Annual Report 2024

الأهلي

ABK

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INTRODUCTION

1

WHO WE ARE

A GLIMPSE OF ABK GROUP

Al Ahli Bank of Kuwait (ABK) was established in Kuwait in 1967. Today it operates 29 branches in Kuwait, 45 in Egypt, and 3 in the UAE, in Abu Dhabi, Dubai, and the Dubai International Financial Centre (DIFC). Over the past 50 years, ABK has grown to become one of the most respected banks in the region.

ABK-EGYPT HISTORY

The Bank was originally founded in Egypt in 1978 as Alexandria Kuwait International Bank (AKIB). AKIB was one of the first private Banks in Egypt and was later rebranded to Egyptian Commercial Bank (ECB). In 2005, Piraeus Bank Group acquired ECB and changed its name to Piraeus Bank Egypt. In November 2015, Al Ahli Bank of Kuwait (ABK) acquired Piraeus Bank Egypt as part of its plans to expand its regional presence, reinforce ABK's competitive position and provide additional value to clients and stakeholders. Piraeus Bank Egypt was rebranded as ABK-Egypt and currently operates 45 branches across 19 governorates.

Since the acquisition, the Bank has witnessed impressive growth in terms of both market share and revenue, with the balance sheet growing from EGP 9.2 billion to over EGP 141.6 billion and net profits reaching EGP 6.6 billion in 2024.

After nine years of double-digit growth and measurable progress, ABK-Egypt looks forward with great optimism and enthusiasm to continue to cement its leading position in the Egyptian market through offering clients best-in-class service while ensuring its core values of transparency, integrity, simplicity and excellence are at the heart of all business operations.

In line with ABK's Mission, the Bank will strive to consistently provide experiences that simplify and enrich people's lives.

KEY FACTS 2024

1,764
Employees

660K+
Customers

EGP 6.6 bn
Net Profits

45
Branches

119
ATMs

OUR VISION

Reimagining a Simpler Bank.

OUR MISSION

To consistently provide experiences that simplify and enrich people's lives.

OUR CORE VALUES

TRANSPARENCY

We are clear and open in all our dealings with our customers and stakeholders; transparency is at the core of what we do.

SIMPLICITY

We constantly strive to make banking simpler for our customers with easy documentation and processes, friendly people, fast delivery, and better products and services because we believe that ‘Doing things simply’ is not ‘doing simple things.

INTEGRITY

We’re driven by what’s good for both our customers and shareholders in the long term, that’s because we believe that customer satisfaction leads to long-term value for our shareholders.

EXCELLENCE

Excellence is a consequence of the values we define as: ‘Simpler, faster, better.

ABK GROUP RATINGS

MOODY’S
A2

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A

ABK-EGYPT'S JOURNEY... NINE YEARS OF SUCCESS

Total Assets EGP bn

Dec 2015	Dec 2024	CAGR
9.2	141.6	35%

Total Assets have grown by an average of 35% every year since acquisition

Total Deposits EGP bn

Dec 2015	Dec 2024	CAGR
8.2	119.9	35%

As ABK-Egypt acquired new customers, deposits have grown 14 times since 2015

Gross Loans EGP bn

Dec 2015	Dec 2024	CAGR
4	69	37%

Both corporate and individual portfolios witnessed healthy, balanced growth

Net Operating Profit EGP bn

Dec 2015	Dec 2024	CAGR
0.1	8.9	61%

Net operating profits experienced an average growth of 61% every year since acquisition

Shareholders' Equity EGP bn

Dec 2015	Dec 2024	CAGR
0.7	15.9	42%

Net Interest Income EGP bn

Dec 2015	Dec 2024	CAGR
0.3	6.5	41%

Continuous expansion of the balance sheet resulted in an average growth in net interest income of 41% every year since acquisition

Net Profit EGP bn

Dec 2015	Dec 2024	CAGR
-0.1	6.6	166%

Net profits transformed from deficits and consistently increased annually, reaching EGP 6.6 billion by the conclusion of 2024

Dec 2015 | Dec 2024 | CAGR

CHAIRMAN’S MESSAGE

On behalf of our Board of Directors and myself, I am delighted to present to you Al Ahli Bank of Kuwait - Egypt’s (ABK-Egypt) Annual Report and Audited Financial Statements for the year 2024.

2024 was a very strong year for our Bank as we managed to achieve record Net Profit and make strategic progress towards our ambitious goals while maintaining our cautious approach and embracing new opportunities for expanding our business across the Egyptian market.

I am very proud of what we accomplished this year, and the robust growth rates achieved across all financial indicators, which reflect the relentless efforts exerted to strengthen our position in the banking sector and our team’s ability to deliver value to our customers and shareholders.

I am also particularly proud that our progress has been recognized by our industry peers. It is with great pleasure that I share ABK-Egypt’s recent accolades from esteemed international institutions. Notably, we received two distinguished awards from International Business Magazine: ‘Fastest Growing Retail Bank in Egypt 2024’ and ‘ABK Pay – Best Advanced Wearable Payment Solution in Egypt 2024.’ Furthermore, the Bank was honored with the title of ‘Best Retail Bank in Egypt 2024’ by MEED International Magazine.

Our outlook to the coming years remains very positive, and we will continue to pursue growth through setting additional focus on enhancing operational efficiency, achieving growth across all profitability mattresses while maintaining the quality of our credit portfolio, investing in our human capital, and elevating customer service to provide an exceptional banking experience to our customers. These set objectives will ensure that the Bank continues to achieve its ambitious goals and strengthen its market position.

In alignment with the national directions and the efforts of the Central Bank of Egypt towards transitioning to green economy, and in accordance with Egypt’s Vision 2030 to achieve sustainable development, Al Ahli Bank of Kuwait – Egypt (ABK-Egypt) has issued its first sustainability report for the year 2023 in line with the Global Reporting Initiative (GRI). which stand as a testament to our successful journey towards a better future and details the significant progress the Bank has made during the financial year 2023 and its commitment to all sustainability practices with utmost transparency.

We are grateful for the leading role played by the Central Bank of Egypt (CBE) and the Egyptian government over the past period and their ongoing efforts in supporting the banking sector, which were instrumental in navigating challenging market conditions and withstanding economic turbulence.

Finally, I would like to take this opportunity to extend my sincere gratitude to our shareholders for their continued trust in our Bank and to our customers for their loyalty, and we look forward to 2025 with confidence and enthusiasm.

ALI E. MARAFI

CHAIRMAN

CEO & MD’S MESSAGE

It is my pleasure to share with you Al Ahli Bank of Kuwait – Egypt’s (ABK-Egypt) Annual Report which highlights the outstanding achievements we have accomplished thanks to the dedicated efforts of our team and our ambitious strategy. The past year has been a pivotal milestone in our journey, as we successfully navigated the global economic challenges and made significant strides across all areas, while remaining deeply committed to delivering innovative financial solutions that not only meet our customers’ needs but also create lasting value for our shareholders.

2024 was an exceptional year, marked by prudent strategies and careful approach, which lead to outstanding financial results for the fiscal year ending December 31, 2024. These results reflect the sustainable growth across all business sectors and the expansion of our customer base. The Bank achieved a remarkable 137% increase in Net Profit in 2024, reaching EGP 6.6 billion, compared to EGP 2.8 billion in 2023. Net Interest Income reached EGP 6.5 billion compared to EGP 4.1 billion in 2023, reflecting an increase of 59%, while Net Income from Fees & Commissions surged by 23.7% to reach EGP 1.5 billion compared to EGP 1.2 billion at the end of 2023. Profit Before Tax recorded EGP 8 billion, a growth rate of 111.7% compared to EGP 3.8 billion in 2023, reflecting the Bank’s strong financial performance and strategic direction.

This year has laid a strong foundation for sustainable growth, as we focused on strengthening our competitive edge. We also expanded our digital services to keep pace with the evolving market demands, thereby reinforcing our leadership within the Egyptian banking sector. Our ability to adapt rapidly to market dynamics has enabled us to provide comprehensive financial solutions that cater to the diverse needs of both individuals and corporate customers.

ABK-Egypt remained committed to supporting the growth of the national economy across all sectors throughout 2024. Our corporate banking and syndications teams played a pivotal role in affirming the Bank’s position as a lead player in the Egyptian market. The Bank was keen on expanding its business by focusing on key sectors and offering integrated services. Additionally, we signed several cooperation protocols and alliances to grant credit facilities to large institutions across various sectors, positively impacting our corporate portfolio. Notably, our corporate loans portfolio grew by EGP 15.87 billion, reaching EGP 46.19 billion, reflecting an impressive growth rate of 52%.We firmly believe that our collective strength and commitment to core values are essential in achieving our shared vision. As we move forward, we are more determined than ever to continue this journey with passion, ambition, and a unified focus on accomplishing even greater achievements in the years ahead.

To conclude, I would like to express my sincere gratitude to our dedicated employees, the executive management team, our clients, and shareholders for their unwavering support and trust in our vision. I am confident that our success this year marks only the beginning of a continued journey toward establishing a leading financial institution that is well-equipped to meet the challenges of the future. Together, we will continue working towards a brighter and more sustainable future!

KHALED NABIL EL SALAWY

CEO & MANAGING DIRECTOR

Khaled Elsalawy

BOARD OF DIRECTORS

ALI MARAFI
Chairman

Mr. Ali Marafi is the Non – Executive Chairman of Al Ahli Bank of Kuwait – Egypt since 2015 and a Non-Executive Board Member of Al Ahli Bank of Kuwait since 2004. Mr. Marafi was appointed to the Board of Commercial Facilities Company in 1992 where he is the Chairman since 2013. In 1995 he was appointed to the Board of United Real Estate Company (K.S.C.P) and from 1998-2019 he was Vice Chairman. He was a Board Member of Financial and General Bank, London from 1998-2003. In 2004 he joined the Board of Union de Banques Arabes et Françaises (UBAF) – Paris (2004- 2020) and Union De Banques Arabes et Françaises - Hong Kong (2004- 2017). He joined the Board of UBAC in 2004 and remains a Board Member until today. He was the Chairman of American Real Estate Services Co. (1995-1998) and the General Manager of Al Noor International Holding Company (1999-2014). In 1976 he joined the family business dealing in import & export, as well as real estate and trading on the stock markets in Kuwait, London & the USA. In the same year he established Ebrahim Hussein Marafi & Sons Contracting Co., where he held the position of General Manager until 2019. Mr. Marafi was born in Kuwait in 1949 and holds a bachelor's degree in economics from Kuwait University (1973).

KHALED EL SALAWY
Chief Executive Officer & Managing Director

Mr. Khaled El Salawy is the CEO & Managing Director of Al Ahli Bank of Kuwait - Egypt, and is an Executive Board Member of Al Ahli Bank of Kuwait - Egypt. He started his banking career in 1994 with Arab International Bank in the Treasury Division and in 1995, he joined the Egyptian American Bank, Corporate Banking Division, which was later acquired by Credit Agricole. During his tenor in Credit Agricole Egypt, he held several positions of increasing responsibilities, the last of which was in 2002, when he was promoted to Assistant Vice President, Corporate Banking Division. In 2008, Mr. El Salawy joined AlexBank – Intesa SanPaolo Group as Deputy General Manager, Head of Large Corporates, Corporate Banking Division, and in the same year he was promoted to General Manager, Head of Corporate Banking Division. In 2013, he joined Union National Bank as a Deputy Chief Executive Officer, managing the Corporate Banking Group, Treasury and Investments, SME's and Financial Institutions. Mr. El Salawy was born in Sweden (1970) and holds a Bachelor of Arts Degree in Political Science from the American University in Cairo (1993).

