at fair value through P&L		(415,245)	(300,542)
Payments to acquire associates		-	(182)
Proceeds from derecognition of associates		1,920	-
Payment to acquire intangible assets		(3,986)	(2,941)
Proceeds from sale of intangible assets		106	-
Payments to acquire real estate investments		(530)	(254)
Proceeds from sale of real estate investments		244	-
Dividends received		2,371	1,219
Net cash flow provided from (used in) investing activities (2)		72,780	(19,248)
<u>Cash flow from financing activities</u>			
Collection from other loans		525,118	109,612
Payments of other loans		(442,444)	(74,757)
Dividend paid		(11,070)	(7,769)
Net cash flows provided from financing activities (3)		71,604	27,086
Net increase (decrease) in cash and cash equivalents during the year (1+2+3)		628,485	(19,021)
Cash and cash equivalents at the beginning of the financial year		789,841	808,862
Cash and cash equivalents at the end of the financial year		1,418,326	789,841
<u>Cash and cash equivalents are represented as follows :-</u>			
Cash and balances at central Banks		314,271	164,996
Due from banks		1,151,052	633,573
Treasury bills		542,713	426,665
Obligatory reserve balance with central banks		(241,539)	(129,489)
Due from banks more than three months maturity		(150)	(69,021)
Treasury bills more than three months maturity		(348,021)	(236,883)
Cash and cash equivalents	37	1,418,326	789,841

Banque Misr
Consolidated Statement of Changes in Shareholders' Equity
For the financial year ended December 31, 2024

Translated from Arabic
Amounts in EGP Millions

	Note no	Paid in capital	Legal reserve	General reserve	Capital reserve	Fair value reserve	Supportive reserve	Differences of nominal value and present value of subordinated deposit	ECL debt instruments through OCI reserve	General risk reserve	Capital Reserve - Post acquisition reserve	Other reserves	Retained Earnings	Total parent shareholders' equity	Non controlling interest	Total Shareholders' Equity
Balance as of January 1, 2023		15,000	8,401	6,082	2,238	7,212	26,103	54,797	1,452	1,015	(49)	9,787	17,178	149,216	2,665	151,881
Adjustments		-	-	-	-	-	-	-	-	-	-	-	506	506	(42)	464
Capital increase		35,000	(4,182)	(5,784)	-	-	(25,034)	-	-	-	-	-	-	-	-	-
Dividends paid		-	-	-	-	-	-	-	-	-	-	-	(7,651)	(7,651)	(118)	(7,769)
Transferred to reserves		-	2,681	2,491	186	-	13,604	-	-	1	-	480	(19,443)	-	6	6
Net change in financial investments through OCI		-	-	-	-	5,687	-	-	-	-	-	-	-	5,687	8	5,695
Net change in ECL of debt instruments through OCI		-	-	-	-	-	-	-	854	-	-	-	-	854	-	854
Profit on disposal of equity instruments through OCI and others		-	-	-	-	-	-	-	-	-	-	-	305	305	-	305
Net change in Foreign currency translation differences		-	-	-	-	-	-	-	7	-	-	1,975	-	1,982	(7)	1,975
Net change between nominal value and present value of subordinated deposit		-	-	-	-	-	-	(3,741)	-	-	-	-	-	(3,741)	-	(3,741)
Net Change in Capital Reserve - Post acquisition reserve		-	-	-	-	-	-	-	-	-	(25)	-	-	(25)	-	(25)
Net profit for the year		-	-	-	-	-	-	-	-	-	-	-	60,532	60,532	242	60,774
Deferred tax liabilities on distributable profits of the parent company		-	-	-	-	-	-	-	-	-	-	-	(44)	(44)	-	(44)
Net change in Non Controlling Interest		-	-	-	-	-	-	-	-	-	-	-	(147)	(147)	153	6
Balance at December 31, 2023	34,35	50,000	6,900	2,789	2,424	12,899	14,673	51,056	2,313	1,016	(74)	12,242	51,236	207,474	2,907	210,381
Balance as of January 1, 2024		50,000	6,900	2,789	2,424	12,899	14,673	51,056	2,313	1,016	(74)	12,242	51,236	207,474	2,907	210,381
Adjustments		-	-	-	11	-	-	-	-	-	-	(5)	(249)	(243)	962	719
Capital increase		60,000	(5,499)	(7,771)	-	-	(46,730)	-	-	-	-	-	-	-	-	-
Dividends paid		-	-	-	-	-	-	-	-	-	-	-	(10,933)	(10,933)	(137)	(11,070)
Transferred to reserves		-	5,674	5,280	155	-	33,126	-	-	-	-	691	(44,930)	(4)	4	-
Net change in financial investments through OCI		-	-	-	-	11,294	-	-	-	-	-	-	-	11,294	33	11,327
Net change in ECL of debt instruments through OCI		-	-	-	-	-	-	-	626	-	-	-	-	626	-	626
Profit on disposal of equity instruments through OCI and Others		-	-	-	-	-	-	-	-	-	-	-	787	787	-	787
Net change in foreign currency translation differences		-	-	-	-	-	-	-	56	-	-	16,162	-	16,218	21	16,239
Net change between nominal value and present value of subordinated deposit		-	-	-	-	-	-	21,105	-	-	-	-	-	21,105	-	21,105
Net Change in Capital Reserve - Post acquisition reserve		-	-	-	-	-	-	-	-	-	(6)	-	-	(6)	-	(6)
Net profit for the year		-	-	-	-	-	-	-	-	-	-	-	99,963	99,963	305	100,268
Deferred tax liabilities on distributable profits of the parent company		-	-	-	-	-	-	-	-	-	-	-	(59)	(59)	-	(59)
Net change in Non Controlling Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	(759)	(759)
Balance at December 31, 2024	34,35	110,000	7,075	298	2,590	24,193	1,069	72,161	2,995	1,016	(80)	29,090	95,815	346,222	3,336	349,558

Notes to the Consolidated Financial Statements for the financial year ended December 31, 2024

1- General information

- Banque Misr (S.A.E.) was established on April 3, 1920, as a commercial bank in the Arab Republic of Egypt. The head office is located at 151, Mohamed Farid Street, Cairo.
- The bank provides corporate, retail, and investment banking in addition to Islamic banking services through 869 branches and units in the Arab Republic of Egypt and 5 branches in the U.A.E, a branch in Paris, France, and representative offices in Russia, China, South Korea, Italy, and Kenya. The bank has 24,314 employees on financial position date.
- The general assembly of Banque Misr that was held on October 11, 2020, has approved the amendment of the article (25) in the bank's article of association to change the financial year to begin from the first of January till the end of December of each year, as a result of the CBE regulations law No.194 dated 2020.
- These financial statements were approved by our bank's board of Directors on 29 June 2025.
- The consolidated financial statements were prepared based on subsidiaries' financial statements as of December 31, 2024, in addition to three entities that are still under incorporation with no financial status, were not consolidated, and have no material impact on financial position or income statement, the entities are Bank Misr Djibouti, The Egyptian Sports Fund, and Misr Cayman for Finance Company.

The following schedule shows the percentage of direct and indirect ownership in our subsidiaries as of December 31, 2024:

Company / Bank Name	% of direct ownership	% of Indirect ownership	% Total ownership	Latest Used FS
Banque Du Caire	99.9999997	0.0000003	100	31/12/2024
Industrial Development Bank of Egypt	85.04	-	85.04	31/12/2024
CI Capital Holding Group for Financial Investments	92.95	-	92.95	31/12/2024
Misr Capital for Investments	99.9998619	0.000069	99.999931	31/12/2024
Bank Misr Europe	81.06	7.5	88.56	31/12/2024
Bank Misr Lebanon	93.33	-	93.33	31/12/2024
Cairo Uganda Bank	-	100	100	31/12/2024
Bank Misr Djibouti	100	-	100	Under Incorporation
Misr Exchange Company	99.75	-	99.75	31/12/2024
Nile Holding for Development and Investment	33.33	33.33	66.66	31/12/2024
BM-Lease Company	43.44	7.56	51.00	31/12/2024
Cairo-Lease Company	-	97.99	97.99	31/12/2024
Tanmeyah Leasing Company (EGY-Lease)	-	85.04	85.04	31/12/2024
Misr investment	91.20	-	91.20	31/12/2024
Misr El Ameriya for Spinning and Weaving Company	99.99	-	99.99	31/12/2024
Misr El Ameriya for Real Estate Development Company	99.99	-	99.99	31/12/2024
Misr Abu Dhabi for Real Estate Investment Company	99.98	-	99.98	31/12/2024
Al Adnan Hotels and Tourism Company	91.73	-	91.73	31/12/2024
Qarun Hotels and Tourism Company	98.40	1.575	99.975	31/12/2024
Upper Egypt Company for the manufacture of Concentrates and Juices	96.64	-	96.64	31/12/2024
BM Consumer Finance Company "Souhoola "	99.85	0.15	100	31/12/2024
Misr Digital Innovation	99.86	0.14	100	31/12/2024
Digital and electronical payment company (Tally)	-	100	100	31/12/2024
Misr Lebanon for Insurance Brokerage (MLIB)	-	93.33	93.33	31/12/2024
Misr Cayman for Finance	100	-	100	Under Incorporation
Misr for Management of Investment Funds	59.39	20.61	80	31/12/2024
Misr Real Estate Fund 1	99.99	0.01	100	31/12/2024
Misr for Brokerage of Sukuk	80	-	80	31/12/2024
Egyptian Sports Fund	99.96	0.02	99.98	Under Incorporation
Misr Edco for Transportation	98.46	-	98.46	Under liquidation
Cairo Exchange Company	-	100	100	31/12/2024
Nile Group for Scanning and Medical Analysis	-	66.79	66.79	31/12/2024
MCTI for Trade, Development, and Export Company	-	100	100	31/12/2024
Misr for Innovation and Entrepreneurship Unlimited	-	100	100	31/12/2024

The following is some information about subsidiaries regarding the Banque Misr group:

Banque Du Caire

Establishment Date	May 17, 1952
Company Head Office	6 - Dr. Mostafa Abou Zahra St. - Nasr City - behind the Accountability State Authority (ASA)
Company Purpose	Banque Du Caire provides banking services related to its activities in the Arab Republic of Egypt and abroad through 249 branches, offices, and units and employs 8,362 employees.
Subsidiaries	- Banque Du Caire Uganda by 100% - Cairo Leasing Company by 97.99% - Tally Digital Payments Company by 100% - Cairo Exchange Company by 100%
Banque Misr Ownership%	- Direct ownership by 99.9999997% - Indirect shareholding divided equally through Misr Capital and Misr Abu Dhabi Real Estate Investments by 0.0000003%

Industrial Development Bank of Egypt

Establishment Date	October 31, 2008
Company Head Office	2 - Abdel Qader Hamza St.- Cairo Center Building - Garden City - Cairo.
Company Purpose	The Bank provides institutional, retail banking, and investment services in the Arab Republic of Egypt through its head office in Cairo Governorate and twenty-six branches and employs 890 employees.
Subsidiaries	- Tanmeyah Leasing Company (EGY-lease) by 100%.
Banque Misr Ownership%	- Direct ownership 85.04%

CI Capital Holding Group for Financial Investments

Establishment Date	April, 2005
Company Head Office	Galleria Complex 40 - the extension of the 26th of July axis - Sheikh Zayed - 6th of October – Giza - Arab Republic of Egypt
Company Purpose	Participate in the establishment of companies that issue securities or participate in increasing their capital Providing management services in the field of investment funds, financial advisory, promotion, and Coverage of Initial public offerings (IPOs), and conducting the activity of central custodians, In accordance with Law 95 of 1992 and its executive regulations, the company may have an interest or participate in any form with capital companies that engage in similar business or that may help them achieve their purpose in Egypt and abroad, and may also merge into these companies, buy them or join them, in accordance with the provisions of the law and its executive regulations.

Subsidiaries

- Commercial International Securities Brokerage Company by 98.96%
- CI Assets Management by 99.53%
- CI Capital for Promoting and Covering IPOs in securities by 99.57%
- Dynamic Securities Trading Company by 99.97%
- Corplease Leasing Company Egypt by 87.40%
- Micro Enterprise Services Company (Reefy) by 79.99%
- CI for Real Estate Finance by 99.90%
- EGY EDU INVEST by 100%
- MCI Capital Healthcare Partners by 100% "60% owned by CI Capital in addition to 40% owned by Banque Misr Directly"
- CI Capital for Brokerage in Bonds by 99.99%
- CI Capital BI Funds Management & Investment 99.80%

Banque Misr Ownership%

- Direct ownership 92.95%.

Misr Capital for Investments

Establishment Date

September, 2010

Company Head Office

Second floor Banque Misr building no (B222) - Cairo Alex desert road- Giza

Company Purpose

Participation in the establishment of companies that issue securities or to increase their capital, formation, and management of securities portfolios, management of mutual funds, promotion and coverage of Initial public offerings (IPOs) - venture capital investment funds (by themselves or with others) financial consultancy on securities and providing financial advice and technical advising services without carrying out fair value studies, in addition to receiving subscriptions in mutual fund securities. The company has the right to participate in any form with other companies that engage in similar businesses to help it achieve its purpose in Egypt or abroad, it may also merge with, buy, or join these companies, taking into consideration the Law provisions No. 95 of 1992 and its executive regulations.