KHALED ABDEL AZIZ

Board Member

Eng. Khaled Abdel Aziz is an Independent Non-Executive Board Member of Al Ahli Bank of Kuwait – Egypt. He is a former Minister of Youth and Sports of Egypt in the cabinets of Prime Minister Eng. Sherif Ismail (2015-2018) and Prime Minister Eng. Ibrahim Mehleb (2014-2015) and a Minister of Youth in the cabinet of Prime Minister Dr. Hazem El Biblawi (2013-2014). He was the President of the National Youth Council (Dec. 2011- Aug. 2012), President of the Executive Office of the Arab Ministers of Youth and Sports Council (2013- 2018), Member of the Board of Trustees of the Egyptian Family House and Member of the Supreme Council for Combating Terrorism and Extremism of Egypt. He was also President of the National Financing Fund for Youth and Sports (Mar. 2014-Jun. 2018 and Dec. 2011-Aug. 2012). Among Eng. Abdel Aziz's other roles and responsibilities were Chairman of the International Cairo Stadium Authority (Mar. 2014- Jun. 2018) and Board Member of the National Sports Council of Egypt (2012) and Sports Excellence Project (2009-2012). He was the Tournament Director of FIFA (International Football Federation) U-20 World Cup (Egypt 2009), Tournament Director of Africa Cup of Nations (Egypt 2006) and General Coordinator of FIFA and the African Football Confederation. Eng. Abdel Aziz was born in Egypt (1959), and holds a Bachelor's Degree in Engineering, Department of Electronics and Communications from Cairo University (1981).

KHALED EL ATTAR

Board Member

Eng. Khaled El Attar is an Independent Non- Executive Board Member of Al Ahli Bank of Kuwait - Egypt. He works as an independent digital transformation and AI consultant for several government agencies. Formerly, he was the Vice Minister - Digital Transformation, Automation and Administrative Development at the Ministry of Communications and Information Technology (MCIT) of Egypt from June 2018 until July 2024 and is leading the country's digital transformation with many projects related to universal healthcare coverage, digital payments, government digital services, law enforcement, investments, universal healthcare insurance and nation big data initiative. Eng. El Attar was the Undersecretary of the MCIT of Egypt (May 2015-Jun. 2018), Financial Software & Systems Executive of IBM Global Services, Dubai for the Financial Institutions in the Middle East (Feb. 2013-May 2015), Software Group Leader of IBM Egypt (Nov. 2010-Jan. 2013), Application Innovation Services Manager for Middle East & Africa and Associate Partner, IBM UAE (Jan. 2009- Nov. 2010) and Senior Managing Consultant, Al Inma Bank, Saudi Arabia, Launch Program Director (Jan. 2007-Dec. 2008). He has more than 35 years of experience in the field of Informatics, supervising more than 150 projects in this field in Egypt, Saudi Arabia, UAE, Bahrain, Germany and USA. He has held multiple managerial positions at IBM for 28 years, as well as Raya, and worked as a lecturer at Cairo University. Eng. El Attar was born in Egypt (1961), and holds a Bachelor's Degree in Engineering with honors, Department of Communication and Electronics and a Master's Degree in Business Administration from the Arab Academy for Science, Technology and Maritime Transport.

JAMAL AHMAD
Board Member

Mr. Jamal Ahmad is a Non-Executive Board Member of Al Ahli Bank of Kuwait - Egypt. He was the Group Chief Risk Officer of Al Ahli Bank of Kuwait (2016-Jun. 2023). He joined Al Ahli Bank of Kuwait in 2000 as the Manager of Credit Risk Management and has more than 37 years' experience in different banking sectors, including corporate finance, international syndications, investment, merchant banking, trade finance and risk management. Before joining Al Ahli Bank of Kuwait, Mr. Ahmad was a Senior Credit Executive with the Risk Management Department of Burgan Bank in Kuwait (1994- 2000) and worked at State Bank of India Capital Market (1993 1994) and State Bank of Travancore (1983- 1993). Mr. Ahmad was born in India (1959) and holds a bachelor's degree in economics (Honors) from St. Xaviers College (1978) and a Master of Arts in Economics from the University of Calcutta, India (1981).

SHIAMAK SOONAWALLA
Board Member

Mr. Shiamak Soonawalla is a Non-Executive Board Member of Al Ahli Bank of Kuwait - Egypt. He is the Group Chief Financial Officer of Al Ahli Bank of Kuwait since 2016. Mr. Soonawalla joined Al Ahli Bank of Kuwait in 2004 as an Assistant General Manager in the Finance Division and has more than 30 years' experience in the financial services industry, covering financial management, auditing, strategic planning and consulting practices in the Middle East. Before joining Al Ahli Bank of Kuwait, he held senior executive and executive positions with Ernst & Young in Saudi Arabia and Kuwait as an Executive Manager (2001- 2004), a Senior Manager (1999-2001) and an Audit Manager (1994- 1996), and with National Commercial Bank in Saudi Arabia as an Audit Manager - Treasury & Investment Banking (1996-1999). He is a Chartered Accountant (India), a Fellow Member of the Institute of Chartered Accountants of India and a Member of Kuwait Banking Association Financial Controllers' Committee. Mr. Soonawalla was born in India (1963) and holds a Bachelor of Commerce Degree from the University of Bombay (1984).

SHERIN HAMED

Board Member

Mrs. Sherin Hamed is a Non-Executive Board Member of Al Ahli Bank of Kuwait – Egypt. She has over 35 years of experience in the Banking Sector, where she played a key role in establishing and growing Corporate Banking, Debt Capital Markets and Financial Institutions. Her dedication and expertise led her to occupying the post of Deputy CEO Financial Institutions for several years at CIB. Mrs. Hamed significantly contributed towards establishing the bank's strong and well recognized Corporate Banking Franchise. Her expertise includes setting policies and strategies for sustainable and solid growth for the bank's business including product development to maintain competitive edge. During her career path she occupied several leadership roles as a Board representative being Chairperson of Egypt Factors, Contact Car Co. and CI-Investment Co. during their early incubation periods being CIB key subsidiaries. Mrs. Hamed also played important roles in her personal capacity as a Board member in MOPCO, Misr Beni Suef for Cement and currently Goldentex company. She served as Assistant Managing Director at Arab International Bank in charge of Wholesale Banking and thereafter moved to being the Deputy CEO-Wholesale Banking and Executive Board member at Al-Ahli Bank of Kuwait-Egypt prior to becoming a Non-Executive Board Member. Mrs. Hamed was born in Cairo (1958), and holds a Bachelor's Degree in Economics, minoring in Business Administration, with highest honors, from the American University in Cairo.

HANIA SADEK

Board Member

Mrs. Hania Sadek is an Independent Non-Executive Board Member of Al Ahli Bank of Kuwait – Egypt. She is an accomplished and renowned international banker with more than 36 years of experience. Mrs. Sadek is a Non-Executive Board Member of Global Tronics (a member of the World Bank) representing International Finance Corporation since Sept. 2021. She also was a Non-Executive Board Member of Export Development Bank representing Banque Misr (May 2020- Oct. 2022). She was the Chief Operating Officer (Jan. 2010 – Apr. 2019) and Executive Director of HSBC Bank Egypt. She was the Chairperson of HSBC Securities and the Chairperson of HSBC Global Service Centre in Egypt. She also held other key positions in HSBC, such as, General Manager of Internal Audit (Nov. 2006-Dec. 2009), Deputy General Manager of Operations & Systems (Oct. 2004-Oct. 2006) and Assistant General Manager of Internal Audit (Oct. 1999- Sept. 2004). Mrs. Sadek has been acknowledged by Forbes Middle East magazine for five consecutive years (2014-2018) among the most Influential Arab Women in the Middle East. She was also recognized as a member of Egypt's Top 50 Influential Women in Business in 2016. Mrs. Sadek was born in Cairo (1961) and holds a Bachelor of Arts in Economics (1982) and a Master of Arts in Economics (1990) from the American University in Cairo. She has also completed the Senior Executives Leadership Program – Middle East at Harvard Business School, Boston, USA (2001).

DIMITRI SCOUFARIDIS

Secretary of the Board of Directors

Mr. Dimitri Scoufaridis is the Secretary of the Board of Directors. He started his banking career in 1981 with Saudi American Bank, Jeddah (an affiliate of Citibank N.A., then known as Samba Financial Group). During this period, he worked in Operations Management as a Production Officer (1982-1984), Senior Production Officer (1985-1988), Unit Head (1988-1992), Division Head & Deputy Country Trade Products Div. Head (1992-1998) and Country Compliance Officer for Economic Sanctions & Trade Embargoes (1994- 1998). He established and headed the Trade Products Management Division (1998-2001). He also lectured at the Center of Banking and Finance, Riyadh (1990-1991 & 1993- 1994). In 2002 he joined National Commercial Bank, Jeddah as a Trade Specialist. (In Jan. 2022, The National Commercial Bank merged with Samba Financial Group to form Saudi National Bank). He also served as the Regional Trade Product & Customer Service Management Head (2003- 2005) and the Regional Trade Services Head (2005-2007). In 2007 he joined Piraeus Bank-Egypt (acquired by Al Ahli Bank of Kuwait in Nov. 2015) as Deputy Director in the Operations Division. He was the Director of Operations Division from 2008 and the Acting Head of Human Resources (2011). In 2013 he was also appointed Secretary of the Board of Directors and in 2017 he was promoted to Chief Operating Officer. Mr. Scoufaridis was born in Cairo (1955) and holds a Bachelor of Arts in Economics (1977) and a Master of Arts in Economics (1981) from the American University in Cairo.

EXECUTIVE MANAGEMENT

KHALED EL SALAWY

Chief Executive Officer & Managing Director

Mr. Khaled El Salawy is the CEO & Managing Director of Al Ahli Bank of Kuwait - Egypt, and is an Executive Board Member of Al Ahli Bank of Kuwait - Egypt He started his banking career in 1994 with Arab International Bank in the Treasury Division and in 1995, he joined the Egyptian American Bank, Corporate Banking Division, which was later acquired by Credit Agricole. During his tenor in Credit Agricole Egypt, he held several positions of increasing responsibilities, the last of which was in 2002, when he was promoted to Assistant Vice President, Corporate Banking Division. In 2008, Mr. El Salawy joined AlexBank – Intesa SanPaolo Group as Deputy General Manager, Head of Large Corporates, Corporate Banking Division, and in the same year he was promoted to General Manager, Head of Corporate Banking Division. In 2013, he joined Union National Bank as a Deputy Chief Executive Officer, managing the Corporate Banking Group, Treasury and Investments, SME's and Financial Institutions. Mr. El Salawy was born in Sweden (1970) and holds a Bachelor of Arts Degree in Political Science from the American University in Cairo (1993).

NEVIN WEFKY

Deputy CEO, Wholesale Banking

Ms. Wefky has joined Al Ahli Bank of Kuwait – Egypt in January 2024 as Deputy CEO, heading the Wholesale Banking with its various groups being Corporate Banking & Syndications, Small & Medium Size Corporates, Financial Institutions & Global Transaction Services and Sustainable Finance divisions. Ms. Wefky graduated from the German School in Cairo (DEO) in 1981 and received her BA in Business Administration, with highest honors, from the American University in Cairo (AUC) in 1985. Ms. Wefky joined Commercial International Bank "CIB" in 1986 and finished the Credit Course in February 1987. She then joined the Corporate Banking Group. Throughout her banking career, Ms. Wefky completed several post-graduate training courses in the USA, the UK, and Europe, covering different areas, such as corporate, risk, investment, and strategic leadership.

Ms. Wefky has more than 30 years banking experience and was chosen to represent CIB as a Board Member in several companies such as Commercial International Investment Company, 1999 Company for Water Treatment Activities, The Holding Company for Investments, Isis Travel Group and CI Investment Banking Company. She was also an active member in several committees such as the Executive Management Committee, the High Lending and Investment Committee, Asset and Liability Management Committee, Non-Financial Risks & Compliance Committee and Pricing Concession Committee. Her last position at CIB was Chief Executive Officer of Corporate Credit and Investment.

In July 2024, she was selected among 20 African Women Leaders for breaking barriers and leading as role models for emerging and future women leaders, thus positively contributing to Africa's inclusive growth and sustainable development agenda.

KHALED BARAKAT

Deputy CEO – Consumer Banking

Mr. Khaled Barakat assumed the role of Deputy CEO, Consumer Banking at ABK-Egypt in 2021. In this capacity, he oversees Retail, Branches, Direct Sales, Small Businesses, and Digital Banking. Prior to joining ABK-Egypt, he served as the Consumer Banking and Digital Head for Arab Banking Corporation Egypt from 2017 to 2021. His career began in 1998 at Citibank Egypt's Credit Department, where he held various positions within the Consumer Banking Division. His final role there was Head of Consumer Loans Business from 2005 to 2008. Later, he transitioned to Commercial International Bank, initially serving as Head of Consumer Assets Business and Related Channels. Subsequently, he advanced to the position of Head of Liabilities, Investments & Overdrafts, where he remained from 2008 to 2017. Mr. Barakat, born in Egypt in 1975, holds a Bachelor of Commerce - English Section from Ain Shams University in Egypt, earned in 1997. Accredited with Acceleration Management Programme in Feb 2015 by INSEAD.

AMR TANTAWI

Chief Risk Officer

Mr. Amr Tantawi assumed the role of Chief Risk Officer at ABK-Egypt in 2021. Prior to this role, he served as the Head of the Enterprise Credit & Risk Management Group at Al Baraka Banking Group in Bahrain. In this capacity, he oversaw the risk management functions in 14 subsidiaries and spearheaded the IFRS 9 project across these countries. Additionally, he held membership in the Credit and Risk Committees of several subsidiaries from 2013 to 2021. Mr. Tantawi has previously held various positions at different banks. From 2005 to 2013, he worked at Arab National Bank - Saudi Arabia, as an Assistant General Manager heading the Credit and Risk Portfolio Management Group. Prior to this role, during the period between 2000 and 2005, he worked at the Arab Banking Corporation – Egypt, in the Corporate & Investment Banking Division, and at the Egyptian American Bank – Egypt, between 1997 and 2000. He started his banking career at the Arab African International Bank in the Treasury & Money Markets Division. He progressed through various roles until he became Senior Credit Officer in the Corporate Banking Division from 1992-1997. Mr. Tantawi earned a Bachelor of Commerce in Finance & Accounting from Cairo University, Egypt, in 1992. And holds a Diploma degree in the Investments Banking and Assets Management from American University in Cairo.

HISHAM SHERIF
Chief Operating Officer

Mr. Hisham Sherif currently serves as the Chief Operating Officer of ABK–Egypt. He began his tenure at Piraeus Bank–Egypt in 2003, which later became part of Al Ahli Bank of Kuwait following its acquisition in 2015. Over the past 21 years, Mr. Sherif has held various roles within the IT Division, specializing in IT Solutions, Information Security, and Operations. In 2019, he was appointed as Chief Operating Officer, where he oversees the IT, Administration, Procurement, and Operations Divisions, as well as the Project Management Office. Born in Egypt in 1975, Mr. Sherif holds a Bachelor of Engineering from Cairo University, obtained in 1998. He furthered his education with an executive Master of Business Administration from Alexandria University, accredited by Georgia State University, in 2013. And professional Doctorate in Business Management in December 2022, accredited by European International University (EIU - Paris).

GEORGE SIHA
Chief Financial Officer

Mr. George Siha currently serves as the Chief Financial Officer of ABK-Egypt since March 2024. He held key roles in several reputable regional and international banks in Egypt. Previously, he served as Deputy CFO (2021-2024) and Head of Financial Planning & Analysis (2018-2021) at ABK-Egypt. He also held key positions as Head of Budgeting & IFRS Reporting at National Bank of Greece (2016-2017) and Manager of MIS Reporting, Budgeting & ALM at Credit Agricole (2006-2016). Mr. Siha is a member of various committees, including the ALCO and Executive Committee, and serves on the boards of Ahli Bank of Kuwait Leasing and Investment Companies. Mr. Siha is an Egyptian Canadian born in Cairo, Egypt in 1984 and holds a Bachelor of Commerce from Cairo University English section.

AMR BAHGAT
Head of Treasury & Capital Markets

Mr. Amr Bahgat joined Piraeus Bank Egypt which was acquired by Al Ahli Bank of Kuwait (ABK) in 2015, as Head of the Dealing Room in 2007, before being promoted to Head of Treasury & Capital Markets in 2015. He started his banking career with Misr International Bank (MI Bank) in 2000, and in 2003 he joined the MI Bank strategy team as the Treasury & Capital Markets representative to set the Bank’s strategy that led to restructuring. He graduated with a Bachelor of Commerce - English section, from Ain Shams University in Egypt in 1999.

AWARDS

2017

-Best New Brand in Egypt, Banker Middle East
-Best New Bank in Egypt, The European Magazine Global Business Awards, 2017
-Fastest Growing Bank in Egypt, International Finance Magazine

2018

-Banker of the Year to ABK-Egypt CEO, Banker Middle East Awards
-Most Innovative Bank in Egypt, The European magazine Global Business Awards
-Most Innovative Bank in Egypt, International Finance Magazine

2019

-Most Innovative Bank in Egypt, The European magazine Global Business Awards, 2019
-Fastest Growing Bank in Egypt, International Finance Banking Awards

2020

-Best Performing Bank in Egypt, The European magazine Global Business Awards
-Most Innovative Bank in Egypt, International Finance Banking Awards
-Outstanding Crisis Leadership, Global Finance Magazine

2021

-Best Support Services During COVID 19, International Finance Awards

2023

-Fastest Growing Bank – Egypt, International Business Magazine

2024

-Best Retail Bank in Egypt, MENA Banking Excellence Awards 2024 – MEED International Magazine
-Fastest Growing Retail Bank in Egypt, International Business Magazine
-Best Advanced Wearable Payment Solution in Egypt – ABK Pay, International Business Magazine

BRANCH NETWORK

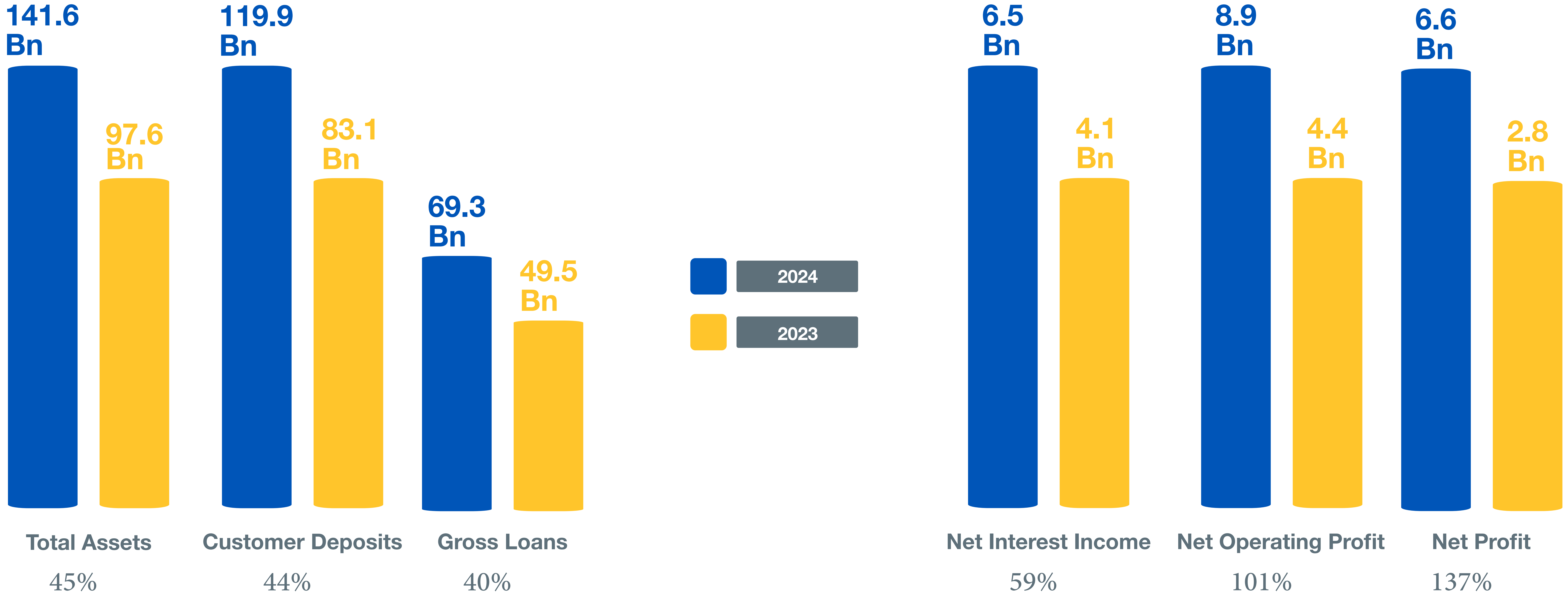
Expanding to serve our customers better through our wide network of 45 branches across Egypt!

- CAIRO
- GIZA
- ALEXANDRIA
- EL- SHARQIA
- EL- DAKAHLIA
- EL- GHARBIA
- EL- BEHEIRA
- EL- QALYUBIA
- SUEZ
- DAMIETTA
- PORT SAID
- ISMAILIA
- HURGHADA
- SHARM EL SHEIKH
- ASWAN
- SOHAG
- ASSIUT
- EL MENIA
- BENI SWEIF

MANGAEMENT DISCUSSION & ANALYSIS

2

ABK-EGYPT FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024



DIVISIONAL REPORT

The Divisional Report section gives an overview of ABK-Egypt's financial position, business and operations performance and outlook. The document is based on published financial statements, and the management's vision and best judgment, and is considered to be complete. The document contains certain forward-looking statements that do not strictly relate to historical or current facts, and represents current expectations, plans, or forecasts about future business and economic conditions and results that management considers relevant to assessing future prospects of the Bank. The forward-looking statements reflect the position as to the date they are made. Risks, uncertainties, and changes to assumptions that are difficult to predict and beyond the Bank's control may eventually affect actual outcomes and results.