Subsidiaries

- Nile Group for Scanning and Medical Analysis by 66.79%
- Misr for Innovation and Entrepreneurship Unlimited by 99%
- MCTI for Trade, Development and Export Company by 98%

Banque Misr Ownership%

- Direct ownership 99.9998619%
- Indirect ownership through Abu Dhabi Real Estate Investment Company 0.000069%

Bank Misr Europe

Establishment Date	1992
Company Head Office	Frankfurt - Germany
Company Purpose	The main activity is trade finance activities and financing export-directed projects as well as companies that support importation in both Egypt and inside Europe in industries such as tools and equipment, food preparation, weavings, energy and infrastructure, and financing sustainable investments in Egypt.
Banque Misr Ownership%	- Direct ownership 81.06% - Indirect ownership through Banque du Caire 7.5%

Banque Misr Lebanon

Establishment Date	1929
Company Head Office	Al-Masarf Street - Banque Misr Lebanon's Building - Commercial Centre - Beirut - Lebanon
Company Purpose	Provides a full range of corporate, commercial, and retail banking services through its network of 20 branches strategically located in the different regions of Lebanon.
Subsidiaries	- Misr Lebanon Insurance Brokerage Company by 100%
Banque Misr Ownership%	- Direct ownership 93.33%

Cairo Uganda Bank

Establishment date	July 11, 1994
Company Head office	Kampala (Uganda).
Company Purpose	The Bank carries out commercial banking activities for companies and individuals through 6 branches other than the head office.
Banque Misr Ownership%	- Indirect ownership through Banque Du Caire 100%

Misr Exchange Company

Establishment Date	May 4, 1991
Company Head Office	6 - Ibrahim Naguib St. - Garden City - Cairo.
Company Purpose	Buying and selling foreign exchange notes (banknotes) by the provisions of Law No. 159 of 1981 and the provisions of Monetary Law No. 97 of 1976 and its executive regulations and by the Central Bank Law No. 88 of 2003 previously and Law 196 of 2020 currently.
Banque Misr Ownership%	- Direct ownership 99.75%

BM-Lease Company

Establishment Date	February 19, 2017
Company Head Office	Administrative Building No. (B92-A13) - Smart Village located at kilo 28 Egypt Alexandria Desert Road.
Company Purpose	Working in the field of financial leasing, taking into account the provisions of the laws, regulations, and decisions in force, provided that the necessary licenses are issued to practice these activities, and the company may have an interest or participate in any form with companies and others that engage in similar business or that may assist them in achieving their purpose in Egypt or abroad, and may also merge with, purchase or attach them to the previous bodies by the provisions of the law and its executive regulations.
Banque Misr Ownership%	- Direct ownership 43.44% - Indirect ownership through Misr Capital Investments 7.56%

Nile Holding Company for Development and Investment

Establishment Date	December 28, 2009
Company Head Office	The company's headquarters is located at 10 Nehru Street - Montazah (Maryland) - New Egypt - Cairo.
Company Purpose	Participate in the establishment of companies that issue securities or increase their capital, and for this purpose may contribute to all joint stock companies regardless of the purpose they practice and the law to which these companies are subject, and the company may invest a part of its capital not exceeding one quarter in the purchase of government bonds and treasury bills, as well as bonds issued by joint stock companies, and subject to the provisions of the Capital Market Law, the company may have an interest or participate in any A face with capital companies that engage in business similar to their business or that may help them achieve their purpose in Egypt or abroad, and they may also merge into these companies or buy them and join them, taking into account the provisions of Law No. 95 of 1992 and its executive regulations.
Banque Misr Ownership%	- Direct ownership 33.33% - Indirect ownership through Banque Du Caire 33.33%

Cairo Lease Company

Establishment Date	March 1, 2018
Company Head Office	Golf Central Mall - 2 nd floor - Unit No. D1-04-S - Palm Hills, 4 th District - Eastern Expansions - 6 th of October - Giza.
Company Purpose	The company's purpose is to work in the field of financial leasing, considering the provisions of Law No. 95 of 1995 and its regulations. The company has the right to participate in any way with other companies that engage in similar businesses to achieve its purpose in Egypt or abroad, it may also merge with, buy, or join these companies, taking into consideration the law and its executive regulations.
Banque Misr Ownership%	- Indirect ownership through Banque Du Caire 97.99%

Misr Investment Company

Establishment Date	March, 1981
Company Head Office	30 - Floor 16 Mohamed Roshdy Tower - Downtown - Cairo.
Company Purpose	Establishing and managing the Egypt Bank tower, purchasing, dividing, selling, and marketing lands, constructing and marketing administrative, service, and residential buildings, managing and maintaining real estate, commercial, civil, and industrial facilities, and practicing contracting activity.
Banque Misr Ownership%	- Direct ownership 91.20%

Misr El Ameriya Spinning and Weaving Company

Establishment Date	March 26, 1983
Company Head Office	Alexandria - Mergham Petrochemical Road - Amreya - Alexandria Governorate.
Company Purpose	The textile industry, dyeing, processing, ready-made garments, furnishings, marketing them at home and abroad, cotton and polyester trade.
Banque Misr Ownership%	- Direct ownership 99.99%

Al Adnan Hotels and Tourism Company

Establishment Date	March 24, 1996
Company Head Office	124 El Obour Buildings - Salah Salem - Nasr City - Cairo.
Company Purpose	Establishing a tourist complex in the Sidr tourism sector in South Sinai, through the preparation of lands, equipping and supplying them with the authority's facilities in full, and the necessary services to allocate for various tourism projects.
Banque Misr Ownership%	- Direct ownership 91.73%

Misr Amreya Real Estate Investment Company

Establishment Date	September 11, 2001
Company Head Office	The company is at Kilo 23 Alexandria Desert Egypt Road - Petrochemical Road - Alexandria / Cairo Alexandria Road - Alexandria.
Company Purpose	Buying, dividing, selling, leasing, and developing lands and making the infrastructure of those lands (roads - electricity - water - settlement - utilities) and all that is necessary to be ready for construction on them, whether commercial, industrial, service or inhabitant facilities and the company may participate in any way with companies and others that engage in business similar to its business and have an interest with it or that may help it to achieve its purpose.
Banque Misr Ownership%	- Direct ownership 99.99%

Misr Abu Dhabi Real Estate Investment Company

Establishment Date	December 5, 1975
Company Head Office	The company is at 1187 - floor 4 - Corniche El Nile - Boulaq Aboul-Ela - Bank Tower - Egypt Nile branch.
Company Purpose	Establishing, managing, and exploiting tourist, residential, office, and commercial complexes, whether through the company itself or with the help of another company or companies at home or abroad and the company may, to implement its previous purposes, establish industrial workshops for the manufacture of prefabricated construction equipment such as windows, doors, floors, sanitary ware and others.
Banque Misr Ownership%	- Direct ownership 99.98%

Qarun Hotels and Tourism Company

Establishment Date	November, 2017
Company Head Office	36 - El Fallujah St. – Agouza – Giza
Company Purpose	Establishing and operating hotels and restaurants by the company or for others, preparing and providing various types of food and fast meals, supplying and supplying shops belonging to others with various types of legitimate duties and other diets, providing various types of services necessary for shops, restaurants, and individuals, and providing services related to sports activities and water tourism of all kinds.
Banque Misr Ownership%	- Direct ownership 98.40%. - Indirect ownership through Misr Investment Company 0.8%. - Indirect ownership through Misr Abu Dhabi Real Estate Investment Company 0.775%.

Upper Egypt Company for the manufacture of concentrates and juices

Establishment Date	July, 2011
Company Head Office	Building 17 - Fourth Floor - Apartment 10 - District 11 – 6 th of October.
Company Purpose	Establishing and operating a factory for the manufacture, production, and packaging of all types of vegetables and fruits and their products and all their derivatives, the production of concentrates of juices, vegetables, various fruits and beverages (except alcoholic), processing, manufacturing, packaging and packaging of all types of foodstuffs, breeding all kinds of animals, poultry and birds, reclamation and processing of land with basic facilities that make it capable of cultivation, import, and export.
Banque Misr Ownership%	- Direct ownership 96.64%.

BM Consumer Finance Company “Souhoola”

Establishment Date	August 1, 2019
Company Head Office	Building No. 118 - One Katameya - Morshedy Towers - Katameya - Cairo.
Company Purpose	Trade in durable and consumer goods and sell in installments The company may have its interests and participate in any way with companies and others that engage in a business similar to its business or that may help it to achieve its purpose in Egypt or abroad, and it may also merge with the aforementioned bodies or buy or attach them to them by the provisions of the laws, executive regulations and decisions in force, and the company must obtain all the necessary licenses to carry out its activity.
Banque Misr Ownership%	- Direct ownership 99.85% - Indirect ownership through CI Capital Holding Group 0.15%

Tanmeyah Leasing Company (EGY Lease)

Establishment Date	May 31, 2009
Company Head Office	16 - Taha Hussein Street - Zamalek - Cairo - Egypt
Company Purpose	- Owning and managing real estate empty or occupied, marketing them, factories or shops, managing, selling, renting them, deciding the right to use them or other methods of exploitation. - Owning and evaluating movables of all kinds (tangible and intangible) and of whatever nature, including machinery, equipment, devices, and vehicles, and disposing of them by sale or other means. - Financial leasing, considering the provisions of the Prime Minister's Decree No. 350 of 2007 and considering the decision of the President of the Republic of Egypt Arabic of 2008. Subject to the provisions of the laws, regulations, and decisions in force, and provided that the necessary licenses are issued to practice these activities, the company may have an interest in or participate in any way with companies and others that engage in similar business or that may assist them in achieving their purpose in Egypt or abroad, and may also merge with, purchase or attach them to the aforementioned bodies by the provisions of the law and its executive regulations.
Banque Misr Ownership%	- Indirect ownership through the Industrial Development Bank 85.04%

Digital & Electronic Payments Company (Tally)

Establishment Date	May 4, 2021
Company Head Office	63 South Teseen Street - Fifth Settlement - New Cairo - Egypt.
Company Purpose	Providing and accepting electronic payment and collection services, providing electronic payment solutions and services, providing payment, collection, and electronic transfer services through the operation of banking services through the Internet, telephone or electronic applications, managing, operating, and maintaining computer networks and internal systems of networks and central computers, taking into account the provisions of laws, regulations, and decisions in force, provided that the necessary licenses are issued to practice this activity.
Banque Misr Ownership%	- Indirect ownership through Banque Du Caire 100%

Misr Digital Innovation

Establishment Date	February 25, 2020
Company Head Office	No.141, City center, New Cairo, BM building, fifth settlement Cairo.
Company Purpose	The purposes of the company are providing the services of bills' payments and payments solutions via the internet and mobile devices through digital portfolios, offering consultancies in the field of digital

insurance and the field of micro saving to individual and emerging entities, (Excepting what is related to the stock markets and the legal consultancies and the consultancies and studies relevant with the revaluation aimed at increasing the capital and acquisition in addition to the financial consultancies regarding the financial stocks that are linked with the activities of the companies that operate in the field of financial stocks that are mentioned in Article No.27 of Capital Market Law and its executive regulations), designing and implementing the billing system and the systems of digital receipting, designing and producing programs, applications, setting databases and digital information systems and operating which in addition to providing training in this regard, working on generating digital programs to run the operating systems of the banking services via internet and the mobile phone and share the digitally-secured documents along with setting and designing programs for managing digital accounts owned by individuals and entities.

Furthermore, the range of the company's purpose includes commerce and digital marketing in addition to administrating and establishing websites that are related to the company and its activities without presenting any journalist, advertising, or media content.

**Banque Misr
Ownership%**

- Direct ownership 99.86%
- Indirect ownership through Misr Capital Investments 0.14%

Misr Lebanon for Insurance Brokerage (MLIB)

Establishment Date

December, 2010

Company Head Office

Riad El Solh – Beirut – Lebanon

Company Purpose

Provide Banque Misr Lebanon and the other third-party customers with the services of brokerage of insurance products and for this purpose marketing and sale of insurance products of any nature.

**Banque Misr
Ownership%**

- Indirect ownership through Banque Misr Lebanon 93.33%

Misr for Management of Investment Funds

Establishment Date

April 5, 2021

Company Head Office

153 Mohamed Farid Street - Banque Misr - Abdeen - Cairo.

Company Purpose

Managing investment funds by the provisions of Law 95 of 1992 and its executive regulations and the decisions of the Authority's Board of Directors issued in implementation thereof.

**Banque Misr
Ownership%**

- Direct ownership 59.39%
- Indirect ownership through Misr Abu Dhabi Real Estate Investment Company and Misr Investment Company 0.61%
- Indirect ownership through Banque Du Caire 20%

Misr Real Estate Fund 1

Establishment Date	March, 2021
Company Head Office	153 Mohamed Farid St., Banque Misr Tower, Downtown, Cairo.
Company Purpose	Issues documents against the Fund's investments in real estate assets such as lands built real estate, and other assets that guarantee a certain level of liquidity, and its documents are registered with Egypt Company for Clearing, Depository and Central Registry, and its documents are presented to qualified investors, and its documents are not recovered until the end of the Fund's term.
Banque Misr Ownership%	- Direct ownership 99.99% - Indirect ownership divided equally through Misr Abu Dhabi Real Estate Investments and Misr Investment Company 0.01%

Misr for Brokerage of Sukuk

Establishment Date	December 7, 2022
Company Head Office	26 Shooting Club St., Dokki, Giza.
Company Purpose	Issuance of sukuk by the regulations of Law No. 95 of 1992.
Banque Misr Ownership%	- Direct ownership 80%

Cairo Exchange Company

Establishment Date	March 22, 2022
Company Head Office	6 A El Sebaq Street – Maryland – New Egypt – Cairo.
Company Purpose	Carrying out exchange work without prejudice to the provisions of the laws, regulations, and decisions in force, and the company's term has been determined to be 25 years starting from the date of registration in the commercial register.
Banque Misr Ownership%	- Indirect ownership through Banque Du Caire 100%

Nile Group for Scanning and Medical Analysis

Establishment Date	April 9, 1996
Company Head Office	10 Al-Nahda Street in Mahatta Square – Maadi – Cairo.
Company Purpose	Establishing a medical imaging center for diagnosis using the latest advanced technological methods in addition to laboratory medical analyses and medical endoscopes.
Subsidiaries	- Arab Scan Radiology Company by 80% - Nile Company for Cardiac Catheterization and Endoscopy by 80% - Nile Company for Import and Export by 63%
Banque Misr Ownership%	- Indirect ownership through Misr Capital by 66.79%

MCTI for Trade, Development, and Export Company

Establishment Date	Feb 2024
Company Head Office	Banque Misr Building No. 222B - Finaial District - Smart Village - Cairo Alexandria Desert Road – Giza.
Company Purpose	General trading and distribution of what is legally permitted, selling, buying and exporting foodstuff and agricultural crops.
Banque Misr Ownership%	- Indirect ownership through Misr Capital Company 98%. - Indirect ownership through Misr Abu Dhabi Real Estate Investment Company 1%. - Indirect ownership through Misr for Innovation and Entrepreneurship Unlimited 1%.