In 2024, Egypt's macroeconomic conditions improved significantly, highlighted by its largest annual foreign direct investment (FDI) to date, driven by a USD 35 billion investment in Ras El Hekma from the UAE. The International Monetary Fund (IMF) program was increased to USD 8 billion, facilitating commitments, support, and investments from various regional and global partners, including the European Union and the World Bank. These substantial investments and macroeconomic assistance enabled the government to make further progress on its ambitious reform agenda, aimed at enhancing economic resilience, alleviating burdens on citizens, and fostering private sector growth.

In alignment with its transition to a durably flexible exchange rate, the Central Bank of Egypt (CBE) raised interest rates by 600 basis points in March, following a 200-basis-point increase in February, to ensure that monetary policy remained sufficiently restrictive to combat inflation. The flexible exchange rate regime successfully redirected remittances into official banking channels and attracted over USD 24 billion in foreign investor flows into local debt markets, as the EGP carry trade regained popularity among emerging market investors. Tight monetary policy and the unification of the USD/EGP parallel and official market rates contributed to a decline in inflation, which fell to 25.5% in November 2024, down from its peak of 38% in September 2023, with further easing expected in Q1 2025. On the fiscal side, the government continued its strategy of subsidy removal to alleviate pressure on public finances and enhance overall debt sustainability.

Despite pressures stemming from regional conflicts, external buffers have largely been rebuilt, with net foreign assets of the Central Bank of Egypt (CBE) and the banking sector increasing by USD 36.4 billion year-to-date, resulting in a surplus of USD 9.2 billion at the end of October 2024. Net international reserves reached an all-time high of USD 46.9 billion in November 2024, reflecting an increase of USD 11.73 billion year-to-date and now covering eight months' worth of imports. These positive developments throughout the year have led credit rating agencies Moody's and S&P to assign a positive outlook for Egypt's credit rating, while Fitch Ratings upgraded Egypt's sovereign rating from 'B-' to 'B.'

ABK - Egypt's strategy during 2024, in line with its ambitious 5-year strategy was to offer customers speed and convenience across channels, drive customization of products & services, maintain a healthy risk profile and cost structure and ensure alignment across the organization. Total Assets reached EGP 141.6 billion, Customer and Bank Loans grew by 40% year-on-year to reach EGP 69.3 billion and Customer Deposits increased by 44.3% to reach EGP 119.9 billion. Net Profit in 2024 reached EGP 6.6 billion, a substantial increase of 137% over 2023 and Net Operating Profit increased by 101% YOY to reach EGP 8.9 billion, while Net Interest Income grew by 59% to reach EGP 6.5 billion.

Key Performance Indicators	2024	2023	2022	2021
Earnings Per Share	19.90	8.12	6.25	3.42
Return on Assets	5.6%	3.2%	2.5%	1.7%
Return on Equity	52.6%	35.9%	30.5%	18.8%
Pre-Provision Income to Assets	7.5%	5.1%	4.9%	3.5%
Cost to Income Ratio	19.7%	25.5%	24.3%	33.9%
NPL Ratio	1.74%	1.48%	1.84%	2.41%
Capital Adequacy Ratio	20.84%	18.72%	16.90%	15.69%

The figures in the annual report from pages 3-54 are based on ABK-Egypt's standalone financial statement for the period ending 31st December 2024.

CORPORATE BANKING & SYNDICATIONS

Corporate Banking & Syndications participated strongly in building ABK-Egypt's reputation as a significant player in the Egyptian market. The Corporate Banking Division followed a very aggressive growth strategy, whereby its portfolio multiplied several times over nine years. This unprecedented growth was supported by well-experienced and dedicated staff, who were able to support customers and the economy by providing excellent service and solutions, forming a bridge to recovery during challenging market economic conditions. Despite a challenging year, the Bank's Corporate Loans Portfolio grew to reach EGP 38 billion and contingent facilities reached EGP 10 billion in 2024.

CONSUMER BANKING

Despite challenging market conditions, 2024 proved to be an exceptional year for ABK-Egypt, showcasing remarkable growth across the balance sheet. This robust performance was driven by the introduction of a revamped product suite and the launch of strategic campaigns that bolstered the Bank's brand equity in the consumer banking sector.

By December 2024, deposits had risen by EGP 22 billion, reaching EGP 81.7 billion, while assets increased by EGP 8.2 billion, reaching EGP 28.2 billion. Credit cards portfolio witnessed increase EGP 324 million, reaching EGP 862 million. This growth, supported by enhanced product initiatives, significantly impacted consumer profitability.

PRODUCTS & SEGMENTS

The bank has expanded its retail product offerings, providing customized and innovative solutions to cater to the diverse needs of various customer segments:

- Launched "ABK NEXT," a new value proposition for youth.
- Launched multiple promotional campaigns for credit cards, including: International spend, Educational Fee installments, Eid Cashback,Fuel, Grocery, Black Friday, and New Year.
- Launched Platinum USD Debit Card.
- Introduced the USD Wealth Savings Account with an insurance bundle.
- Launched new cumulative and descending fixed deposit accounts (CDs).
- Increased the maximum loan amount for the auto loans program to align with market changes.
- Improved the criteria and lending framework for the doctors and dentists' program.
- Increased the maximum loan amounts and tenor for the pension program.

DIGITAL BANKING & ALTERNATIVE CHANNELS

In 2024, ABK-Egypt's Digital Banking & Alternative Channels division experienced remarkable growth, underscoring its commitment to innovation and customer-centricity. Transactions involving transfers, debit card payments, credit card payments, and cash transactions achieved an impressive 55% year-to-date increase. Notably, digital channels accounted for a significant 94.2% of these transactions, far exceeding those conducted through traditional branches.

This achievement underscores the effectiveness of the sustained and strategic enhancements executed under three core pillars of our Digital Banking & Alternative Channels strategy (Contact Center, ATMs & Digital Self-Service, and Digital Channels).

- **Contact Center:**
  - To further strengthen the Contact Center environment, we introduced several initiatives focused on employee engagement, well-being, and professional development. These efforts included comprehensive training sessions, revamped training schedules, and enhanced coaching processes, which have significantly improved agents' performance and reduced average handling time. Additionally, improvements in Quality monitoring through the Quality Grid and ongoing training have contributed to a consistent rise in quality scores. Our centralized Knowledge Base now offers quick and easy access to essential information, equipping representatives to handle customer interactions more effectively.
  - Through these initiatives, the ABK Contact Center continues to set a benchmark for excellence in customer service, reinforcing our dedication to innovation and customer-centricity.
  - The number of calls rose by 15%, while answered calls increased by 11% in 2024 compared to the previous year. This growth was achieved while maintaining service level agreements within acceptable thresholds.
  - Outstanding first call resolution (FCR), with an impressive average rate of 96%, highlighting our commitment to resolving customer inquiries promptly and efficiently.

- **ATMs & Digital Self Services:**
  - As of the end of October 2024, our ATM network has expanded to 119 ATMs across the country, strategically positioned to serve a broad range of areas and meet customer needs effectively. Our ATM fleet recorded a 6.6% increase in transaction volume compared to 2023, with transaction amounts growing by 25% over the same period.

- **Digital Channels:**
  - ABK- Egypt witnessed remarkable growth in its digital channels, with new registrations for Internet & Mobile Banking among individual and corporate customers increasing by an impressive 20% compared to 2023. This surge highlights the expanding trust and reliance on ABK-Egypt's digital services. By the end of 2024, transfers conducted via Internet & Mobile Banking rose by an additional 10%, reflecting the convenience and accessibility these platforms provide for everyday financial transactions.
  - A key achievement is the tremendous growth in IPN subscriptions, which have surged by 120% over FY23 as more customers embrace electronic payment solutions. Even more impressive, internal and domestic transactions reached a record-breaking increase of 290% by year-end compared to FY23, demonstrating the significant role of ABK-Egypt's digital platforms in meeting clients' transaction needs efficiently and securely.
  - Reinforcing this digital transformation, the number of customers onboarded and actively using digital services rose by an astounding 115% over last year. This growth reflects a rapid shift in customer engagement as ABK- Egypt continuously enhances digital offerings to deliver a seamless, convenient, and customer-centric banking experience. Our commitment to digital innovation remains strong, positioning ABK- Egypt as a leading force in driving digital adoption and redefining accessibility in the financial landscape.

BRANCH NETWORK

Throughout 2024, the bank advanced its network optimization by renovating several branches to enhance customer experience and enhance aesthetic appeal. With 45 branches operating at the end of 2024, the bank is committed to expanding into new locations and strengthening its presence across the country in coming years.

SMALL AND MEDIUM ENTERPRISES (SMEs)

Despite the challenging market environment, SMEs team continued serving their customers through their centralized departments at Smart Village, Alexandria, New Cairo, 10th of Ramadan and Obour hub. The Mid-Cap segment also continued to offer services to customers with annual turnover of EGP 50-200 million thereby continuing to build portfolio reading a total figure of EGP 3 billion. SMEs & Mid-Caps employees are highly trained to deal with SMEs clients efficiently, as well as advise SMEs on the most effective facility structure in their respective sectors.

We continue to focus on industries that the government flagged as important to economic growth and employment creation, such as agriculture, manufacturing, export-oriented projects as well as technology sectors while we are striving to further develop the SMEs & Midcap sector.

TREASURY & CAPITAL MARKETS

The Treasury & Capital Markets Division serves the Bank's diverse clientele with a strong presence across various markets. It offers foreign exchange services in both spot and forward markets, as well as customized hedging solutions tailored to specific client needs. The division is a prominent player in local Egyptian debt markets, consistently ranking among the top non-primary dealer banks in the T-bill and T-bond secondary markets.

The Capital Markets Desk facilitates client access to both local and international bond markets, providing competitive pricing and timely execution. Leveraging its expertise, the division has effectively managed the Bank's balance sheet during a year of market fluctuations, delivering robust financial results and supporting business lines in achieving solid growth.

FINANCIAL INSTITUTIONS & GTS

One of ABK-Egypt's main objectives was to expand the scope of the Financial Institutions Division from being a support function to an independent income-generating line of business. The Financial Institutions Division continued to maintain solid and close relations with its worldwide correspondent network. In addition, the Division was able to successfully turn into a new income syndications line of business by engaging in bilateral bank loans and risk participation deals. Moreover, its deposits increased by 87.2% at the end of 2024 recording EGP 22.8 billion.

The Global Transaction Services Division (GTS) integrates with the entire Bank's Lines of Business to provide trade finance, cash management, supply chain finance and data driven solutions. Recording at the end of 2024 a total liability of EGP 1.82 billion, and total commissions reached EGP 76 million.

OPERATIONS

In 2024, ABK-Egypt's Operations division made substantial progress in enhancing operational efficiencies and optimizing a customer-focused approach. These efforts resulted in significant cost savings of EGP 3.3 million and additional income other than those resulting from the normal operations for EGP 19.1 million. This year, efforts were concentrated on offloading branch workloads, and automating tasks, allowing branch staff to dedicate more time to personalized customer service. These initiatives collectively led to increased processing speed, higher transaction volumes, and cost reductions across several key areas, all while maintaining satisfactory audit reports.

A major achievement was the automation of FX rate updates, shifting from manual entry by Dealers to an automatic interface with the Treasury Back Office. This initiative reduced the turnaround time (TAT) by 30%, minimizing the risks of manual errors.

The launch of a centralized Anti-Money Laundering (AML) system played a crucial role in offloading compliance processes, allowing branch employees to focus on core banking operations. Additionally, payroll processes were optimized, enabling payroll execution outside regular working hours and positioning ABK-Egypt as a competitive player in payroll services. This enhancement expanded service capacity, and reduced the Service Level Agreement (SLA) to one day, leading to a significant increase in monthly payroll transactions .

The Operations division achieved a 91% reduction in General Ledger (GL) legacy losses, resulting in savings of EGP 6.4 million by mid of October. Transaction processing speeds were also improved through the implementation of batch processing for bulk cheque handling, leading to a 30% reduction in processing times for cheque handling. This enhancement elevated customer satisfaction through faster, more efficient service.

To support environmental and cost-saving goals, the division implemented digital documentation practices, replacing printed confirmations and secured transaction approvals with digital archives. This switch reduced 100% pf paper consumption for HR letters, e-name checks, SWIFT confirmations, and I-score approvals for secured transactions. Further enhancements included streamlining Trade Finance transaction workflows by simplifying client-facing forms with a 50% reduction in mandatory fields on Form 4. This improvement enhanced customer experience and encouraged high-ticket transactions among importers, maximizing revenue potential.

PROJECT MANAGEMENT OFFICE (PMO)

In 2024, ABK-Egypt's PMO, composed of Project Management, Total Quality Management, and Business Process Reengineering departments, collaborated with different stakeholders to ensure the bank's strategic goals through key initiatives that enhanced digital capabilities, operational efficiency, and customer satisfaction.

Below is a list of the major initiatives successfully delivered during 2024:

- Branches Optimization and Go Green Initiative: The Branches Optimization project, aims to reduce printouts in daily reporting by digitizing report verification, supporting ABK-Egypt's sustainability and efficiency goals.
- Branches Quality Visits: Conducted branch visits to address recurring issues and applied Key improvements that contributed to a more consistent customer experience across ABK-Egypt's branch network.
- Data Reconciliation - Cards: Designed to enhance data accuracy and integrity in card processing, this system automates reconciliation processes for ATM transactions, card settlements, and chargebacks. The ongoing improvements help ensure regulatory compliance and improve operational efficiency by minimizing discrepancies.
- SWIFT Mandates Compliance Upgrade: ABK-Egypt upgraded its SWIFT system to comply with ISO 20022 standards, ensuring continued compliance and alignment with international financial messaging protocols. This upgrade enhances the bank's cross-border transaction capabilities while meeting the latest regulatory requirements.

The PMO remains dedicated to ABK-Egypt's strategic vision, driving cross-functional collaboration and continuous improvements across the bank's operations.

INFORMATION TECHNOLOGY

Throughout 2024, the Information Technology (IT) at ABK-Egypt remained a cornerstone of the bank's digital transformation strategy, leading initiatives that enhanced efficiency, strengthened security, and improved customer experience. Key projects delivered this year underscore ABK-Egypt's commitment to innovation and operational excellence.

A major milestone was the launch of **Middleware and API Integration** Go-Live, making ABK-Egypt the first bank in Egypt to implement IBM's Hybrid iPaaS solution. This project positions the bank to gain a competitive edge through seamless service delivery. The platform supports Banking as a Service (BaaS) and Open Banking partnerships, enhances security, improves IT agility with a 30-40% productivity gain, and ensures cloud readiness for future AI and cloud integration. Using this platform, call center's screens were consolidated with the credit card system, which is an important milestone in the **Customer 360 view journey.** This integration enables call center agents to access vital information quickly and efficiently, empowering them to provide more tailored and responsive service to customers, ultimately driving satisfaction and loyalty.

The IT division also developed a **New Collection System**, replacing the old system and showcasing our capability to innovate and improve operational processes.

On the technology infrastructure and security front, ABK-Egypt successfully implemented the latest **Next-Generation Firewall Technology**, significantly enhancing our security posture against various attacks. Furthermore, a state-of-the-art **Enterprise Application Monitoring** solution was introduced to support the digital transformation journey, ensuring smooth and efficient system operations, linking system performance to business outcomes, and enhancing the overall customer experience.

The IT division also implemented a **Privilege Access Management (PAM) solution**, which has significantly enhanced our security by controlling and monitoring IT access across our systems, ensuring compliance with regulatory requirements. The **SD-WAN** solution was also finalized to enhance network connectivity performance, security, and controls across branches.

In support of the Leasing Company (AKELC), the IT division successfully delivered **a new Leasing Core System**, The new core system automated the loan booking process, and ensured compliance with regulations.
The IT division is committed and dedicated to continuously advancing the bank's technological capabilities, setting new benchmarks, and confidently meeting future challenges and opportunities.

2024 KEY DIGITIZATION PROJECTS

- **Contact Center:**

During 2024, ABK-Egypt's Contact Center played a crucial role in enhancing customer service, with notable achievements:

- launched a dedicated Credit Card Priority Queue through the IVR system. This feature enables specific agents to handle credit card inquiries, providing faster, more personalized support.
- Another major advancement is new services to our Contact Center IVR, enabling customers to conveniently access their credit card balances and due amounts. This initiative is part of our continuous efforts to enhance self-service capabilities and improve customer experience.
- The bank successfully implemented an advanced Automated Case Management System, centralizing and streamlining customer requests, inquiries, and complaints. This system significantly enhances case visibility, empowering our agents to deliver more efficient and responsive service. Furthermore, we expanded its capabilities throughout the year to encompass a broader range of customer information and transactions. This enhancement has optimized service delivery by reducing dependency on multiple systems, ensuring faster and more seamless customer support.

- **ATMs & Digital Self Services:**

- Successfully migrated the ATM Switch from Kuwait to Egypt, marking a significant milestone in our digital strategy. This migration enhances the efficiency and resilience of our ATM operations, aligning with ABK – Egypt's broader roadmap for digital transformation and service excellence.
- launched the Credit Card PIN Creation service through our ATMs. This feature offers customers a convenient and secure way to manage their Credit Card PINs directly at any ABK-Egypt ATM. Customers no longer need to wait for a mailed PIN, they can now easily set or change their PIN in just a few simple steps, enhancing their overall banking experience and reinforcing our commitment to customer convenience.
- The **New Digital Queuing System:** Implemented across all ABK-Egypt branches, this system replaces the old system to enhance customer experience and service quality. It reduces wait times, increases customer satisfaction, and provides insights into customer traffic patterns for informed staffing and resource decisions. Additionally, it facilitates upselling and cross-selling opportunities during wait times, improves conversion rates, and is designed for scalability and flexibility to adapt to evolving business needs.
- Launched Al-Ahli Kuwait Egypt Leasing Company -AKELC Website utilizing the latest technology standards.

- **Enterprise Case Management (ECM) – phase II:**

Advancing its Digital Transformation roadmap towards fully automated workflows by 2026. The ECM enhances customer experience and operational efficiency by minimizing financial risk, accelerating processing for 17 key services, reducing turnaround time through integrated workflows, and enabling efficient case handling via automated archiving. The solution was gradually rolled out in December.

ANTI-MONEY LAUNDERING & COMBATING FINANCING TERRORISM

ABK-Egypt is fully compliant with Ant-Money Laundering (AML) & Combating Financing Terrorism (CFT) laws and regulations set by the CBE and the Egyptian Money Laundering Combating Unit (EMLCU) and Financial Acton Task Force (FATF) recommendations. The AML & CFT unit is a dedicated unit under the Compliance & Corporate Governance Division, which is independent and reports directly to the Board Audit Committee. The Compliance & Corporate Governance Head reports any suspicious ML/FT cases to the EMLCU after ensuring that proper enhanced due diligence has taken place. The unit presents an annual AML & CFT report covering all AML/Sanctions activities to the EMLCU approved by the Board as stipulated by article # 38 of the Ex. Regulations of AML law No. 80 /2002. It receives EMLCU as well as CBE directives and regulations related to AML/ CFT to be circulated to different stakeholders in the back in the Bank.

A sanctions program in line with international and local laws and standards is in place to guard the Bank against any violations. The AML/CFT team is comprised of experienced staff aware and updated with all local and international laws and regulations in order to conduct their job requirements as prescribed. The unit regularly provides specialized training programs internally via E-Learning to all Bank staff and externally through the Egyptian Banking Institute to keep them up to-date on measures and regulations regarding AML and CFT. The Internal Audit Division assesses the adequacy of ABK-Egypt's AML & CFT Program to ensure that it is current and robust.

RISK MANAGEMENT

ABK-Egypt has established comprehensive risk frameworks to manage all material Pillar I and II risks, which incorporate identification, measurement, and monitoring processes across the Bank. These frameworks ensure oversight by Group Risk Management based in Kuwait.

Risk Management Frameworks at ABK-Egypt include Risk Policies, procedures, a Risk Appetite statement, Risk Measurement & Stress Testing Models and Methodologies and Capital Adequacy Assessment Matrices, which are approved by the Board and embedded in the decision-making process on all risk types to facilitate management of the risks within the overall approved risk appetite.

Credit Risk is the most significant risk to which the Bank is exposed and its proactive management is key to ensuring long-term success. In this regard, the Bank has a comprehensive due diligence system in place to assess and approve credit facilities and well-defend policies for controlling and managing credit risk at counterparty, Group, economic sector and country levels. The soundness of credit risk is enhanced through a robust system of Obligor Risk Rating (ORR) to assess the default risk probabilities of Corporate and SME borrowers incorporating international best practices.

The ORR model considers various risk factors, such as business and financial risks. These factors include country, industry, competitive position, cash flow, and leverage parameters, as well as management and governance, financial policy, capital structure, and business diversification. Each factor is given a weight, and a rating is assigned on a scale of 1 to 10, where "1" is considered "excellent" and "10" is considered "loss".

For international borrowers and foreign financial institutions, the Bank relies on ratings from external credit rating agencies and deals mainly with investment-grade borrowers and countries. The Bank uses Standard & Poor's, Moody's, and Fitch Ratings for sovereign and bank exposures, choosing the higher of the lowest two ratings for assigning the appropriate risk weight to the exposures. In addition to the above, the Bank has prudent internal portfolio exposure limits to manage concentration in various sectors which are reviewed at regular intervals to facilitate timely corrective action. To mitigate risks arising from any financial turbulence or geopolitical risks, the Bank proactively reviews its portfolio exposures to various transaction types, counterparties, sectors, banks, and countries, and revises exposure limits as appropriate. For the management of retail credit, the Bank, in line with Central Bank of Egypt regulations, has the necessary policies, controls, and processes in place. Retail loans that comply with policy criteria are processed when approved by the necessary approving authorities and exceptions are reviewed and approved by the credit committee.