Misr for Innovation and Entrepreneurship Unlimited

Establishment Date	March 2023
Company Head Office	Banque Misr Building No. 222B-second floor- Financial District - Smart Village - Cairo Alexandria Desert Road – Giza.
Company Purpose	Investment, contribution and participation in the establishment of companies and projects working in the field of trade, industry and technology of all kinds and all of the above except for the activities stipulated in Article 27 of the Capital Market Law and Articles 120,122 of its executive regulations, projects that invest in the development of intellectual property rights, including patents, models and industrial drawings, as well as projects that invest in the field of internal trade development, Providing advice to start-ups, SMEs and micro companies (except for securities markets, legal advice and valuation studies on the occasion of capital increase and acquisitions).
Banque Misr Ownership%	- Indirect ownership through Misr Capital 99% - Indirect ownership through Misr Investment 0.5% - Indirect ownership through Misr Abu Dhabi Real Estate Investment Company 0.5%

2- Basis of preparation of consolidated financial statements and Summary of significant accounting policies

These Consolidated financial statements have been prepared in accordance with the rules of preparing and presenting the financial statements of banks and the basis of recognition and measurement approved by the Board of Directors of the Central Bank of Egypt on December 16, 2008, and instructions issued by Central Bank of Egypt on February 26, 2019. reference is made to what was not mentioned in the instructions of the Central Bank of Egypt to the Egyptian Accounting Standards.

The financial statements are presented rounded to the nearest million Egyptian pounds, the subsidiaries are fully aggregated and the associate companies are grouped through equity method.

These financial statements are originally translated from Arabic statements.

The following is a summary of the most important accounting policies followed:

2.1 Basis of consolidation

A- Subsidiaries

- Are the companies that the bank directly or indirectly have the right to control their financial and operational policies, In which the bank usually owns more than half of the voting rights., Taking into consideration the impact of future voting rights that could be practiced or transferred in the meantime while assessing whether the bank has control over the firm or not, All subsidiaries have been consolidated since the date on which the ownership was transferred to the group, Also it's eliminated from the consolidation on the date on which the control is over.
- The purchase method is being used while acquiring subsidiaries, On the date of acquiring, the acquiring cost is being assessed through the fair value, or The amount of assets paid for the purchase, or the amount of owners' equity instruments issued, or the liabilities paid or accepted by acquiring the firm, adding any direct costs that incurred as a result of acquiring the subsidiary, Net assets are being measured, also possible liabilities that are measurable at fair value on date acquisition, disregarding any minority rights, Any additional costs that exceed the fair value of the bank's portion will be considered a "goodwill", If the acquisition cost is less than the fair value, the difference would be recorded in the income statement as other operating income (expense).
- Intercompany transactions and balances and unearned revenues derived from intercompany transactions and possible losses should be eliminated, and the financial policies for subsidiaries should be changed to comply with parents' policies whenever it's needed to ensure applying a unified policy for the group
- The full consolidated principle is being followed for bank purposes.

Consolidation principles include the following:

- Eliminating all balances and transactions between group companies and any unearned revenues derived from it.
- Non-controlling interests represents non-controlling shareholders rights in subsidiaries.

Transactions with Non-controlling interest (NCI):

- The group considers transactions with NCI as it's a transaction with external parties, and recognizes all profits and losses that result from selling to NCI in the group's income statement, A goodwill arises from purchases from NCI that represents the difference between the amount paid to acquire the share and the book value of subsidiaries assets.

For a subsidiary company, if the NCI portion of losses exceeds their ownership rights, this excess will be added to the parent's rights except for the losses that the NCI is obliged to bear with a condition of being able to make additional investments to cover the impact of losses, and if the subsidiary achieved

profits in the future these profits will be added to the parent's equity to the extent that covers the previously incurred losses that arose from NCI losses.

B- Accounting for associate companies

- Associate company is the company that's directly or indirectly owned by one of the group's companies and has the significant influence without extension to control, and usually the group has a percentage of ownership in the company from 20% to 50 % of voting rights, Investment in associates is being reported at cost and later would be recognized by the equity method.

The group's portion of profits and losses that arises after acquisition is being recognized in associate profit and losses statements, the share of the group in the movement that occurs in the equity of the associate companies that produce after acquisition is recognized within the equity, and the book value of the associate company is adjusted by the accumulated movement after the acquisition.

If the group's losses from a associate equal or exceed its portion including any unsecured debt balances, the group wouldn't recognize any losses unless it's committed to do so or made payments on behalf of the associate.

Intercompany transactions of unearned revenues derived from intercompany transactions and possible losses should be eliminated according to the portion in associate, and the financial policies for associate should be changed to comply with parent's policies whenever it's needed to ensure applying a unified policy for the group.

Profits and losses that arise from changes in the associate's ownership structure are recognized in the profit and loss statement.

C- Control

Control means a group's ability to control the financial and operational policies of the companies in which they invest to make a profit.

The group is considered controlling the investment if they have 50% of voting rights in a subsidiary and It could be less in some cases as follows:

1. If there's a side agreement that gives the holding company the right to direct more than 50 % of voting rights in the investment company
2. If there's a power to the group, arising from an agreement or legislation to control the company's financial and operational policy.
3. Being able to hire or fire the majority of the Board of directors
4. Controlling more than half of BOD votes.

D- Non-controlling interest

The percentage of shareholders rights that's not directly or indirectly owned by the group in its net profits or net assets of its subsidiary.

E- Regional reports

A region of the activity represents a group of assets and transactions related to providing products or services that are characterized by risk and different benefits than the others that are related to other activities.

and geographical region is related to providing services or products within the same region having the same risks and benefits that differentiate from other geographical regions.

F- Transactions with non-controlling interest:

Non-controlling interest appears in a separate section on the consolidated financial statements, and the group considers transactions with NCI as it's a transaction with outsiders, and its revenues and losses that arise from the sale of owner's equity are being recognized in the income statement, and purchasing from NCI causes goodwill that represents the difference between the amount paid to acquire shares and the book value of company's net assets.

G- Foreign currency translation**G/1 Functional and presentation currency**

These consolidated financial statements are measured using the currency of basic economic environment in which the branch conducts its activity "The functional currency "

These separate financial statements are presented in Egyptian pound, which is also the functional currency of the branches inside Arab Republic of Egypt.

G/2 Transactions and balances in foreign currencies

Each subsidiary holds its accounting records in its functional currency and transactions in other currencies are recorded during the financial year using the prevailing exchange rate of the transaction date. Monetary assets and liabilities denominated in foreign currencies are re-evaluated at the end of each financial year based on the prevailing exchange rates at the date. The profits and losses resulting from the settlement of those transactions and differences resulting from re-evaluation are recognized in the income statement under the following items:

- Net Trading Income of financial asset. (held-for-trading financial assets or classified at fair value through profit or loss).
- Other operating income (expenses) for the remaining items.
- Changes in the fair value of monetary financial instruments in foreign currency; which are classified as other comprehensive income (debt instruments) are analyzed into valuation differences resulting from changes in the amortized cost of the instrument, differences resulting from changes in the prevailing exchange rates and differences resulting from changes in the fair value of the instrument. Valuation differences resulting from changes in the amortized cost are recognized and reported in the income statement in interest income, and differences resulting from changes in foreign exchange rates are recognized and reported in 'other operating income' (expenses). Whereas differences from changes in fair value are recognized in equity in the 'fair value reserve / Financial investments at fair value through other comprehensive income'. Valuation differences resulting from changes in exchange rates of non-monetary items in foreign currencies (equity instruments) are recognized in the profit and loss resulting from the change in the fair value of financial assets at fair value through profit or loss. While valuation differences resulting from changes in the rates of equity instruments classified as financial investments at Fair value through other comprehensive income are recognized in equity in 'fair value reserve'.

G/3 Foreign Subsidiary Banks

The Income statement items and balance sheet of foreign subsidiaries whose functional currency differs from the presentation currency of the consolidated financial statement are translated into Egyptian Pounds as follows:

- Assets and liabilities of foreign branches are translated using the closing rate at the financial position date.

- Revenues and expenses in the income statement are translated using average exchange rates unless the average does not represent an acceptable approximation of the cumulative effect for the prevailing exchange rates on that date then revenue and expense are translated using exchange rates on the dates of transactions.
- Resulted valuation differences are recognized as (foreign currency translation differences reserve) included in other comprehensive income in the equity.
- Owner's Equity accounts are translated according to historical exchange rates at the date of the transaction.

H- Financial assets

H/1 Initial recognition and measurement

- The group initially recognizes financial assets and liabilities on the date that the Group becomes a party to the contractual terms of the financial instrument.
A financial asset or liability is initially measured at fair value. Those that are not subsequently measured at fair value through profit and loss are measured at fair value as well as the transaction cost which is directly related to the acquisition or issuing.

H/2 Classification

Financial assets- policy applicable from July 1, 2019

- On initial recognition, the bank classifies financial assets into financial assets at amortized cost, financial assets at fair value through other comprehensive income, or at fair value through profit and loss.
- The financial asset is measured at amortized cost if both of the following conditions are met and it has not been allocated by the bank's management upon initial recognition of the fair value through profit and loss:
 - A financial asset is retained in a business model that is intended to hold the asset to collect contractual cash flows.
 - The contractual terms of the financial asset result in cash flows on specific dates which are only payments of the original amount and interest of the financial instrument.
- Debt instrument is measured at fair value through other comprehensive income only when both of the following conditions are met and has not been classified at fair value through profit or loss:
 - The financial asset is retained in a business model that is intended to collect contractual cash flows and the sale of financial assets or;
 - The contractual terms of the financial asset result in cash flows on specific dates result in cash flows that are only payments of the original amount and interest of the financial instrument.
- Upon initial recognition of an equity instrument that is not held for trading, the bank may elect once irrevocably to present changes in fair value / through other comprehensive income, and This choice is made on an investment-by-investment basis.
- All other financial assets are classified at fair value through profit and loss.
In addition, upon initial recognition, the bank can allocate irrevocably - a financial asset as measured at fair value through profit and loss, although it meets the terms of the classification as a financial asset at amortized cost or fair value through other comprehensive income, if doing so would prevent or reduce - essentially - inconsistencies in accounting measurement.

Business model evaluation

- Debt and equity instruments are classified and measured as follows:

Financial instrument	Methods of measurement according to Business Models		
	Amortized cost	Fair value	
		Through / OCI	Through profit and loss
Equity instruments	—	An irrevocable election at initial recognition.	Normal treatment of equity instruments
Debt instruments	Business model of assets held for collecting contractual cash flows	The business model of assets held to collect contractual cash flows and sell.	The business model of assets held for trading.

- The bank prepares, documents, and approves Business Models by the requirements of IFRS 9 reflecting the bank's strategy for managing financial assets and its cash flows as follows:

Financial asset	Business model	Basic characteristics
Financial assets at amortized cost	Business model of financial assets held to collect contractual cash flows	- The objective of the business model is to retain the financial asset to collect the contractual cash flows of the principal amount of investment and interest. - Sale is an incidental event for this model and under the terms of the standard which are represented in deterioration in the creditworthiness of the issuer of the financial instrument, or the sale will not result in significant changes in the future cash flows of the financial asset, or selling to manage credit concentration risks. - Lowest sales in terms of periodicity and value. - The bank makes clear and reliable documentation of the reasons for each sale and its compliance with the requirements of the Standard.
Financial assets at fair value through other comprehensive income	Business model of financial assets held to collect contractual cash flows and sale	- Both the collection of contractual cash flows and sales are complementary to the objective of the model. - High sales relatively (in terms of periodicity and value) compared to the business model of financial assets retained for the collection of contractual cash flows.
Financial assets at fair value through profit and loss	Other business models include (trading - management of financial assets at fair value - maximizing cash flows by selling)	- The objective of the business model is not to retain the financial asset to collect the contractual cash flows or retain the collection of contractual cash flows and sales. - Collecting contractual cash flows is an incidental event for this purpose of the model. - Management of financial assets by management at fair value through profit and loss to avoid inconsistency in accounting measurement (complex financial instruments). - Conditions for classifying financial assets at fair value through profit and loss: - - the financial assets must meet all of the following conditions which the bank acquires at fair value through profit and loss: - - To be registered on the financial market exchange, domestic or foreign. - Must have an active deal during the three months preceding the date of acquisition.

The local banks assesses the objective of the business model at the portfolio level where the financial asset is retained considering that it reflects how the business is managed and how the management is provided with information. The information to be taken into consideration when evaluating the objective of the business model is as follows:

- The documented policies and objectives of the portfolio and the implementation of these policies in practice. Especially, whether the management strategy focuses only on the collection of the contractual cash flows of the asset and maintaining a specific interest rate of return to meet the maturities of the financial assets with those of the liabilities that finance these assets or the generation of cash flows through the sale of these assets.
- How to evaluate and report the portfolio performance to senior management.
- Risks affecting the performance of the business model, including the nature of the financial assets held within that model and the manner of managing these risks.
- How to assess the business managers' performance (fair value, return on portfolio, or both)
- The periodicity, value, and timing of sales processes or transactions in prior periods, the reasons for such transactions, and expectations regarding future selling activities. However, information on sales activities is not taken into consideration separately, but as part of an overall assessment of how the bank its objective of managing financial assets and generating cash flows is achieved.
- Financial assets held for trading or managed and their performance is evaluated at fair value are measured at fair value through profit and loss as they are not held to collect contractual cash flows or to collect contractual cash flows and sell financial assets together.
- Assess whether the contractual cash flows of an asset are payments presenting limited only to the principal of the instrument and interest.

For this valuation, the bank recognizes the original amount of the financial instrument at fair value of the financial asset at the initial recognition.

The interest is defined as the time value of money and the credit risk associated with the original amount over a specified period and other basic lending risks and costs (such as liquidity risk and administrative costs) as well as profit margin.

To assess whether the contractual cash flows of an asset represent payments that are limited only to the principal of the financial instrument and interest, the bank takes into consideration the contractual terms of the instrument.

This assessment includes whether the financial asset contains contractual terms that may change the timing or amount of contractual cash flows, thereby not meeting that requirement. for conducting such an assessment, the bank shall consider the following:

- Expected events that may change the amount and timing of cash flows.
- Leverage characteristics (interest rate, maturities, currency ...).
- Conditions of accelerated payment and term extension.
- Conditions that may limit the ability of the bank to claim cash flows from certain assets.
- Features that may adjust the time value of money (re-setting the interest rate periodically).

Financial liabilities- policy applicable from July 1, 2019

- On initial recognition, the group classifies financial liabilities into financial liabilities at amortized cost, and financial liabilities at fair value through profit or loss based on the objective of the bank's business model for each subsidiary.
- All financial liabilities are recognized initially at fair value on the date at which the bank becomes a party to the contractual terms of the financial instrument.

- Financial liabilities classified at amortized cost are subsequently measured at amortized cost and by using the effective rate method.
- Financial liabilities classified at fair value through profit or loss are subsequently measured at fair value. the change in the fair value which is related to the change in the degree of credit classification of the bank is recognized through other comprehensive income, while the remaining amount of the change in fair value is presented in the income statement.