Enterprise Risk Management, as part of risk management functions reporting to CRO, completed major milestones in the following areas during 2024:

- Recovery Plan Preparation: To ensure the Bank's readiness to face economic downturns, ABK-Egypt worked on updating its recovery plan EoY 2024, which was approved by the Board with submitted and updated plan to CBE.
- Operational Risk System Implementation: The Operational Risk Unit launched the operational risk system to better monitor the Key Risk Indicators, manage the incidents reports, enhance the Risk Control & Self-Assessment process, and follow-up on implementation of the corrective & the preventive actions.
- Stress Testing & Global Economic Market Conditions: Given the pressure on foreign exchange currency, along with the fluctuations in Interest Rate hikes, ABK-Egypt performs periodic stress test scenarios with different assumptions and severity levels to estimate the impact of the potential deterioration in macro-economic indicators on profitability, the Capital Adequacy Ratio & NPL Ratio. Furthermore, a liquidity risk dashboard is initiated on daily basis to assess the Bank's liquidity risk profile and hence maintain smooth operations for the Bank and depositors.

INTERNAL AUDIT

The Internal Audit Division's main role is to provide an independent assessment of the adequacy and compliance with the Bank's internal processes and operations. Internal Audit helps the different functions to improve their processes by evaluating the efficiency and effectiveness of the Bank's control system according to a risk-based audit methodology. The Internal Audit Division at ABK-Egypt takes its authority from its direct reporting line to the Bank's Board Audit Committee. The purpose, authority, and responsibility of the Internal Audit activity are formally defined in the internal audit charter, consistent with the mission of Internal Audit and the mandatory elements of the International Professional Practices Framework.

HUMAN RESOURCES

In 2024, the Human Resources Division remained committed to fostering a culture of meritocracy, engagement, and continuous development. This year, we amplified our focus on employee engagement by introducing comprehensive programs aimed at enhancing both technical and leadership capabilities. Our commitment to continuous learning was reinforced through targeted career programs, supporting our employees' growth and career progression. Additionally, we focused on creating a more rewarding and equitable environment by aligning compensation structures with market standards. This included the enhancement of allowances, a reassessment of staff benefits, and the elevation of our recognition programs.

MARKETING & CORPORATE COMMUNICATIONS

This year, ABK-Egypt achieved significant progress in its marketing initiatives, focusing on expanding brand presence, launching innovative campaigns, and deepening engagement with key customer segments. The Bank's efforts encompassed product marketing across all categories, the successful launch of the Youth segment, and various activations aimed at enhancing engagement and brand awareness. Digital marketing played a pivotal role in broadening our reach and impact, resulting in increased follower growth, higher engagement rates, and a surge in leads.
Additionally, ABK-Egypt proudly announced that it has been honored with the 'Fastest Growing Bank - Egypt 2024' award and the 'ABK Pay - Best Advanced Wearable Solution in Egypt 2024' accolade from International Business Magazine. The bank also received 'Best Retail Bank in Egypt 2024' award by Meed International Magazine. These awards recognize ABK-Egypt's significant achievements and growth trajectory since the Group's acquisition of Piraeus Bank Egypt in 2015.

- **Products Marketing Campaigns**

ABK-Egypt executed a series of highly successful marketing campaigns across its diverse product lines, encompassing retail banking, loans, investment products, cards, digital banking, and more. These campaigns aimed to raise product awareness, enhance market penetration, and drive customer acquisition. As a result, we significantly increased brand visibility and product knowledge, leading to improved customer engagement and substantial growth in new account openings and product subscriptions. The positive response to our marketing efforts highlights our commitment to meeting customer needs and adapting to the evolving financial landscape, positioning ABK-Egypt as a preferred banking partner for retail customers.

- **Youth Segment Launch**

A major milestone this year was the launch of a new proposition tailored specifically for the youth segment targeting customers aged 16-25, recognizing the unique financial needs and preferences of this demographic, ABK-Egypt developed a suite of products and services aimed at empowering young customers on their financial journeys. This launch was supported by a robust marketing campaign that leveraged innovative digital strategies, social media engagement, and targeted lead ads, ensuring effective outreach across various platforms. Additionally, to foster customer engagement and boost brand awareness among youth, ABK-Egypt rolled out several on-ground activations and digital campaigns designed to create meaningful interactions with this dynamic group and enhance customer loyalty.

- **Digital Marketing**

ABK-Egypt's digital marketing strategy played a crucial role in driving customer engagement and lead generation over the past year. By employing a comprehensive approach that combines social media marketing and targeted online advertising, ABK-Egypt significantly strengthened its digital presence and increased traffic to its online platforms. Our social media campaigns were thoughtfully crafted to resonate with various customer segments, utilizing engaging content and interactive posts to enhance brand visibility and foster community engagement.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

With an innate understanding of the crucial impact of corporate citizenship in community development, ABK-Egypt is committed to its CSR efforts aimed at supporting local communities. The Bank has actively launched an array of social initiatives across Egyptian governorates in partnership with specialized non-profit organizations. These initiatives focus on providing aid to the underprivileged populations through education, healthcare, food supplies, clothing, shelter, and support for youth, women, individuals with disabilities, and those who are financially disadvantaged.
The Bank consistently aligned its activities with the Egyptian Government's objectives and the Central Bank of Egypt (CBE) in working towards Egypt's Vision 2030. In 2024, ABK-Egypt participated in several community initiatives, including the recently introduced presidential initiative, 'A New Beginning for Human Building,' which aims to enhance the capabilities of Egyptian citizens across various sectors of life and promote human development for all families in Egypt.
Over the course of the year, ABK-Egypt spearheaded a series of donations and staff-driven initiatives in partnership with esteemed entities and NGOs.

- **Baheya Foundation:**

  In December 2024, ABK-Egypt signed a three-year contract with Baheya Foundation towards Baheya Foundation to purchase the medical devices of the hematology laboratory, which will serve 85% of the total Baheya cases annually, equivalent to 400 thousand cases per year.

In continuation of the fruitful collaboration between ABK-Egypt and Baheya Foundation in support of female cancer patients, the Bank recently illuminated its headquarters building in Smart Village in pink in celebration of world breast cancer awareness month. Earlier this month, ABK-Egypt also organized a medical seminar for female colleagues in the presence of representatives from Baheya Foundation as part of its efforts to raise awareness on this very critical cause and foster a culture of Corporate Social Responsibility (CSR) among its employees.

- **Tahya Masr Fund:**
  In Ramadan 2024, ABK-Egypt took part in a food distribution campaign with Tahya Misr Fund, distributing 1000 food supply boxes among unprivileged families across Egypt's Governorates as part of the national initiative (قافلة أبواب الخير). The box includes 12.5 kilos of basic food supplies to cover a family's needs during the Holy Month of Ramadan.

- **Al Hassan Foundation:**
  ABK-Egypt signed a protocol with Al Hassan Foundation to support 10 small projects as a source of income for breadwinner women with Physical Disabilities in 5 Governorate (Aswan, Assiut, Al Fayoum, Beni Sweif, Al Monufia).

- **Mishkat Al Nour Foundation:**
  ABK-Egypt signed a contract with Mishkat Al Nour Foundation to support women economic empowerment in Port Said Governorate through handicrafts projects to ensure leading decent lives and securing a steady income for 40 female beneficiaries and 200 indirect beneficiaries as their family members.

- **Zewail City for Science & Technology:**
  ABK-Egypt signed a protocol with Zewail City of Science & Technology to sponsor the full academic tuition fees for 5 students from public schools to complete their four-year academic education in Science & Engineering. Moreover, ABK-Egypt was recognized by Zewail City of Science & Technology during this year's graduation ceremony held in July 2024 for the successful partnership and the support extended to undergraduate students from public schools.

- **Kasr Al Ainy Hospital:**
  ABK-Egypt partnered with Kasr Al Ainy Hospital through extending a financial donation that cover the cost of purchasing (large channel Broncho Fiberscope) (جهاز منظار صدر فيبر أوبتيك تشخيصي وعلاجي).

- **Ibrahim A. Badran Foundation (IBF):**
  ABK-Egypt launched the Fifth medial convoy in Al Behaira Governorate to deliver quality healthcare services to children. The convoy is part of the signed agreement between Al Ahli Bank of Kuwait - Egypt (ABK-Egypt) and Ibrahim A. Badran Foundation (IBF) in Q3 2023. ABK-Egypt sponsored 10 medical convoys for children in Al Behaira Governorate after its successful partnership with the foundation in 2021 and 2022 that served 9,000 children in Al Qalyubia and 4,600 children in Al Sharqiyah Governorates. This year, the initiative served almost 8000 children in underprivileged villages in Al Behaira in parallel to the general health awareness sessions done for children and their guardians.In the same context, the Bank organized a staff visit to Al Behaira Governorate to take part in a medical convoy for children in cooperation with Ibrahim A. Badran Foundation (IBF). ABK-Egypt staff members volunteered to assist doctors conduct a wide range of medical check-ups, provide healthcare services, and deliver general health awareness sessions to little patients and their families.

- **Al Orman Assocaition:**
  As part of the Bank's collaboration with Al Orman Association, ABK-Egypt organized three field visits to Al Ismailia, Al Dakahlia, and Aswan Governorates to complete the donation extended from the Bank to help 30 individuals with physical disabilities live a decent life and ensure a steady income through providing them with needed prosthetics and financing their small projects.

- **Kolena Maa Baad Organization:**
  ABK-Egypt organized a field visit to Kolena Maa Baad Organization in Al Fayoum Governorate as part of the Bank's partnership agreement with the organization in 2023 and the donation made to cover the cost of sponsoring one community classrooms (46 students) in Al Fayoum Governorate for the academic year 2023-2024 covering the expenses of school supplies, salaries, trips, workshops, staff training, administrative expenses, and maintenance.

- **The Children's Cancer Hospital Egypt 57357:**
  With an innate understanding of the crucial role of Corporate Social Responsibility in the development of local communities, ABK-Egypt organized a staff visit to The Children's Cancer Hospital Egypt 57357, where a group of staff members volunteered to take part in a recreational day to spread joy among patients and their families, handing out gifts to little children and decorating the Hospital with Ramdan theme in celebration of the Holy month.

- **Nour El Baseera Community Organization:**
  ABK-Egypt organized a field visit to Nour El Baseera Community Organization for visually impaired children and individuals with disabilities in Kafr El Sheikh Governorate. This visit came along the partnership done between the Bank and the organization in 2023 ABK-Egypt and the donation made to cover the cost of printing of Braille educational books for children with visual impairment in seven (7) Governorates (Cairo, Giza, Al Sharqia, El Behaira, Kafr El Sheikh, Al Monufia & Al Fayoum).

- **Mostafa Mahmoud association Hospital:**
  Staff donations campaign for medicines and excess medical equipment at home in favor of patients in Mostafa Mahmoud association Hospital to encourage employees about the importance of community involvement and supporting the unprivileged segments

- **El Sewedy Technical Academy (STA):**
  In December 2024, ABK-Egypt channeled the third & last payment towards El Sewedy Technical Academy (STA), as part of a total agreement to sponsor a full class of 31 students in the academy through their three year (2022-2024) secondary level technical education.

- **Egyptian Food Bank (EFB):**
  In Q4 2024, ABK-Egypt partnered with Egyptian Food Bank to support Five projects extended to Egyptian farmers & their families in El Minya Governorate as part of an economic empowerment project launched by Egyptian Food Bank (EFB) targeting 1000 direct beneficiaries.

- **Magdi Yacoub Global Heart Foundation (MYGHF):**
  ABK-Egypt extended a financial donation to Magdi Yacoub Global Heart Foundation (MYGHF) in December 2024, as part of a partnership agreement signed in 2021. This partnership agreement was planned to support the construction of Magdi Yacoub Global Heart Center in Giza Governorate, covering the cost of a: Double Wardroom, an ICU Cubicle, and an Outpatient Clinic.

- **Al Nas Hospital for Children:**
  ABK-Egypt paid the second and last instalment in its agreement with Al Nas Hospital as a contribution in the total cost of 10 open heart surgeries - Cardiac Catheterization (HC) for children.

FINANCIAL INCLUSION

In line with ABK-Egypt's commitment to promoting financial inclusion and supporting national goals, ABK-Egypt actively participated under the auspices of the Central Bank of Egypt (CBE). In six nationwide initiatives in 2024. These initiatives targeted key segments of society, including women, youth, farmers, and individuals with disabilities.

Key Initiatives and Outreach

Throughout 2024, ABK-Egypt conducted a series of financial literacy seminars and on-the-ground activations, directly engaging over 2,800 individuals nationwide. These efforts focused on raising awareness of financial inclusion, promoting banking knowledge, and encouraging saving habits, particularly among the younger population.

Notable Programs and Awareness Days:

- **International Women's Day (March 2024)**
  In celebration of International Women's Day and in line with the Central Bank of Egypt's initiatives to empower women and enhance their contribution to society, ABK-Egypt organized an awareness seminar for over 100 women in Al-Ameria area - Alexandria during March 2024 with the objective of promoting financial literacy and inclusion.
  The Bank also organized three field visits to Kafr El Sheikh, Ismailia, and Al-Dakahlia governorates, aiming to raise awareness on financial inclusion among females with disabilities and introduce banking products and solutions that will help them face life's challenges.

- **Arab Day (April 2024)**
  In celebration of the Arab Financial Inclusion Day, the Bank organized an awareness seminar in cooperation with the "Kolna Maa Baad" Foundation in the village of Batran in Fayoum Governorate to raise awareness on banking products and highlight the benefits of saving among children. The Bank also organized a seminar for financial and digital awareness in cooperation with the "Al-Ghad Al-Mushriq" Association in El-Minya Governorate to enhance financial literacy and banking knowledge among women, youth, and entrepreneurs.

- **International Youth Day (August 2024)**
  In celebration of International Youth Day, the Bank held a series of digital banking and financial awareness sessions across three governorates (Cairo, Giza, and Aswan), aiming to reach out to youth with banking solutions and benefits that empower them for a better future. This initiative comes in line with the Bank's financial inclusion agenda and ongoing efforts to attract and support unbanked segments.

- **Farmer's Day (September 2024)**
  ABK-Egypt took an active part in the Central Bank of Egypt's Farmer's Day initiative held during the month of September through its partnership with Al-Hassan Foundation. The Bank organized two awareness seminars in Al-Sharqia and El-Menoufia governorates to raise financial awareness among farmers and individuals with disabilities.

- **International Saving Day (October 2024)**
  ABK-Egypt celebrated International Saving Day through a series of awareness sessions and field visits in Al-Gharbia and El-Minya governorates, aiming to reach unbanked segments. The Bank was present at the Faculty of Commerce - Tanta University as well as Al-Barjaya village in El-Minya Governorate in cooperation with Al-Ghad Al-Mushriq Association for Development.

- **International Day of People of Disabilities (December 2024)**
  As part of the Bank's efforts to promote International Day of People with Disabilities, ABK-Egypt organized a seminar on financial literacy in Alexandria Governorate in cooperation with Dunyetna Association for the visually impaired. The seminar took place in the Association premise, where Bank representative introduced attendees to financial inclusion products and banking services offered to assist individuals with visual impairments in facing financial burdens and challenges.

- **Financial Inclusion Accounts:**
  ABK-Egypt launched financial inclusion USD Accounts in 2024, mainly targeting foreign students who are completing their education in Egypt, both residents and non-residents.
  In line with CBE directives, ABK-Egypt has increased the limits for withdrawal and deposit for all financial inclusion accounts to attract a larger segment of customers and incentivize them to open financial inclusion accounts.

SUSTAINABILITY AND SUSTAINABLE FINANCE

Sustainability is embedded in ABK-Egypt's core values and business strategy. We are committed to operating in a responsible and sustainable manner, balancing economic, environmental, and social considerations. Sustainable finance is a strategic imperative for ABK-Egypt. We aim to mobilize capital for projects and businesses that contribute to a sustainable future by considering ESG factors in our lending and investment activities, as we seek to i) promote environmental sustainability, ii) advance social inclusion, iii) strengthen governance practices within our organization and among our clients.
In this regard, ABK-Egypt has established its Sustainable Finance division and has set and aligned its sustainability and sustainable finance strategy with the objectives of the bank. The bank has also established a comprehensive risk management frameworks and policies to address environmental, social, and governance (ESG) risks, in compliance with regulatory guidelines and international best practices. Moreover - with its strong sense of transparency - in 2024, ABK-Egypt has issued its first annual sustainability report based on the GRI standards, which are the most widely recognized and used guidelines for sustainability reporting globally. ABK-Egypt has also issued its carbon footprint report covering scopes 1, 2 and non-financed emissions of scope 3 for all its branches, with a decarbonization plan to decrease its CO_2 emissions resulting from its operations. ABK-Egypt is now overseeing and reporting its portfolio of sustainability projects. ABK-Egypt uses these reports as a platform for communicating its sustainability performance and impacts to its stakeholders.

CORPORATE GOVERNANCE

3

CORPORATE GOVERNANCE REPORT

INTRODUCTION

ABK- Egypt holds a sound corporate governance framework and the highest standards to create value and lay solid foundations for BoD's oversight. It recognizes the complexity and importance of good corporate governance, based on the set of values and behaviors that underpin day-to-day activities, and designed to promote transparency, fair dealing, and the protection of stakeholders' interests. It mainly sets and oversees the implementation of the Bank's strategy whilst ensuring that the Executive Management, responsible for executing the strategy, remain focused on long-term profitable growth and sustainable shareholder value. ABK-Egypt is fully compliant with the Corporate Governance Code, the CBE Code of Governance and the CBK governance requirements where it does not conflict with the local laws and regulations.

In 2024, the Central Bank of Egypt issued the governance and internal control updated instructions for Banks, as well as instructions for the competency and technical eligibility of senior bank officials. According to the gap analysis and mapping process, minimal amendments will be required.

COMPOSITION OF ABK-EGYPT'S BOARD

ABK-Egypt's Board consists of eight members including the Chairman of which one member is an Executive Director, three are Non-Executive Directors and three are Independent Non-Executive Directors as outlined below:

1. Mr. Ali Marafi, Chairman and Non-Executive Board Member
2. Mr. Khaled El Salawy, CEO & Managing Director and Executive Board Member
3. Eng. Khaled Abdel Aziz, Independent Non-Executive Board Member
4. Eng. Khaled El Attar, Independent Non-Executive Board Member
5. Mr. Jamal Ahmad, Non-Executive Board Member
6. Mr. Shiamak Soonawalla, Non-Executive Board Member
7. Mrs. Hania Sadek, Independent Non-Executive Board Member
8. Mrs. Sherin Hamed, Non- Executive Board Member

Note: Mr. Dimitri Scoufaridis is the Secretary of the Board

The summary biographies of the Board Members are included under pages (10 – 14) of this report. The Board convenes on a periodical basis not less than six times a year as per the Chairman's invitation or majority of Board Members. During 2024 the Board met seven times and the agenda and related information were circulated in advance of the meetings to allow Board Members time to study and familiarize themselves with the topics on the agenda.

STRUCTURE OF ABK-EGYPT'S BOARD

To discharge its responsibilities, the Board in line with the Central Bank of Egypt Corporate Governance Code, has set up the following Board Committees whose authorities are defined in their respective charters:

- Board Audit Committee (BAC)
- Board Risk Committee (BRC)
- Board Remuneration Committee (RemCo)
- Board Nomination and Corporate Governance Committee (BNCGC)

The Chairman of ABK-Egypt's Board regularly follows up on the work and activities of the Board Committees to ensure their assigned responsibilities are being discharged. All the Board Members are fully aware that the existence of the Board Committees does not exempt Board from assuming overall direct responsibility for all matters relating to ABK-Egypt.

The details of the meetings held by ABK-Egypt's Board and its committees during 2024 together with Members' attendance are summarized below:

BOARD MEMBERS	AGM[1]	Board[2]	BAC	BRC	RemCo	BNCGC
	Total Number of Meetings and Attendance					
Mr. Ali Marafi, Chairman and Non-Executive Board Member	1/1	7/7	-	-	-	2/2
Mr. Khaled El Salawy, CEO & Managing Director, Executive Board Member[3]	1/1	7/7	-	6/6	3/3	-
Eng. Khaled Abdel Aziz, Independent Non-Executive Board Member	1/1	7/7	-	-	3/3	2/2
Eng. Khaled El Attar, Independent Non-Executive Board Member	-	7/7	7/7	6/6	3/3	-
Mr. Jamal Ahmad, Non-Executive Board Member	1/1	7/7	-	6/6	3/3	-
Mr. Shiamak Soonawalla, Non-Executive Board Member	1/1	6/7	6/7	5/6	-	2/2
Mrs. Hania Sadek, Independent Non-Executive Board Member	1/1	7/7	7/7	-	-	-
Mrs.Sherin Hamed ,Non-Executive Board Member[4]	-	6/7	-	-	-	-

[1] (a) As per the Companies Law 159/1981 (article nos. 60 and 77) and in accordance with ABK-Egypt's amended Articles of Association (article nos. 26 & 37), published in the General Authority for Investment and Free Zones journal (issue no. 4517/T/2024 dated 30 April 2024), the minimum attendance at the general assembly meeting is five Board members inclusive of the Chairman. (b) During 2024, the general assembly meeting was held on March 27, 2024.

[2] As per CBE Governor's letter dated September 4th, 2022, the minimum number of Board meetings per year is six, instead of the previous eight.

[3] Attended the RemCo meetings as invitee.

[4] Mrs. Sherin Hamed's membership status changed from Executive Board Member to Non-Executive Board Member on Feb. 7, 2024.

THE KEY ACTIVITIES OF THE BOARD COMMITTEES DURING 2024 WERE AS FOLLOWS:

BOARD AUDIT COMMITTEE (BAC)

Chaired by Mrs. Hania Sadek, Independent Non-Executive Board Member

During 2024, BAC met (7) times to review, approve and/ or recommend the (i) Interim and annual financial statements including adequacy of provisions and estimates, (ii) External auditors' scope, independence and performance, (iii) Internal audit plan and activities, (iv) Internal Quality Assurance report, (v) Compliance and Corporate Governance activities, Corporate Governance annual plan and regulatory inspection updates, (vi) Internal Control evaluation as per the COSO framework, (vii) Internal Control action plan and activities, (viii) Subsidiary's audit activities and subsidiaries' audit and compliance reviews, (ix) Money Laundering/ Terrorism Financing Risk Assessment Survey, (x) The Survey for Evaluating the Effectiveness of the Anti-Money Laundering (AML)/Combating the Financing of Terrorism (CFT) systems, (xi) The Assessment of the Virtual Crypto Currency Regulation Report, (xii) the Anti-Money Laundering (AML)/ Combating the Financing of Terrorism (CFT) annual report, (xiii) Core system upgrade, (xiv) Clearing & Settlement activities and (xv) Complaints & Customer Rights Protection Policy.