Reclassification

- Financial assets are not reclassified after initial recognition unless the bank changes the business model of managing these financial assets.
- In all cases, there are no reclassifications between the items of financial liabilities at fair value through profit and loss and financial liabilities at amortized cost

H/3 Derecognition:

Financial assets

- The group derecognizes the financial assets when the contractual right of collecting the cash flows from the financial asset ends or the bank transfers the right of receiving the transaction contractual cash flows by the transactions in which all significant risks and benefits of ownership relating to the transferred financial asset are transferred or when the bank has not transferred to a third party substantially.
- When a financial asset is derecognized, the difference between the book value of the asset (or the book value assigned to the part of the asset that is derecognized) and the sum of both proceeds received (including any new asset acquired deducting from it any new liability incurred) or any consolidated gains or losses previously recognized at the fair value reserve for financial investments at fair value through other comprehensive income and that for debt instruments.
- As of July 1, 2019, any accumulated profits or losses that have been recognized in the statement of other comprehensive income related to investment in equity instruments that have been allocated as investments at fair value through other comprehensive income, are not recognized in the profit and loss when this asset is derecognized. Any share that has arisen or has been retained from the asset intended to be derecognized (fulfills the de-recognition conditions) shall be recognized as a separate asset or liability.
- When the bank enters into transactions whereby the bank transfers assets previously recognized in the statement of financial position, but it retains all or substantially most of the risks and benefits associated with the transferred asset or part of it. In these cases, the transferred asset is derecognized.
- Regarding transactions in which the bank does not maintain or transfer substantially all the risks and benefits associated with ownership of the asset and maintains control over the asset, the bank continues to recognize the asset within the limits of its continuing association with the financial asset, and the bank's ongoing association with the financial asset is determined by the extent to which the bank is exposed to changes in the value of the transferred asset.
- In some transactions, the bank maintains an obligation to service the transferred asset in exchange for a commission, at this time the transferred asset is derecognized if it meets the derecognition conditions. The service contract is recognized as an asset or a liability if the service commission is greater than the appropriate amount (asset) or less than the appropriate amount (liability) to perform the service.

Financial liabilities

- The group derecognized financial liabilities when the contract is terminated, cancelled or expired.

H/4 Amendments to financial assets and liabilities**Financial Assets**

- If the terms of a financial asset are adjusted, the group assesses whether the cash flows of the adjusted asset are significantly different. If the cash flows are significantly different, then the contractual rights of cash flows from the original financial asset are considered expired, then the original financial asset is derecognized and a new financial asset is recognized at fair value and the value resulting from adjusting the total book value is recognized as profit or loss in (income statement). However, if this adjustment occurred due to the financial difficulties of the borrower, then the profits are deferred and presented with the accumulated impairment losses while the losses are recognized in the statement of profits and losses.
- If the cash flows of the adjusted asset recognized at amortized cost are not significantly different, then the adjustment does not result in the derecognition of the financial asset.

Financial Liabilities

- The group adjusts a financial liability when its terms are adjusted and the cash flows of the adjusted liability are substantially different. In this case, a new financial liability is recognized based on the terms adjusted at fair value. The difference between the carrying amount of the old financial liability and the new financial liability is recognized with the adjusted terms in (the income statement).

Offsetting financial instruments

- Financial assets and liabilities are offset and the net amount is reported in the if there is a legally enforceable right to offset the recognized amounts and there is an intention to be settled on a net basis, or to receive the asset and settle the liability at the same time. Agreements of Repos and Re-repos are presented by the net in the balance sheet in treasury bills.

G- Measuring fair value**Policy implemented as of July 1, 2019**

- The group determines the fair value on the basis that it is the price that will be obtained from selling an asset or that will be / pay from transferring liability in an organized transaction between market participants at the measurement date taking into consideration when measuring fair value the characteristics of the asset or liability in case these characteristics were taken into consideration by market participants when pricing the asset and/or the liability at the measurement date, as these characteristics include the state and location of the asset, restrictions on the sale or use of the asset, and/or how the market participants' view.
- The group uses the market approach to determine the fair value of financial assets and liabilities, as this approach uses prices and other relevant information resulting from market transactions that include assets, liabilities or a group of assets and liabilities that are typical or comparable. Consequently, the bank may use valuation techniques that are consistent with the market approach, such as market multiples derived from comparable groups. The selection of the appropriate

multiplier within the range requires the use of personal judgment, taking into / consideration the quantitative and qualitative factors of measurement.

- When it's not possible to rely on market input in determining the fair value of a financial asset or financial liability, the bank uses the income approach in determining the fair value, according to which future amounts such as net cash flows are transferred to a current amount (discounted) so that the fair value measurement reflects the current market expectations about future amounts.
- When it's not possible to rely on market input or income approach in determining the fair value of a financial asset or financial liability, the group uses the cost approach in determining the fair value so that it reflects the amount currently being requested to replace the asset with its current state (current replacement cost) so that it reflects the fair value. The cost to the participant in the market as a buyer from the acquisition of an alternative asset that has a similar benefit, as the participant in the market as a buyer will not originally pay more than the amount in which the utility substitutes the asset.

H- Deferred day-one profit and loss recognition

Considering instruments that are valued at fair value, the best evidence of the fair value of the instrument is the date of the transaction. It is the transaction price (i.e. the fair value of consideration delivered or received), unless the fair value of the instrument is inferred on the same date based on transaction prices in declared markets or by using valuation model, and when the bank enters into transactions that are matured after long periods, the fair value is being identified using valuation models may not all of their inputs be from the prices or rates of the declared markets and these financial instruments are initially recognized at the transaction price, which represents the best fair value indicator, although the value obtained from the evaluation model may be different.

The difference between the transaction price and the amount resulting from the model, which is known as "first day profits and losses", is not recognized immediately in the profits and losses and is included in other assets in the case of loss or other liabilities in the case of profit.

The timing of deferred profit and loss recognition of the is determined for each case separately, either by depreciating it over the life of the transaction or until it is possible to determine the fair value of the instrument using inputs of declared markets, or by achieving it when settling the transaction, and the instrument is measured subsequently at fair value later, and it is recognized immediately in the income statement with subsequent changes in fair value.

J- Credit Risk Management Policies and Credit Concentration Risk

The group develops a set of policies that ensure credit risk management at the credit portfolio level and sets risk limits to monitor the risk, in addition to these policies are reviewed and updated on an ongoing basis to ensure that they are still appropriate with the size and nature of the group's lending activities and the size of the risks associated with them and their alignment with the relevant regulatory requirements.

Individual and sectoral concentration risks are managed by establishing an appropriate structure for concentration limits for employment at the level of the economic sector as well as at the level of the client and related parties, various methods are used to mitigate concentration risk, the credit portfolio's performance is monitored regularly to follow up and monitor concentration risks, in addition to that the credit concentration risks are measured within the framework of the second pillar within the Basel requirements by measuring individual and sectoral concentration risks in accordance with the regulatory requirements issued in this regard and calculating the capital requirements necessary to meet those risks.

K- Revenue recognition:**K/1 Interest income and expense**

Interest income and expense for all financial instruments except for those classified as held-for-trading or those classified at fair value through profit and loss are recognized in 'Interest and similar income' or 'Interest and similar expense' in the income statement using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial asset or liability and allocating the interest income or interest expense over the relevant period of this financial instrument. The effective interest rate is the rate that discounts estimated future cash flows that are expected to be paid or received over the expected life of the financial instrument (or, a shorter period if appropriate) to reach the carrying amount of the financial asset or liability. When calculating the effective interest rate, the bank estimates cash flows considering all contractual terms of the financial instrument (i.e. Early repayment options) but does not consider future credit loss. The calculation includes all fees paid or received between parties of the contract, that are considered part of the effective interest rate, as well as transaction costs, including all other premiums or discounts. When loans or debts are classified as non-performing or impaired (stage 3), related interest income is not recognized in the income statement and they are recorded in marginal records outside the financial statements and are recognized in income according to cash basis as per the following:

- When collected and after recovery of all arrears for consuming loans, mortgage loans for personal housing, and small loans for economic activities.
- Concerning loans granted to corporations, interest income is recognized on a cash basis too, as the subsequent calculated interest according to the rescheduling contract is added to a credit balance in the balance sheet till 25% of the due balances of the financial asset are paid after paying the accrued unearned/marginalized returns and after the installments continued to be regular for at least 12 months and after that calculated interest will be recognized as revenue (interest on the performing rescheduling agreement balance) without marginal interest before the rescheduling agreement which will be not recognized in interest income until the full settlement of the outstanding loan balance before rescheduling in Balance sheet.

K/2 Fee and commission income

- Fees due from loan or facility service are recognized as revenue when the service is provided. Fees and commissions on non-performing or impaired loans or debts are cases to be recognized as income, and are rather recorded in marginal records outside the financial statements; these are recognized as revenue, on a cash basis, only when interest income on those loans is recognized, for fees and commissions that represent an integral part of the effective interest rate of a financial asset are treated as an adjustment to the effective interest rate of that financial asset.
- Fees on the debt instruments that are measured at fair value are recognized in revenues on initial recognition and syndicated loan fees received by the bank are recognized when the syndication has been completed and the bank does not hold any portion of it or holds a part at the same effective interest rate used for the other participant's portions.
- Fees and Commissions resulting from negotiating, or participating in the negotiation of a transaction for a third party – such as the arrangement of the acquisition of shares or other financial instruments or the purchase or sale of an institution – are recognized on completion of the underlying transaction in the income statement, Administrative and other services fees are recognized as income on a time proportionate basis over the lifetime of the service, Fees charged for custodian services provided over long periods are recognized as income over the period during which the service is rendered.

K/3 Dividend Income

Dividends are recognized in the income statement when the right to collect it is declared other than subsidiaries and associate companies.

L- Repo and Reverse repo agreements

Securities sold under repurchase agreements (repos) are presented in the financial statements and deducted from treasury bills balance. Securities borrowed or (reverse repos) are reclassified in the financial statements and added to treasury bills balance. The difference between purchase and resale price is treated as interest and accrued over the life of the agreements using the effective interest method.

M- Loans and advances to banks & customers

Represents non-derivative financial assets of a fixed amount or identifiable and not traded in an active market.

N- Financial investments at fair value through profit and loss

Equity instruments, debt instruments, and securities are measured at fair value, and changes in fair value are recognized in the statement of profit and loss.

O- Financial investments at fair value through other comprehensive income

Equity instruments, debt instruments, and securities are measured at fair value, and changes in fair value are recognized in the statement of comprehensive income.

P- Financial investments at amortized cost

It is recorded under this item at amortized cost and it is not subject to the requirements of fair value measurement, but subject to the requirements for measuring expected credit losses.

Q- Impairment of financial assets

Impairment losses are recognized for the expected credit losses of the following financial instruments, which are not measured at fair value through profit and loss, namely:

- Debt instruments of financial assets .
- Outstanding debts.
- Financial guarantee contracts.
- commitments of loans and similar debt instruments
- Debit balances from repo agreements.
- Accrued interests on loans and credit facilities
- Due from banks other than those with a maturity of less than one month from the date of the financial position.
- Other debit balances that are not measured at fair value.
- Acceptance bills and confirmed letter of credit included in contingent liabilities.

Measuring expected credit losses

- The group evaluates the debt instrument portfolios every month at the portfolio level to all financial assets for individuals, small, medium, and micro-enterprises and periodically about the financial assets of institutions classified under the follow-up list to monitor the credit risk related to them, as this evaluation is done at the counterparty level periodically, the criteria used to determine the significant increase in credit risk are reviewed and monitored periodically by the Credit Risk Department.
- At the date of the financial statements, the group estimates the provision for impairment losses for the financial instrument at an amount equal to the expected credit losses over the life of the financial instrument, except for the following cases in which the provision for the impairment losses is estimated at an amount equal to the expected credit losses over twelve months:
 - 1) A debt instrument that has been identified as having a low credit risk at the date of the financial statements (debt instruments for Stage one).
 - 2) Other financial instruments that the credit risks at the reporting date have not increased significantly since the initial recognition (debt instruments for Stage One).

Expected credit losses for each of the three stages are calculated as follows:

Stage one

-The expected credit losses of financial assets are measured in stage one on the basis of the present value of the total monetary deficit calculated on adjusted historical probability of default (PD) rates basis with forecasts of average scenarios for macroeconomic indicators for a future twelve months multiplied by the Exposure at default (EAD), also loss given default (LGD). Given that the expected credit loss takes into consideration the amount and timing of the payments; the credit losses arise even if the facility expects to be paid in full but at a later time after the debt becomes payable under the contractual terms. The expected credit loss over a period of twelve months are part of the expected credit loss over the life of the asset that result from defaulting events in the payment of a financial instrument and potential within twelve months after the date of the financial statements.

Stage two

-The expected credit loss for the financial assets in stage two are measured on the basis of the present value of the total cash deficit calculated on the basis historical probability of default rates (PD) modified by the expectations of the average scenarios of macroeconomic indicators for the life of the financial asset multiplied by the Exposure at default (EAD), also loss given default (LGD) .

Stage three

Credit-impaired financial assets (Stage3) are measured at the financial position date as the difference between the total carrying amount of the asset and the present value of the expected future cash flows.

•When calculating the loss rates, the bank takes into consideration the expected redemption rates from the present value of the expected cash flows, whether from cash and non-cash guarantees or expected future or historical repayment rates, as follows:

-For debt instruments classified within the stage one, only the value of the cash collateral and cash equivalents represented in cash and other financial instruments that can be easily converted into cash easily in a short period of time (3 months or less) and without a change (loss) in their value as a result of credit risk.

-As for debt instruments classified under both stage two and three, only the types of guarantees are considered in accordance with the rules issued by the Central Bank of Egypt on May 24, 2005 regarding determining the creditworthiness of clients and making provisions, while the value of those guarantees is calculated according to what is mentioned in the rules for presentation and preparation of financial statement for banks and the standards of recognition and measurement issued by the Central Bank of Egypt on December 16, 2008.

- For debt instruments held by banks that operate outside Egypt, the probability loss given default are determined on the basis of the credit rating of the head office of the bank operating outside Egypt and not exceeding credit rating of the head office country and taking into consideration the instructions issued by the central bank regarding country risks, and the loss given default is calculated at 45% at least.
- For debt instruments held by banks operating inside Egypt, the probability loss given default is calculated on the basis of the bank's classification by foreign international rating agencies and Egyptian bank branches abroad are treated as the head office, and branches of foreign banks that operate inside Egypt are treated as their head office, the loss given default is calculated at 45% at least.
- For debt instruments and treasury bills, the bank uses external ratings such as Moody's rating or its equivalent to manage credit risk. If such ratings are not available, similar methods to those applied to credit customers are used. These investments in securities and treasury bills are treated as a way to obtain better credit quality and in the same time providing an available source to meet funding requirements.
- The provision for impairment for financial assets recognized in the balance sheet is deducted from the value of the financial assets when presenting the statement of financial position, while the provision for impairment relating to loan commitments, financial guarantee contracts and contingent liabilities is recognized within the provision in balance sheet liabilities.
- For financial guarantees contracts, the bank estimates the expected credit loss based on the difference between the payments expected to be paid to the guarantee holder, deduct any other amounts that the bank expects to recover.

Upgrading from stage two to stage one.

The group does not upgrade financial asset from Stage two to Stage one unless all quantitative and qualitative criteria for Stage one is met, all arrears from the financial asset and accrued interests are paid in full, and a period of three months of regular payment has passed and the Stage 1 conditions are met.

Upgrading from stage three to stage two for Corporate, Micro finance and retail customers.

The group does not transfer the financial asset from stage three to stage two unless all of the following conditions are met:

- Fulfilling all the quantitative and qualitative elements of stage two.
- Payment of 25% of the outstanding financial asset balances, including the accrued interest in suspense and off-balance sheet interest.
- Regular payment of the principal amount of the financial asset and its accrued interest for at least 12 consecutive months.

Upgrading from stage three to stage two for Medium and Small Enterprises and financing programs for small enterprises' projects (according to the instructions of the CBE 1 July 2024).

The group does not transfer the financial asset from stage three to stage two unless all of the following conditions are met:

- Fulfilling all the quantitative and qualitative elements of stage two.
- Payment of the accrued interest in suspense and off-balance sheet interest completely.
- Regular payment of the principal amount of the financial asset and its accrued interest for at least 90 consecutive days. (according to the instructions of the CBE till December 2025).

Significant Increase in Credit Risk:

The group considers that a financial asset has experienced a significant increase in credit risk when one or more of the quantitative and qualitative criteria, as well as criteria related to default, such as the borrower's probability of default or significant negative changes in the borrower's performance and behavior, such as late payment of installments or other factors, are met .

Future Information inclusion:

The group uses the future information to measure expected credit losses, which are mainly forecasts of macroeconomic indicators. Based on various actual information and forecasts, the bank conducts at least three scenarios to study future predictions, where these scenarios represent a base scenario, a worst-case (pessimistic) scenario, and a best-case (optimistic) scenario.

The "base scenario" represents the most likely outcome and is aligned with the information used by the bank for other purposes, such as strategic planning and budgeting. Periodically, the bank conducts stress tests for the most severe shocks to its criteria for determining other best-case scenarios.

The bank identifies and documents the key drivers of credit risk and credit losses for each portfolio. Using historical data analysis, it estimates the relationship between macroeconomic factors and credit risk and credit losses. These economic forecasts used include a set of key indicators, depending on the type of portfolio :

- GDP growth
- Unemployment rates
- Government spending
- Stock price index

Presentation of provisions for expected credit losses in the financial position.

The provision for expected credit losses is presented in the statement of balance sheet as follows:

- Financial assets measured at amortized cost is deducted from the total carrying amount of the assets.
- Commitments on loans and financial guarantee contracts in general as provision for – contingent liability in the other provisions in the liability .
- Debt instruments at fair value through other comprehensive income. An allowance for impairment is recognized in the financial position. An allowance for impairment is disclosed and recognized in ECL debt instrument through OCI reserve.

Q- Derivative financial instruments and hedge accounting

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

Embedded derivatives in other financial instruments, such as conversion option in a convertible bond which can be converted to shares, are treated as separate derivatives when their economic characteristics and risks are not closely related to those of the host contract provided that the host contract is not classified as at fair value through profit and loss. These embedded derivatives are measured at fair value with changes in fair value recognized in the income statement (net trading income) and they cannot be separated if the bank decides to designate the hybrid contract at fair value through profit and loss. The timing method of recognition through / income statement of any gain or loss arising from changes in the fair value of derivatives depends on whether the derivative is designated as a hedging instrument and the nature of the item being hedged. The bank designates certain derivatives as:

- Hedging instruments of the risks associated with fair value changes of recognized assets or liabilities or firm commitments (fair value hedge).
- Hedging of risks relating to future cash flows attributable to recognized assets or liability or a highly probable forecast transaction (cash flow hedge).
- Hedging of net investment in foreign transactions (net investment 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 expected to be highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

R- Intangible assets

A. Goodwill

Goodwill represents the increase in the cost of acquisition over the fair value of the group's share of net assets and the Goodwill is amortized by 20% annually.

B. Computer programs

Expenses associated with the development or maintenance of computer programs are recognized as an expense in profit and loss statement when they are incurred. Expenses directly related to specific programs that are under the control of the bank and are expected to generate economic benefits that exceed their cost for more than one year are recognized as an intangible asset. Direct expenses include cost of software development staff and a suitable portion of respective general expenses.

Expenses that lead to an increase or expansion in the performance of computer software beyond their original specifications are recognized as a development cost, and are added to the cost of the original programs.

The cost of computer software recognized as an asset shall be amortized the expected useful life which doesn't exceed three years.

C. Other Intangible assets

The cost of acquiring computer programs and their licenses: shown at the historical cost after deducting the consumption complex and the allocation

Impairment losses are depreciated in a straight-line manner over the period expected to be utilized.

Other intangible assets: Intangible assets other than goodwill and computer software like trademarks, licenses, and the benefits of leases. Other intangible assets are represented at the cost of acquisition and amortized by straight-line method or based on the expected economic benefits, over their estimated production lifetime, and assets that do not have a specific production lifetime and are not subject to be amortized, but tested for impairment annually and the value of the impairment (if any) will be carried on the income statement.

S- Non-monetary assets acquired as settlement of debts

Assets acquired by the group to settle debts are recorded within "Other Assets" with the same value acquired by the bank and in case there are any decreases in the fair value of these assets are charged to the income statement, if there is a subsequent increase in fair value, it will be credited to the income statement up to the amount previously charged. For the Real Estate which granted a new deadline for disposal has been formed a banking risk reserve in equity.

T- Property, plant and equipment and depreciation

All property, plant, and equipment are recorded at historical cost less depreciation and impairment losses. Depreciation of Fixed assets is calculated using the straight-line method with reliable rates for each subsidiary to allocate their residual values over estimated useful lives.

U- Leasing

All lease contracts to which Banque Misr is a party are treated as operating leases and reported in other operating income / expenses while those booked in some entities which are applied Egyptian accounting standard number (49) Lease contracts which is not mandatory for Banque Misr to apply.

U/1 As a lessee

Lease payments under operating leases less any discounts received from the lessor, are recognized as expenses in the income statement on a straight-line basis throughout the contract.

U/2 As a lessor

Assets leased out under operating lease contracts are reported as part of the fixed assets in the consolidated balance sheet 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.

V- Contingent liabilities and commitments

Contingent liabilities in which the group is involved as a party in addition to any commitments of fixed assets, financial investments, and others are recorded as off-balance sheet items as “contingent liability and commitments “. Such a transaction does not represent actual assets or liabilities at the financial statement date.

W- Cash and cash equivalents

For purposes of presenting cash flow statement, cash and cash equivalents including (cash, obligatory reserve balances with CBE, due from banks as well as treasury bills) maturing within 3 months from the acquisition date.

X- Other provisions

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

In case of similar obligations, the related cash outflow should be determined to settle these obligations as a group.

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

Provisions are measured at the present value of the expected required expenditures to settle obligations after one year from the financial statement date using the appropriate rate by the terms of the settlement, which reflects the time value of money. If the settlement term is less than one year, the estimated value of obligations is calculated.

Y- Other Loans

It involves all other loans which is Banque misr obtained and not classified in financial liabilities through profit and loss or issued debt instruments and it includes (loans / subordinated deposits – loans from local and external banks – loans from central banks - ...) initially obtained loans are recognized at its fair value less transaction cost incurred, subsequently measured by the amortized cost.

Z- Income tax

Income tax on the profit or loss for the period and deferred tax are recognized in the income statement except for income tax relating to unearned gain which was recognized directly in equity.

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

Deferred taxes arising from temporary time differences between the book value of assets and liabilities are recognized by the principles of accounting and value according to the principle of the tax. This is to determine the value of deferred tax expected to realize or settle the values of assets and liabilities using tax rates applicable on the date of the financial statement.

Deferred tax assets of the bank are recognized when there is a probable possibility of achieving taxable profits in the future through which the asset can be used, the value of the deferred tax assets is reduced by the value of the part from which the expected tax benefit will not be realized during the following years. in the case of a higher benefit expected tax, deferred tax assets will increase within the limits of the previously reduced.

(3) Risk Management

The core business of Banque Misr is providing banking services is a source of various financial and non-financial risks (e.g., credit risk, market risk, operational risk, and other risks). The Bank's Risk Sector undertakes the tasks of identifying, measuring, following up and monitoring the risks to which the Bank may be exposed, in addition to determining their trends, development, and mitigation. As well as preparing risk policies and reports on all types of risks at the Group's level to balance risk and return to reduce potential negative impacts on the Group's financial performance.

Risk Management Strategy

The overall vision of Banque Misr's risk management strategy is to provide the necessary support to achieve the Bank's strategic objectives by implementing best risk management practices that contribute to managing all types of risks associated with the Bank's activities to protect the Bank's financial position and reputation to maintain Banque Misr's position as a leading financial institution. This is achieved by adopting an integrated risk management framework aimed at supporting the application of the basic principles of risk management at Banque Misr. This framework includes a set of qualitative elements such as policies and work procedures, and quantitative elements such as the methods used to measure and assess risks, supported by the necessary competencies and technological systems to achieve the risk management strategy. The flexibility of this framework makes it compatible with the Bank's existing activities and any updates affecting the Bank's business model. Bank Misr's senior management determines the acceptable limits for various types of risks, and the Bank's Board of Directors approves the framework for acceptable risk limits. The Risk Sector implements all necessary procedures to mitigate the various risks associated with the Bank's activities in accordance with the Bank's acceptable risk level.

Risk Management Governance and Risk Management Principles

Banque Misr's risk governance framework works to create and enhance a strong risk culture, determine the level of risk appetite through a list of acceptable risk limits, and define responsibilities for risk management in particular and the internal control function in general, through:

1. The Board of Directors, in cooperation with senior management establishes an internal control culture at Banque Misr to make that all Bank employees at all managerial levels are sufficiently aware of the nature of their roles and responsibilities.

2. The Risk Sector undertakes the tasks of risk management at the Bank and enjoys complete independence in performing these tasks. The Sector reports periodically directly to the Supreme Risk Committee, which in turn reports to the Board of Directors. The following are the most important responsibilities of the Risk Sector at Banque Misr:

- Identifying, measuring, following up and controlling the risks to which the Bank is exposed in light of its activities and operations. It determines risk trends and development and utilizing various methods to mitigate risk and prepare various risk reports.

- Defining and documenting the acceptable risk limits for Banque Misr, as well as proposing relevant policies and limits, which are approved by the Board of Directors and reviewed periodically.
- preparing risk management policies that ensure risk management, assessment, monitoring, and taking the necessary procedures to mitigate them continuously. These policies are reviewed and updated periodically to ensure that they are aligned with the nature and scale of the Bank's activities and the risks associated with them, as well as to keep pace with international risk management practices and comply with regulatory instructions and any new developments.

- Reporting periodically to the Supreme Risk Committee and the Board of Directors, including the types of risks associated with the various activities practiced by the Bank and the extent of compliance with acceptable risk limits, and providing recommendations and corrective actions (if needed).

- Conducting stress tests for various types of risks to obtain a forward-looking assessment of risks to anticipate the impact of negative developments on the Bank's financial position.

- Contributing to the development of risk mitigation methods, emergency plans, business continuity plans, and recovery plans.

Financial Risk Management

A. Credit risk

Credit risk represents the losses resulting from the failure of borrowing customers or counterparties to fulfill their obligations according to the terms of the contract, it is one of the fundamental risks faced by the bank as the main important activities practiced by the bank are the lending activities which lead to loans, facilities and investment activities that result in the inclusion of debt instruments in the bank's assets,

Also, the financial instruments in off-balance sheet such as contingent liabilities, and credit risk is managed by a team specialized in the risk sector at the client level, risk management is also implemented at the credit portfolio level, including credit concentration risk management.

(A-1) Credit risk measurement

The Bank manages credit risk and works to and minimize this risk to acceptable limits at the customer level through the following:

- Prepare credit studies for clients and banks before engaging with them to estimate and assess their credit quality, including assessing their creditworthiness as a part of the credit studies.
- Working on mitigation credit risks through various methods such as obtaining sufficient guarantees - when needed - to reduce the size of the risks that may arise in case of customer default.
- Following up and a periodic study of clients and banks to evaluate their financial and credit positions and estimate the required provisions.

The bank assesses the probability of default for each client using internal assessment models designed to assess the customers' creditworthiness of various customer categories, as the degree of customers' creditworthiness is determined through a set of quantitative and qualitative factors and based on various data used in assessing the probability of default, the estimates and conditions are applied based on scientific basis to classify the appropriate creditworthiness. The integrity of the internal evaluation forms is checked and calibrated periodically to ensure the integrity of their results

Internal Rating Categories of the Bank according to creditworthiness:

Meaning of Classification	Classification
1	Performing Debts
2	Modest Debts
3	Watchlist Debts
4	Non-performing Debts

Credit Portfolio risk is managed on an ongoing basis to assess credit risk at the level of the credit portfolio and evaluating the quality of the credit portfolio's performance as a whole, and prepare a periodic report on the performance of the credit portfolio and submitted to the Supreme Committee and the Board of Directors, and these reports include, for example, the following analyses:

- Analysis of the size of development and growth in the credit portfolio of corporate and SME credit customers.
- Analysis of the evaluation results of portfolio quality indicators and assess the risk of credit concentration .
- Analysis of the provision's movement for corporate and SME credit customers.
- Summary of credit portfolio's performance evaluation and recommendations provided.
- Conducting stress tests for the credit portfolio periodically, and the value of the expected credit

losses (provisions) is estimated under a various scenario in severity prepared for the purpose of conducting stress tests, and the bank's ability to face these losses is evaluated in light of the results of these tests.

(A-2) Risk limit control and mitigation policies

The group manages limits and controls concentrations of credit risk wherever they are identified – in particular to individual counterparties, debtors, industries, and countries. The bank structures the level of credit risk it undertakes by placing limits on the amount of risk accepted about one borrower, or group of borrowers, and to geographical and industry segments. Such risks are monitored on a revolving basis and subject to an annual or more frequent review when considered necessary. Limits on the level of credit risk by individual, counterparties, product, and industry sectors and by country regarding the certificate credit permissions.

The exposure to any one borrower including banks is further restricted by sub-limits covering on- and off-balance sheet exposures.

Some other specific control and mitigation measures are outlined below:

• **Collateral:**

The main source of payment is the cash flow of any customer, but sometimes, according to the credit study, additional collateral is taken to reduce the risks in case of a customer default, and also works to enhance the credit situation in case of failure to pay the full debt, and the types of collaterals that are accepted by the bank:

- Securities (stocks and bonds)
- Mortgage
- Commercial mortgage on machines and equipment
- Personal guarantees or what is known as bail
- Freezing the customer's credit balances

(A-3) Impairment and (provisions) policies

The internal systems of the evaluation as mentioned before (Note A/1) focus heavily on credit quality planning from the beginning of proving lending and investment activities. Otherwise, only the impairment losses that occurred on the balance sheet date are recognized for financial reporting purposes.

Based on objective evidence indicating the impairment as stated in this explanation and due to the difference in the methods applied, the credit losses charged to the financial statements are usually less than the estimated loss amount using the expected loss model used.

The following table shows the percentage of items on financial statements related to loans and facilities for banks and customers for each stage:

Bank evaluation	<u>December 31, 2024</u>	<u>December 31, 2023</u>
	Expected Credit Loss Provision %	Expected Credit Loss Provision %
Stage one	62.31 %	27.07 %
Stage two	13.73 %	25.53 %
Stage three	23.96 %	47.40 %
Total	<u>100 %</u>	<u>100 %</u>

(A-4) Maximum exposure to credit risk before collateral held

	Amounts in EGP Millions	
	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>In balance sheet items exposed to credit risk</u>		
Total loans and advances to banks (gross)	35,507	11,626
<u>Loans and advances to customers (gross):</u>		
<u>Individuals and small enterprises:</u>		
Overdraft	6,740	6,753
Credit cards	14,076	8,096
Personal loans	180,156	152,803
Direct loans	3,914	3,626
Mortgages loans	33,690	24,866
Other loans	453	865
<u>Large and medium enterprises:</u>		
Overdraft	250,036	142,813
Direct loans	621,934	390,807
Syndicated loans	420,167	361,568
Other loans	48,539	60,753
Discounted papers	4,561	1,903
Total loans and advances to customers	1,584,266	1,154,853
<u>Financial investments:</u>		
Debt instruments through comprehensive income	674,212	542,209
Debt instruments at amortized cost	315,579	350,273
Other assets	140,451	86,277
Total	2,750,015	2,145,238
<u>Off Balance sheet items that exposed to credit risk</u>		
Letters of guarantee	328,449	210,397
Letters of credit	40,412	19,010
Acceptance	18,325	15,170
Loans commitments	-	4,756
Other	732	613
Total	387,918	249,946

The above table represents the maximum bank exposure to credit risk on December, 2024, without taking into consideration any guarantees.

As shown above, loans and advances to customers and banks represent 58.90% of the maximum limit exposed to credit risk in the balance sheet against 54.38% at the end of the previous year, while investments in debt instruments represent 35.99% of the maximum limit exposed to credit risk in the balance sheet against 41.60% at the end of the comparative year. The Group applied more prudent selection processes when granting loans and facilities during the financial year ending of December 31, 2024.

(A-5) Loans and advances

The following table shows the different stages of loans and advances for customers and banks as of December 31, 2024

Item	Amounts in EGP Millions			
	December 31, 2024			
	Stage 1	Stage 2	Stage 3	Total
Loans and advances to customers	1,450,360	91,154	42,752	1,584,266
Provision for customer loans	(89,079)	(19,533)	(34,250)	(142,862)
Unearned doubtful interest	(75)	-	(512)	(587)
Unearned discount	(360)	-	-	(360)
Net loans and advances to customers	1,360,846	71,621	7,990	1,440,457
Loans and advances to banks	6,101	29,406	-	35,507
Provision for loan	(9)	(96)	-	(105)
Net loans and advances to banks	6,092	29,310	-	35,402

The following table shows the different stages of loans and advances for customers and banks as of December 31, 2023

Item	Amounts in EGP Millions			
	December 31, 2023			
	Stage 1	Stage 2	Stage 3	Total
Loans and advances to customers	1,051,511	61,724	41,618	1,154,853
Provision for customer loans	(15,171)	(14,256)	(26,566)	(55,993)
Unearned doubtful interest	-	-	(309)	(309)
Unearned discount	(1,148)	-	-	(1,148)
Net loans and advances to customers	1,035,192	47,468	14,743	1,097,403
Loans and advances to banks	1,390	10,236	-	11,626
Provision for loan	(2)	(52)	-	(54)
Net loans and advances to banks	1,388	10,184	-	11,572

(A-6) Concentration of risks of financial assets exposed to credit risks

(A) Geographical sectors

For the following table, the bank has allocated exposures to the regions related to the group's customers. Risk related to loans and advances to customers has been allocated according to branches region that customers account has been opened in it.

Amounts in EGP Millions

	Arab Republic of Egypt				Other countries	Total
	Cairo	Alex, Delta & Sinai	Upper Egypt	Total		
<u>Loans and advances to banks (gross)</u>	-	-	-	-	35,507	35,507
<u>Loans and advances to customers (gross):</u>						
<u>Individuals and small enterprises</u>						
– Overdrafts	4,564	1,157	155	5,876	864	6,740
– Credit cards	13,165	595	220	13,980	96	14,076
– Personal loans	78,409	61,182	38,290	177,881	2,275	180,156
– Direct loans	3,233	-	-	3,233	681	3,914
– Mortgages	23,291	5,784	4,592	33,667	23	33,690
– Other loans	453	-	-	453	-	453
<u>Corporate and medium enterprises:</u>						
– Overdrafts	216,834	24,824	2,389	244,047	5,989	250,036
– Direct loans	572,644	28,681	12,582	613,907	8,027	621,934
– Syndicated loans	374,219	11,711	1,711	387,641	32,526	420,167
– Other loans	32,471	967	154	33,592	14,947	48,539
– Discounted papers	4,431	121	-	4,552	9	4,561
<u>Financial Investments:</u>						
– Debt instruments	879,783	225	-	880,008	109,783	989,791
– Other assets	128,472	3,432	1,433	133,337	7,114	140,451
Total at the end of the current year	2,331,969	138,679	61,526	2,532,174	217,841	2,750,015
Total at the end of the comparative year	1,874,628	118,657	54,455	2,047,740	97,499	2,145,239

(B) Market risk

The group is exposed to the market risk represented in fluctuations in fair value or future cash flows resulting from changes in market prices. The market risk is happening because of the open positions of interest rates, currency exchange rates, and the products of the shareholders' equity as each of them is exposed to the market's public and private movements as well as to the changes in the sensitivity level of market prices or rates such as interest rates, foreign exchange rates and the prices of equity instruments and liquidity risk.

The dealing room department and market risk department have the responsibility to evaluate and manage the risk of insufficient necessary funds and the related risks associated with imbalance distribution of balance sheet structure (due to changes in interest rate and exchange rate prices) as well as bank's long-term finance and the management of capital requirements and capital structure.

(C) Liquidity risk

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

(C-1) Liquidity risk management

The controls on liquidity risk applied by the group's money management and correspondents sector include the following:

- Managing daily financing by monitoring future cash flows to ensure that financial liability can be met, it includes many replacements when it is matured or Paid to customers, maintaining an active presence in global money markets to enable this to happen.
- Maintaining a diverse range of funding sources with back-up facilities.
- Monitoring balance sheet liquidity and advances to core funding ratios against internal and CBE regulations.
- Managing the concentration and profile of debt maturities.

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

The bank's money management and correspondents' department also control the unmatched medium-term assets management, with the level and type of the unutilized portion of loan commitments, the extent of utilizing debit current accounts advances, and the impact of contingent liabilities such as letters of guarantees and letter of credits.

(C-2) Funding approach

Sources of liquidity are regularly reviewed jointly by a specific team from the Risk Management department to maintain a wide diversification of currency, provider, product, and term.

The liquidity Control ratios (NSFR – LCR)

1- Liquidity Coverage Ratio (LCR)

The liquidity coverage ratio aims at ensuring that the bank reserves enough amount of liquid-high-quality assets that are not mortgaged to meet the net cash outflows during the upcoming 30 days amidst a scenario of unexcepted conditions with the condition of not dropping the liquidity coverage ratio below 100% at all times.

This ratio is calculated according to the following formula:

$$\text{LCR} = \frac{\text{liquid-high-quality assets}}{\text{Net Cash Outflows during 30 days}} \geq 100\%$$

The liquidity coverage ratio by end of Dec, 2024 has recorded the following:

Local Currency	1241.37%
Foreign Currency	357.48%
Total Currencies	648.55%

The control ratio $\geq 100\%$

2- Net Stable Funding Ratio (NSFR)

Represents the net percentage of stable financing between the available stable funding which represents the numerator of the equation and the required stable funding which represents the denominator.

Furthermore, the ratio works on facing the dissonance between the long-term financial structure by urging banks to exploit long-term stable sources of funds that last for more than a year at least and that is to cover the investments in assets and any financial claims which aids the bank in the formation of sources of funds which cannot be below 100% permanently.

This ratio was calculated according to the following formula:

$$\text{NSFR} = \frac{\text{The amount of available stable finance}}{\text{The amount of required stable finance}} \geq 100\%$$

The net stable funding ratio by end of Dec, 2024 has recorded the following:

Local Currency	181.88%
Foreign Currency	185.86%
Total Currencies	183.22%

The control ratio $\geq 100\%$

Capital management

The group's objectives when managing capital, which comprises other items than the items within the Equity, which appears on the face of the statement of the financial position, hereunder are objectives:

- Comply with capital legal requirements in the Arab Republic of Egypt and other countries where the bank's branches operate.
- Protecting the Bank's ability to sustain and enabling it to generate proper yield for its shareholders and other parties that deal with the Bank.
- Maintain a strong capital base that supports business growth.

Capital adequacy and capital demand are reviewed according to the requirements of regulators (Central Bank of Egypt in the Arab Republic of Egypt) periodically by the bank's management through models that depend on the guidelines of the Basel Committee for banking supervision. Required information is prepared and submitted to the Central Bank of Egypt every quarter.

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

- Maintain the sum of EGP 5 bn as a minimum limit for issued and paid-up capital.
- a minimum level of capital adequacy ratio of 13.25%, calculated as the ratio between the total value of capital base elements, and the risk-weighted assets and contingent liabilities of the bank (Credit Risk, Market Risk, and Operational Risk).

Overseas branches are subject to the supervision rules regulating banking business in countries where they operate.

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

Tier One:

Tier 1 capital is the core capital, which comprises paid-up capital, retained earnings, reserves resulting from profits distribution except for the general banking risk reserve, deducting goodwill or any retained losses, in addition to Other Comprehensive Income (OCI) irrespective of being positive or negative.

The interim net profit is incorporated in Tier 1 Capital by the circular of the Central Bank of Egypt Board of Directors held on 15 February 2017.

Tier Two:

Tier 2 is the subordinated capital which comprises the equivalent amount of the provision of the loan against debt instrument/loans, advances and contingent liabilities at Stage 1 at maximum of 1.25% from the total Credit risk-weighted assets and contingent liabilities, Subordinated loans/deposits with more than five years to maturity (amortizing 20% of its carrying amount in each year of the remaining five years to maturity), in addition to 45% of the special reserve and 45% of the increase in fair value above the carrying amount of investments in subsidiaries and associates.

While calculating the numerator of the capital adequacy ratio, the total value of Tier 2 should not exceed the total value of Tier 1. Also, the value of subordinated loans/ deposits shouldn't exceed 50% of Tier 1.

Assets are risk-weighted by Zero to 400% classified according to the nature of the debtor in each asset to reflect the credit risk associated with it, taking into consideration the cash collaterals. The same treatment is applied for the Off-balance sheet items after adjustments to reflect the contingency nature and the potential losses of those amounts.

Banque Misr has complied with all local & foreign capital requirements in the Countries in which its foreign branches operate for the current year.

The below tables summarize the compositions of Tier 1, Tier 2, capital adequacy ratio, and leverage ratio based on the Consolidated Financial statement of the financial group as of the end of 31st of

December 2024, and comparative year based on Basel II requirements by the instructions of the Central Bank of Egypt and CBE instructions regarding the adoption of Standardized Approach for measuring Operational risk which was issued in Jan, 2021 and was applied from year 2022 to replace Basic Indicator Approach.

1- Capital adequacy ratio:

Amounts in EGP Millions

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Tier 1 Capital</u>		
Share Capital	110,000	50,000
Reserves	10,930	26,705
General Risk Reserve	1,016	1,016
Retained Earnings	72,455	36,723
Total Other Comprehensive Income Items	51,279	24,354
Total Deductions from Capital Invested	(11,546)	(8,859)
Net Tier 1 (Common Equity) CET1	234,134	129,939
Total Additional Going Concern Tier 1	75,660	53,679
Total Qualifying Tier 1 Capital	309,794	183,618
<u>Tier 2 Capital</u>		
Subordinated Loans	82,566	58,364
Impairment Provision for Loans, Debt Instruments & Contingent Liabilities in Stage One	30,131	16,633
Total Qualifying Tier 2 capital	112,697	74,997
Total Capital Base	422,491	258,615
Credit risk	2,435,472	1,337,366
Market risk	49,684	45,192
Operational risk	85,838	65,210
Total Risk-Weighted Assets & Contingent Liabilities	2,570,994	1,447,768
Capital Adequacy Ratio of Tier 1 (%)	12.05%	12.68%
Capital Adequacy Ratio (%)	16.43%	17.86%

Leverage ratio

The Board of Directors of the Central Bank of Egypt (CBE) issued a decision in its meeting on 7 July 2015 to approve the regulatory instructions for leverage, with banks commitment to the minimum rate set for (3%) every quarter as a commitment regulatory rate as of 2018 to maintain the strength and integrity of the banking system and keep up with the best international supervisory practices in this regard.

Leverage reflects the relationship between tier one of capital after elimination, and the Bank's assets (both on- and off-balance-sheet) are unweighted with risk weights.

Amounts in EGP Millions

	December 31, 2024	December 31, 2023
Tier one of capital after the exclusion	309,794	183,618
Total exposures on balance sheet and derivative operations	4,813,521	3,147,878
Total exposures off balance sheet	358,864	215,739
Total exposures on and off balance sheet	5,172,385	3,363,617
Leverage ratio	5.99%	5.46%

(4) Segment analysis

Geographical segment analysis for current financial year :

Amounts in EGP Millions

Item	December 31, 2024						
	Inside Arab Republic of Egypt	Outside Arab Republic of Egypt					Total
		UAE	France	Germany	Lebanon	Uganda	
<u>Income and expenses according to geographical segments</u>							
Geographical segment income	657,636	16,091	4,156	747	2,509	505	681,644
Geographical segment expense	(515,685)	(6,049)	(3,716)	(1,242)	(1,110)	(417)	(528,219)
Result of the sector operations	141,951	10,042	440	(495)	1,399	88	153,425
Profit before income tax	141,951	10,042	440	(495)	1,399	88	153,425
Income tax	(50,873)	(2,129)	(105)	-	(14)	(36)	(53,157)
Net profit for the period	91,078	7,913	335	(495)	1,385	52	100,268

Item	December 31, 2024						
	Inside Arab Republic of Egypt	Outside Arab Republic of Egypt					Total
		UAE	France	Germany	Lebanon	Uganda	
<u>Assets and liabilities according to geographical segments</u>							
Geographical segment assets	3,797,546	263,369	70,513	17,313	39,135	3,972	4,191,848
Geographical segment liabilities	3,457,190	255,334	73,830	16,025	37,225	2,686	3,842,290

(4) Segment analysis

Geographical segment analysis for comparative year:

Amounts in EGP Millions

Item	December 31, 2023						
	Inside Arab Republic of Egypt	Outside Arab Republic of Egypt					Total
		UAE	France	Germany	Lebanon	Uganda	
<u>Income and expenses according to geographical segments</u>							
Geographical segment income	395,884	10,114	2,563	587	1,475	289	410,912
Geographical segment expense	(309,921)	(3,712)	(1,318)	(691)	(955)	(240)	(316,837)
Result of the sector operations	85,963	6,402	1,245	(104)	520	49	94,075
Profit before income tax	85,963	6,402	1,245	(104)	520	49	94,075
Income tax	(31,767)	(1,110)	(368)	-	(33)	(23)	(33,301)
Net profit for the period	54,196	5,292	877	(104)	487	26	60,774

Item	December 31, 2023						
	Inside Arab Republic of Egypt	Outside Arab Republic of Egypt					Total
		UAE	France	Germany	Lebanon	Uganda	
<u>Assets and liabilities according to geographical segments</u>							
Geographical segment assets	2,735,003	155,291	32,787	12,589	31,606	1,696	2,968,972
Geographical segment liabilities	2,533,786	150,290	31,912	11,308	30,010	1,285	2,758,591

	Amounts in EGP Millions	
	From 01/01/2024 To 31/12/2024	From 01/01/2023 To 31/12/2023
(5) Net interest income		
<u>Interest on loans and similar income from:</u>		
Loans and advances to banks	1,969	1,140
Loans and advances to customers	301,896	173,349
	303,865	174,489
Interest from deposits and current account to banks	103,031	50,715
Interest from debt instruments at amortized cost	97,179	71,632
Interest from debt instruments at fair value through OCI	60,899	81,822
Others	5	712
Total interest on loans and similar income	564,979	379,370
<u>Interest on deposits and similar expense from:</u>		
Deposits and current accounts:		
-Banks	(11,852)	(7,042)
-Customers	(324,689)	(218,626)
Other loans	(32,375)	(17,771)
Others	(9,995)	(2,575)
Total interest on deposit and similar expense	(378,911)	(246,014)
Net interest income	186,068	133,356
(6) Net fee and commission income		
<u>Fee and commission income:</u>		
Fees and commissions related to credit	14,221	9,619
Fees from corporate finance services	1,785	1,231
Custody fees	329	201
Fees and commissions of retail banking cards	6,570	3,837
Other fees	10,183	6,098
Total fee and commission income	33,088	20,986
<u>Fee and commission expense:</u>		
Paid fees	(2,329)	(1,394)
Total fee and commission expense	(2,329)	(1,394)
Net fee and commission income	30,759	19,592

	Amounts in EGP Millions	
	From 01/01/2024 To 31/12/2024	From 01/01/2023 To 31/12/2023
(7) Dividend income		
Return from equity instruments through OCI	2,111	1,177
Return from investment at fair value through P&L	263	290
	2,374	1,467
(8) Net trading income		
Gains from foreign exchange operations	3,179	2,260
Derivative operations	201	13
Return from financial investment at fair value through P&L	412	2
Revaluation differences for financial investments at fair value through P&L	571	1,517
Sales differences for financial investments at fair value through P&L	2,098	2,287
	6,461	6,079
(9) Gains (losses) from financial investments		
<u>A- Gains on sale financial investments</u>		
Gains on sale financial investments at fair value through OCI	14,606	4,600
Gains on sale financial investments at amortized cost	28	2
(Losses) gains on sale investments in associates	189	3
Gains on sale financial investments	14,823	4,605
<u>B- Revaluation differences for financial investments</u>		
Revaluation differences for shares associates and joint venture	(37)	22
Revaluation differences for financial investments	(37)	22
Net gains from financial investments	14,786	4,627
(10) Release (charge) for expected credit loss		
(charge) for expected credit loss - stage 1	(82,821)	(14,758)
(charge) for expected credit loss - stage 2	(3,515)	(6,696)
(charge) for expected credit loss - stage 3	(338)	(8,828)
Provisions no longer required	31	2,644
Impairment release for debit balances	(12)	14
Total (charge) for expected credit loss	(86,655)	(27,624)

	Amounts in EGP Millions	
	From 01/01/2024 To 31/12/2024	From 01/01/2023 To 31/12/2023
(11) Administrative expenses		
<u>Staff costs</u>		
Salaries and wages	(22,040)	(15,760)
Social insurance	(824)	(727)
Total staff costs	(22,864)	(16,487)
<u>Pension costs</u>		
Defined-contribution plans	(58)	(60)
Defined-benefit plans	(2,265)	(2,088)
Total pension costs	(2,323)	(2,148)
<u>Other administrative expenses</u>	(35,137)	(23,170)
Total Administrative expenses	(60,324)	(41,805)
(12) Other operating revenue (expense)		
Gains (losses) from revaluation of assets and liabilities	58,984	(1,581)
Operating lease	(1,173)	(762)
(Charge) of other provisions	(3,351)	(580)
(Charge) of debit balances provisions	-	(7)
Gains from non operating activities	923	364
Gains (Losses) on sale of assets acquired as a settlement of debt	780	(287)
Others operations revenue	239	597
Total other operating revenue (expense)	56,402	(2,256)
(13) Income tax expenses		
Foreign branches tax	(2,025)	(1,733)
Treasury bills tax	(10,958)	(5,261)
Treasury bonds tax	(17,796)	(14,082)
Investment securities portfolio tax	(92)	(399)
Financial companies tax	(25,453)	(11,265)
Income tax	(776)	(1,816)
Income tax - Deferred tax	3,943	1,255
Total Income tax expenses	(53,157)	(33,301)

Amounts in EGP Millions

(14) Cash and balances with central banks

	December 31, 2024	December 31, 2023
Cash	72,732	35,507
Obligatory reserve balance at central banks	241,539	129,489
	314,271	164,996
Deduct		
Expected credit loss provision	(1,416)	(438)
Net cash and balances at central banks	312,855	164,558

Analysis for expected credit loss provision of balances at central banks

Beginning balance	438	350
Foreign currency revaluation differences	978	88
	1,416	438

(15) Due from banks

Current accounts	132,071	68,609
Deposits (less than 3 months maturity)	1,018,831	495,943
Deposits (more than 3 months maturity)	150	69,021
	1,151,052	633,573

Central banks other than the obligatory reserve ratio	622,933	403,822
Local banks	275,857	167,995
Foreign banks	252,262	61,756
	1,151,052	633,573

Deduct :

Expected credit loss provision	(8,175)	(3,412)
Net due from banks	1,142,877	630,161

Analysis for expected credit loss provision of due from banks

Beginning balance	3,412	1,162
Additions	2	-
Expected credit loss charge during the financial year	2,162	1,914
Write off during the the financial year	(31)	(38)
Foreign currency revaluation differences	2,630	374
	8,175	3,412

		Amounts in EGP Millions	
		December 31, 2024	December 31, 2023
(16) Loans and advances to banks			
Term loans		35,507	11,626
Deduct :			
Expected credit loss provision stage 1	(9)	(9)	(2)
Expected credit loss provision stage 2	(96)	(96)	(52)
		35,402	11,572
<u>Analysis for expected credit loss provision of loans and advances to banks</u>			
Beginning balance		54	64
Impairment charge during the financial year		14	16
Write off during the financial year	-	-	(27)
Foreign currency revaluation differences		37	1
Ending balance for the financial year		105	54
(17) Loans and advances to customers			
<u>Individuals and small enterprises</u>			
Overdraft		6,740	6,753
Credit cards		14,076	8,096
Personal loans		180,156	152,803
Direct loans		3,914	3,626
Mortgages loans		33,690	24,866
Other loans		453	865
Total (1)		239,029	197,009
<u>Large and medium enterprises</u>			
Overdraft		250,036	142,813
Direct loans		621,934	390,807
Syndicated loans		420,167	361,568
Other loans		48,539	60,753
Discounted commercial papers		4,561	1,903
Total (2)		1,345,237	957,844
Total loans and advances to customers (1+2)		1,584,266	1,154,853
Deduct : expected credit loss provision stage 1	(89,079)	(89,079)	(15,171)
Deduct : expected credit loss provision stage 2	(19,533)	(19,533)	(14,256)
Deduct : expected credit loss provision stage 3	(34,250)	(34,250)	(26,566)
Deduct: unearned doubtful interest	(587)	(587)	(309)
Deduct: unearned discount	(360)	(360)	(1,148)
Net loans and advances to customers and discounted commercial papers		1,440,457	1,097,403

Amounts in EGP Millions

	December 31, 2024	December 31, 2023
<u>Expected credit loss provision movement of loans and advances to customers</u>		
Balance at beginning of the financial year	55,993	35,205
Additions	1,972	-
Expected credit loss charge	77,618	21,603
Recoveries from previously written off loans	2,957	1,758
Revaluation differences of provision in foreign currency	8,659	2,298
Write off	(7,396)	(4,997)
Foreign currency revaluation differences	3,059	126
Balance at the end of the financial year	142,862	55,993
<u>(18) Financial investments at fair value through P&L</u>		
<u>- Equity instruments</u>		
Corporate shares	2,741	1,649
Banks shares	1,792	581
Mutual Funds	796	1,035
Total equity instruments	5,329	3,265
<u>- Debt instruments</u>		
Other debt instruments	4,297	484
Total debt instruments	4,297	484
Financial investments managed by others	5,578	4,960
Total financial investments at fair value through P&L	15,204	8,709

Amounts in EGP Millions

(19) Financial investments at fair value through OCI

- Shares

Banks shares	22,313	14,469
Corporate shares	29,189	18,320
	51,502	32,789

- Bonds

Governmental bonds	92,769	86,605
Corporate and banks bonds	70,209	43,274
Repo bonds	(22,114)	(7,723)
	140,864	122,156

- Treasury bills

Treasury bills	709,186	483,456
Unearned interest	(76,705)	(12,984)
Repo treasury bills	(99,133)	(50,419)
	533,348	420,053

- Mutual Funds Certificates

Banks	477	1,655
Corporate	806	473
	1,283	2,128

Total financial investments at fair value through OCI	726,997	577,126
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Amounts in EGP Millions

(20) Financial investments at amortized cost

- Bonds

Governmental	302,991	338,127
Corporate	3,223	5,535
	306,214	343,662

- Treasury bills

Treasury bills	3,977	3,242
Unearned interest	(102)	(352)
	3,875	2,890

- Certificate of deposit

	5,489	3,721
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- Deduct

Expected credit loss provision for bonds	(918)	(83)
Expected credit loss provision for treasury bills	(5)	-
Expected credit loss provision for certificates of deposit	(101)	(61)
	(1,024)	(144)

Net financial investments at amortized cost	314,554	350,129
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Expected credit loss provision movement of financial investments at amortized cost

Balance at beginning of the financial year	144	118
Additions during the financial year	6	-
Expected credit loss charge (release) during the financial year	747	(4)
Foreign currency revaluation differences	127	30
	1,024	144

(21) Investment in associates and joint venture

A) Investments in associates companies capitals

	December 31, 2024		December 31, 2023	
	Amounts in EGP Millions	Share %	Amounts in EGP Millions	Share %
Elahlya for Investment & Development "Nirco"	68	25.00%	58	25.00%
Suez Gulf Development	8	24.47%	11	24.47%
Egyptian Chinese joint	61	22.50%	70	22.50%
Maspero for Urban Development	10	33.33%	64	33.33%
Upper Egypt for Investment	4	30.59%	-	30.59%
Elsalhaya for investment & development	311	29.40%	248	29.40%
Upper Egypt for Touristic & Property Development	-	-	6	28.82%
Altjarion for Touristic Development	31	30.67%	-	30.67%
ELahly Misr for Managing Real Estate Assets	15	50.00%	14	40.00%
First Design for Investment and Urban Development	-	34.50%	-	34.50%
Rawasi for Urban Development	-	50.00%	-	50.00%
Midar Investment and Urban Development	5,768	45.66%	2,763	45.66%
Misr Takaful insurance - Hayah	43	24.00%	42	24.00%
Super Pay For Electronic Payment	60	24.00%	28	24.00%
Financial Sector Fund - Bank du Caire	26	46.28%	123	46.28%
Misr for Investment and Export Development	7	40.00%	25	40.00%
Lighthouse Educational investment	1	25.00%	-	25.00%
Lighthouse Educational	27	20.00%	23	20.00%
International postal services Egy Serv	38	40.00%	58	40.00%
Hrasat Security and guard	-	30.00%	-	30.00%
Investment Fund for Digital Innovation	-	-	113	23.57%
Cleopatra Hospital (CLHO)	2,557	30.77%	2,360	30.77%

Total investments in associate companies and banks

9,035

6,006

B) Investments in joint companies

Taalem for Management Services	-	-	1,847	60.00%
Elevate Healthcare	1	50.00%	3	50.00%
C3 for investment funds management	-	50.00%	-	-

1

1,850

Total Investments in associates and joint venture

9,036

7,856

C) Share of result of associates

	From 01/01/2024 To 31/12/2024	From 01/01/2023 To 31/12/2023
Midar Investment and Urban Development	3,230	396
Cleopatra Hospital (CLHO)	197	96
Elsalhaya for investment & development	85	30
Taalem for Management Services	28	61
Financial Sector Fund - Bank du Caire	12	40
Egyptian Chinese joint	5	2
Misr Takaful insurance - Hayah	2	3
Elahlya for Investment & Development "Nirco"	15	7
ELahly Misr for Managing Real Estate Assets	2	2
Hrasat Security and guard	2	1
Misr for Investment and Export Development	(2)	-
Super Pay For Electronic Payment	(24)	-
International postal services Egy Serv	-	15
First Design for Investment and Urban Development	-	(13)
Maspero for Urban Development	2	1
Lighthouse Educational	4	(1)
C3 for investment funds management	(2)	-
Suez Gulf Development	(2)	(1)
	3,554	639

Amounts in EGP Millions

(22) Intangible assets

December 31, 2024 **December 31, 2023**

(A) Goodwill

The goodwill represents an increase in the cost of acquisition over the fair value of the Bank's share of net assets, including potential identifiable acquisition obligations of the subsidiary or associate company at the date of acquisition as follows:

The generated goodwill from the acquisition of Corplease for leasing company by CI Capital Holding.

23 23

The generated goodwill from the acquisition of Microfinance Services company (Rifi) by CI Capital Holding

326 326

The generated goodwill from the acquisition of CI Capital Holding by Banque Misr.

496 496

The generated goodwill from the acquisition of Nile Scan & Labs company by Misr Capital for Investments.

434 401

The generated goodwill from the acquisition of Nile Labs company by Nile Scan & Labs company.

1 1

Total Goodwill

1,280 1,247

Deduct: accumulated amortization

(376) (277)

Net Goodwill

904 970

(B) Other Intangible assets

Cost at the Beginning of the financial year

4,852 2,961

Additions

3,400 2,069

Disposals

(113) (68)

Foreign currency translation differences

139 (110)

Cost at the end of the financial year

8,278 4,852

Accumulated amortization at the beginning of financial year

3,122 2,057

Amortization

2,159 1,171

Disposals

(8) (4)

Transfer accumulated amortization

- 3

Foreign currency translation differences

128 (105)

Accumulated amortization at the end of financial year

5,401 3,122

Net other intangible assets at the end of financial year

2,877 1,730

Net intangible assets at the end of financial year

3,781 2,700

Amounts in EGP Millions

(23) Other assets

	December 31, 2024	December 31, 2023
Accrued revenues	91,062	57,347
Advance expenses	15,946	5,246
Advance payments for fixed assets	13,383	10,656
Advance payments for intangible assets	3,638	1,079
Assets acquired as settlement of debts	5,230	6,044
Other debit balances	34,754	21,768
Debit balances provision	(731)	(945)
	163,282	101,195

(24) Real estate Investments*

Cost at the beginning of the financial year	1,050	683
Additions	530	253
Disposals	(246)	-
Revaluation differences	79	114
Cost at the end of the financial year	1,413	1,050
Accumulated depreciation at the beginning of the financial year	7	5
Depreciation for the financial year	5	2
Accumulated depreciation for additions	1	-
Accumulated depreciation for disposals	(1)	-
Accumulated depreciation at the end of the financial year	12	7
Net real estate investments at the end of the financial year	1,401	1,043
Net real estate investments at the beginning of the financial year	1,043	678

* Real estate investments encompass both lands and buildings

(25) Property, Plant, and Equipment

Amounts in EGP Millions

31-Dec-24	Lands	Buildings & constructions	IT equipment	Vehicles	Machinery & Equipment	Fixtures	Furniture	Leasehold Improvements	Total
Cost at the beginning of the financial year January 1, 2024	1,246	6,754	8,204	540	3,039	5,138	1,239	1,159	27,319
Transfers between assets	-	-	23	-	(33)	24	80	(94)	-
Additions during the year	448	657	6,009	206	1,246	2,076	312	467	11,421
Adjustments	(10)	-	(27)	-	-	(2)	(2)	-	(41)
Disposals during the year	(1)	(69)	(173)	(27)	(93)	(387)	(45)	(2)	(797)
Impairment losses on fixed assets	-	-	-	-	(2)	-	-	-	(2)
Foreign currency translation differences	-	(33)	85	12	(23)	191	59	-	291
Cost at the end of the financial year December 31-2024 (1)	1,683	7,309	14,121	731	4,134	7,040	1,643	1,530	38,191
Accumulated depreciation at the beginning of the financial year January 1, 2024	-	1,756	4,785	308	1,722	2,757	739	524	12,591
Depreciation for the year	-	219	1,768	94	447	875	245	209	3,857
Accumulated depreciation for additions	-	18	122	6	52	91	20	59	368
Accumulated depreciation for disposals	-	(8)	(111)	(22)	(23)	(272)	(25)	(1)	(462)
Accumulated depreciation transfer	-	-	12	-	37	(45)	43	(47)	-
Foreign currency translation differences	-	(40)	61	7	(26)	163	36	4	205
Accumulated depreciation at the end of the financial year December 31-2024 (2)	-	1,945	6,637	393	2,209	3,569	1,058	748	16,559
Net Fixed Assets at the end of the financial year December 31-2024 (1-2)	1,683	5,364	7,484	338	1,925	3,471	585	782	21,632
Net Fixed Assets at the end of the financial year December 31, 2023	1,246	4,998	3,419	232	1,317	2,381	500	635	14,728

(25) Property, Plant, and Equipment

Amounts in EGP Millions

31-Dec-23	Lands	Buildings & constructions	IT equipment	Vehicles	Machinery & Equipment	Fixtures	Furniture	Leasehold Improvements	Total
Cost at the beginning of the financial year January 1, 2023	1,245	5,567	6,531	416	2,865	3,919	959	873	22,375
Transfers between assets	-	-	-	-	-	(7)	12	(5)	-
Additions during the year	2	1,552	2,458	154	559	1,168	285	296	6,474
Disposals during the year	(1)	(50)	(609)	(20)	(9)	(4)	(4)	(1)	(698)
Impairment losses on fixed assets	-	-	-	(1)	-	-	-	(4)	(5)
Foreign currency translation differences	-	(315)	(176)	(9)	(376)	62	(13)	-	(827)
Cost at the end of the financial year December 31-2023 (1)	1,246	6,754	8,204	540	3,039	5,138	1,239	1,159	27,319
Accumulated depreciation at the beginning of the financial year January 1, 2023	-	1,727	3,930	258	1,798	1,952	611	364	10,640
Depreciation for the year	-	184	1,035	69	301	756	147	167	2,659
Accumulated depreciation for disposals	-	(46)	(13)	(18)	(6)	(2)	(3)	(5)	(93)
Accumulated depreciation transfer	-	-	-	-	1	(1)	2	(2)	-
Foreign currency translation differences	-	(109)	(167)	(1)	(372)	52	(18)	-	(615)
Accumulated depreciation at the end of the financial year December 31-2023 (2)	-	1,756	4,785	308	1,722	2,757	739	524	12,591
Net Fixed Assets at the end of the financial year December 31-2023 (1-2)	1,246	4,998	3,419	232	1,317	2,381	500	635	14,728
Net Fixed Assets at the end of the financial year December 31, 2022	1,245	3,840	2,601	158	1,067	1,967	348	509	11,735

Amounts in EGP Millions

(26) Due to banks

	December 31, 2024	December 31, 2023
Current accounts	13,255	10,875
Deposits	139,793	102,065
Total	153,048	112,940
Central banks	6,802	2,978
Local banks	78,315	52,377
Foreign banks	67,931	57,585
Total	153,048	112,940

(27) Customers' deposits

Demand deposits	663,314	438,403
Call and time deposits	493,063	397,821
Certificates of deposit	1,347,441	1,046,437
Saving deposits	328,289	269,639
Other deposits	100,671	55,057
Total	2,932,778	2,207,357
Corporate Deposits	979,460	753,531
Individuals Deposits	1,953,318	1,453,826
Total	2,932,778	2,207,357

(28) Financial Derivatives

- Forward contracts represent commitments to purchase foreign and local currencies, including the undeclared part of spot transactions, Future contracts of foreign exchange or interest rates represent contractual obligations to receive or pay a net amount on the basis of changes in exchange rates and interest rates or buy or sale of a foreign currency or a financial instrument at a future date at a fixed contract price in an active financial market.

- Contracts of "currency or Interest rates" swaps represent commitments to exchange a group of cash flows. these contracts resulting in swaps currencies or interest rates (e.g Swap fixed rate with variable rate), or all these together (any contracts for swap interest rates and currencies), Actual exchange of contract amounts is made only in certain currency swap contracts.

The fair values of derivatives held as at 31 December 2024 are as follows:

Amounts in EGP Millions

	Contractual amount	Assets	Liabilities	Net
A- Derivatives for trading:				
Forward currency contracts	1,130	1	5	(4)
B- Derivatives classified as flow hedges:				
Currency swaps contracts	121,799	823	4,419	(3,596)
C- Derivatives classified as fair value hedges:				
Interest swaps contracts	4,658	287	287	-
Commodities derivatives contracts	473	-	-	-
Total		1,111	4,711	(3,600)

The fair values of derivatives held as at 31 December 2023 are as follows:

Amounts in EGP Millions

	Contractual amount	Assets	Liabilities	Net
A- Derivatives for trading:				
Forward currency contracts	6,178	3	1	2
B- Derivatives classified as flow hedges:				
Currency swaps contracts	5,225	2	45	(43)
C- Derivatives classified as fair value hedges:				
Interest swaps contracts	3,541	227	227	-
Commodities derivatives contracts	1,113	19	19	-
Total		251	292	(41)

Amounts in EGP Millions

	December 31, 2024	December 31, 2023
(29) Other loans		
Subordinated deposit	75,339	53,945
Loans from banks and local entities	3,639	11,831
Loans from banks and overseas entities	405,684	226,177
Loans to finance financial leasing contracts	5,527	4,473
Factoring activity loans	805	378
Total other loans	490,994	296,804
(30) Other liabilities		
Accrued interest	65,911	32,295
Prepaid revenues	3,668	2,638
Accrued expenses	57,141	31,200
Other credit balances	100,689	53,364
Total other liabilities	227,409	119,497

(31) Other provisions

Amounts in EGP Millions								
Item	Beginning balance	Charges in income statement	Transfers	Provision in foreign currency revaluation differences	Other additions	Write off	Foreign currency translation differences	Ending balance
<u>December 31, 2024</u>								
Provision for tax and legal claims	3,139	2,983	(33)	291	205	(319)	-	6,266
Provision for contingent liabilities and commitments	7,813	4,991	-	2,352	21	47	5	15,229
Others	528	270	33	63	135	(3)	-	1,026
Total	11,480	8,244	-	2,706	361	(275)	5	22,521
<u>December 31, 2023</u>								
Provision for tax and legal claims	2,202	848	29	97	19	(56)	-	3,139
Provision for contingent liabilities and commitments	4,089	3,277	-	449	-	(2)	-	7,813
Others	593	(145)	-	91	-	(9)	(2)	528
Total	6,884	3,980	29	637	19	(67)	(2)	11,480

Amounts in EGP Millions

(32) Deferred income tax

Deferred tax assets movement

	December 31, 2024	December 31, 2023
Balances at the beginning of the financial year	4,939	3,660
Additions	4,562	1,497
Disposals	(132)	(237)
Foreign currency translation differences	246	19
Balances at the end of the financial year	9,615	4,939

Deferred tax liabilities movement

Balances at the beginning of the financial year	3,147	2,115
Additions	3,260	1,513
Disposals	(1,162)	(481)
Balances at the end of the financial year	5,245	3,147

Net deferred tax assets

4,370 **1,792**

(33) Post retirement benefits liabilities

Post-retirement medical benefits	10,326	9,206
End-of-service benefits	1,614	1,266
Total	11,940	10,472

(34) Capital

A. Authorized capital

Based on the general assembly held on December 26, 2024, the authorized capital has been increased from EGP 120 billion to EGP 300 billion.

B. Issued and paid-in capital

The General Assembly of our bank approved on December 26, 2024, an increase in the issued and paid-up capital to reach 110 billion Egyptian pounds (One hundred and ten billion Egyptian pounds). This capital is distributed over 22 billion shares, fully owned by the state, with a nominal value of five Egyptian pounds per share. This increase was made by transferring from the reserves.

(35) Reserves

Amounts in EGP Millions

	December 31, 2024	December 31, 2023
Legal reserve	7,075	6,900
General reserve	298	2,789
Capital reserve	2,590	2,424
Supportive reserve	1,069	14,673
Fair Value reserve	24,193	12,899
General banking risk reserve	4,962	4,278
Foreign currency translation differences reserve	24,116	7,959
Difference of nominal value and present value of subordinated deposit	72,161	51,056
General risk reserve	1,016	1,016
ECL - debt instruments through OCI reserve	2,995	2,313
Capital reserve - Post acquisition reserve	(80)	(74)
Other reserves	12	5
Total reserves	140,407	106,238

Amounts in EGP Millions

(36) Contingent liabilities and commitments

A- Contingent liabilities

	December 31, 2024	December 31, 2023
Letters of guarantee	328,449	210,397
Letters of credit	40,412	19,010
Acceptance	18,325	15,170
Others	732	613

387,918 245,190

B- Commitments

Financial investments	28,163	11,997
Loans	-	4,756
Fixed assets and constructions of branches	5,124	5,338
Legal claims	196	126

33,483 22,217

Total Contingent liabilities and commitments

421,401 267,407

(37) Cash and cash equivalents

For the purpose of preparing the statement of cash flow, the cash and cash equivalent include the following balances of maturity dates within less than three months from the date of acquisition :

Amounts in EGP Millions

	December 31, 2024	December 31, 2023
Cash and balances with central banks	72,732	35,507
Due from banks	1,150,902	564,552
Treasury bills (net)	194,692	189,782
	1,418,326	789,841

(38) Significant events

- On 17 April 2025, the Monetary Policy Committee of The Central Bank of Egypt decided to cut the overnight deposit and lending rates by 225 basis points to reach 25.00%, 26.00%, and 25.50%, respectively, and also decided to reduce the discount and credit rate by 225 basis points to reach 25.5%.

(39) Comparative figures

- The comparative figures have been reclassified to align with the changes of the current year.