BOARD RISK COMMITTEE (BRC)

Chaired by Eng. Khaled El Attar, Independent Non-Executive Board Member

During 2024, BRC met (6) times to review, approve and/or recommend risk policies, models and frameworks related to the Bank's risk appetite, risk profile, emerging risks and exposures across all categories of risk including credit, capital planning & stress testing, market & liquidity, operational, IT and information security risks, Business Continuity Management as well as customer complaints, customer experience strategy and the subsidiary's business model.

REMUNERATION COMMITTEE (RemCo)

Chaired by Eng. Khaled Abdel Aziz, Independent Non-Executive Board Member

During 2024, RemCo met (3) times to review, approve and/or recommend the (i) Medical and Life insurance Contracts, (ii) Employee salary increase, cost and methodology and profit share distribution, (iii) Grading structure and salary ranges, (iv) Senior management remuneration, (v) employee variable remuneration arrangements in accordance with the BRC, and (vi) Bonus distribution to ABK-Egypt Board Members and their attendance and transportation allowance.

BOARD NOMINATION & CORPORATE GOVERNANCE COMMITTEE (BNCGC)

Chaired by Mr. Ali Marafi, Chairman and Non-Executive Board Member

During 2024, BNCGC met (2) times to (i) Provide advice to the Board on Corporate Governance related matters, (ii) Review the Corporate Governance annual plan, (iii) Review the Corporate Governance statement, (iv) Review periodic regulatory reports and (v) Review Board Committees' and Management Committees' activities. The committee also reviewed and recommended the nomination of Executive/ Senior Management staff and the nomination of Non-Executive and Independent Board Members.

MANAGEMENT COMMITTEES

The following 17 management level committees including the ExCo whose authorities are included in the respective charters.

Executive Committee (ExCo)

The Committee is chaired by Mr. Khaled El Salawy, CEO & Managing Director, Executive Board Member. The Committee reviews key business issues and makes recommendations to the Board of Directors. ExCo consists of seven members from the Executive Management recommended by the CEO & Managing Director and approved by the Board of Directors. These members are:

- CEO & Managing Director
- Deputy CEO - Wholesale Banking
- Deputy CEO - Consumer Banking
- Chief Operating Officer
- Chief Financial Officer
- Chief Risk Officer
- Head of Treasury & Capital Markets

Asset-Liability Management Committee (ALCO)

ALCO is responsible for setting, monitoring and approving all polices and strategies related to the management of the Bank's Assets & Liabilities in terms of funding, liquidity, pricing, profitability, investment and risk, as well as overseeing the Bank's FX portfolio, positions and strategy to ensure ABK-Egypt's adherence with the Bank's and Central Bank of Egypt's limits and guidelines.

Provision & Business Recovery Committee
The Committee follow-ups on non-performing Corporate, SME's & Retail client's portfolio as well as recommending restructuring and settlement agreements that include write-offs and approve all local/IFRS impairment provisions within the CBE's directives/H.Q. guidelines.

Executive Credit Committee
The Committee acts as a forum to review, recommend and approve credit requests and to handle other credit related matters and is chaired by the CEO and Managing Director. It also provides direction and advice to ABK Group Board Credit and Investment Committee (BCIC) on credit and investment granting to support and facilitate the decision-making process.

Credit Committee
This Committee is a sub-committee of the Executive Credit Committee, created tofacilitate the credit process, resolve issues, and agreeing on conditions before seeking approval from the higher committee. It is responsible for reviewing, recommending and approving credit requests and other credit-related matters.

Procedures Committee
The Committee reviews and approves operating procedures to meet business needs and to enhance and accelerate the approval cycle for issuing the Bank's procedures.

Market Funds Committee
The Committee aims to control and supervise the activity of funds established by the Bank, and to approve the creation/sponsorship of additional funds and to obtain the CBE's approval (as applicable) related to increases in the Bank's capital fund contribution.

Branch Premises Committee
The Committee governs the approval of new branch locations, relocation and/or renovation of existing branches across the network.

Crisis Management Committee
The Committee is set up in case of a crisis and is responsible for deciding the activation of the Business Continuity Plan (BCP) and the supervision of the recovery actions.

Human Resources Committee
The Committee is a senior management forum to discuss HR related material issues and approval of HR related matters. Human Resources Committee is a senior management forum to discuss HR related material issues and approval of HR related matters.

Management Risk & Compliance Committee
The Committee provides independent oversight ensuring that operational risk is appropriately managed within appetite levels and operational business and governance controls are adequate, and significant issues related to the business such as operational risk events, legal, compliance, information security and regulatory risk are appropriately escalated and reported.

Fraud Management Committee
The Committee's purpose is to keep the business informed about fraud related developments and counter measures and to formulate cohesive and effective fraud and risk management strategies.

Tendering Committee
The Committee is responsible for monitoring and controlling the tendering process to ensure optimum adherence to procurement procedures.

Tariff Committee
The Committee aims to review and approve the Bank's tariffs applied to services and products.

Digital Innovation Committee
The Committee is responsible for formulating and implementing the Bank's digital strategy and ensuring that the bank takes advantage of new opportunities and trends in line with the Bank's overall strategy. The committee reviews relevant trends and discusses their impact on current and future services and products to ensure the expansion of ABK-Egypt in the financial services sector. The Committee studies the proposals submitted through a feasibility to ensure so that business models, and products and services target profitable sectors, to meet the correct needs and help both the customer and the Bank to interact in the most efficient and effective way. The Committee may draw on any expertise within the bank or outside by extending invitations to committee meetings.

Process Simplification Committee

The Committee was established in 2022. It is responsible for enhancing, redesigning and automating solutions that simplify workflow and key processes within the Bank, while ensuring adequate controls are in place.

Information Security Committee

The committee is responsible for the formulation and implementation of the Information Security strategy for ABK-Egypt to ensure that the senior management is aligned and informed of security controls, emerging threats and any relevant cyber security trends, new opportunities, and trends in line with overall bank strategy. It is also, responsible for providing strategic guidance and approval of the cyber security strategy, policy, and annual plan and assists stakeholders in striking the necessary balance and tone to maintain a security focus in a way that supports the overarching organizational objectives.

Key Corporate Governance Related Code of Conduct and Policies

ABK-Egypt's Corporate Governance framework includes the following:

(1) Board of Directors Code of Conduct
(2) Staff Code of Conduct
(3) Related Party Transactions Policy
(4) Conflict of Interest Policy
(5) Board of Directors Conflict of Interest Policy
(6) Customer Confidentiality Policy
(7) Corporate Governance Code
(8) External Auditor Independence Rotation
(9) Whistleblowing Policy
(10) Disclosure & Transparency Policy
(11) Sustainability Policy
(12) Stakeholder's Protection Policy
(13) Customer Complaints Handling Procedures
(14) ABK-Egypt's Extended Governance Oversight Framework of its Subsidiaries

Board Assessment of Corporate Governance Instructions and Internal Control Systems

ABK-Egypt's Board confirms its compliance with the provisions of the Central Bank of Egypt's Corporate Governance instructions and affirms that it has an internal control framework in place, which provides reasonable assurance about the effectiveness of risk management, control, and governance processes, geared to the achievement of the Bank's objectives. ABK-Egypt's Chairman, (Non-executive Board Member), being also a Board member of ABK K.S.C.P., regularly and consistently communicates with the major shareholder and obtains its opinion on ABK-Egypt's performance and commitment to growth and development. Similarly, in their executive capacity, the Group Chief Internal Auditor, Group Chief Risk Officer, and Group Chief Financial Officer (Non-executive Board Members at ABK-Egypt and members of ABK K.S.C.P's executive management team) communicate with the Bank's major shareholder and receive feedback on the Bank's results.

REMUNERATION

REMUNERATION DISCLOSURE:

ABK-Egypt's Board approves the remuneration policy designed to:
1.Incorporate all aspects and components of financial remuneration.
2.Align with the Bank's strategic objectives, risk appetite and long-term strategies.
3.Maintain highly qualified, skilled and knowledgeable professionals across the Bank.
4.Maintain sound remuneration governance, disclosure and transparency.
5.Comply with regulatory requirements and controls in which it operates.
6.ABK-Egypt operates a total remuneration philosophy taking into account all aspects and components of staff remuneration.

The key components as per below:

- Fixed Remuneration: Monthly salaries payable on a 12-month basis.
- Variable Remuneration: Designed to motivate and reward high performers within the overall risk framework of the Bank and in alignment with Bank's performance on the long and short-term, taking into account the changes in financial remunerations granted to executives and management to match risk level.

Top twenty highest remunerations and salaries in the Bank:
The total aggregate remuneration for the top twenty employees in the Bank amounted to EGP 84,275,124.99 from January to December 31, 2024 compared to the total aggregate remuneration for the top twenty employees in the Bank amounted to EGP 67,933,773.06 from January to December 31, 2023 respectively.

Board Evaluation and Effectiveness
The Board established a system whereby it conducts a self-assessment at the Board and Committees' level as one integrated unit to ensure the extent to which all members are dedicated to their job duties and the requirements needed to enhance their capabilities. While ABK-Egypt is confident in its governance model, regular assessment of the Bank's governance framework is conducted with the support of external advisors. Moreover, reviews for individual and collective skills are performed to ensure the Board's competence and diversity are sufficient for its effective performance.

RISK MANAGMENT

4

RISK GOVERNANCE & CONTROLS

FRAMEWORK & POLICES

ABK-Egypt has established comprehensive risk management frameworks and policies to address all material risks in compliance with regulatory guidelines and international best practices. The objective is to enable the Bank to identify, assess, mitigate, and monitor the relevant risks facing the Bank and to ensure that they are understood by all relevant employees, systematically tracked, and reported.

- Credit Risk
- Market Risk
- Liquidity Risk
- Operational Risk
- IT & Information Security Risks
- Solvency Risk & Capital Management
- Concentration Risk, Reputational Risk & Strategic Risk

ABK-Egypt established the Enterprise Risk Management (ERM) division which is a relatively new concept that emerged in response to moving away from traditional approaches of risk management where primary risks were evaluated in isolation of the other risk types at the Bank. The main purposes are as follows:

- Integrate risk management in ABK-Egypt's business model and strategic decisions.
- Maximize shareholder equity by optimizing the use of the Bank's capital and understand the correlation between the different risk types.
- Develop a proactive, risk-aware culture and embed it in the decision-making process on all risk types to enable the Bank to manage the risks assumed within acceptable levels.

RISK APPETITE STATEMENT

Risk management is governed by risk appetite which constitutes an integral part to the Bank's strategic objectives. The risk appetite framework sets out qualitative and quantitative criteria, described through a set of key risk indicators defined by a risk appetite range, tolerance and limits.

ABK-Egypt's risk appetite statement covers solvency, asset quality, earning, liquidity, FX, Interest rate, concentration and other metrics, such as those related to operational risk, reputation risk and regulatory compliance.

ABK-Egypt periodically monitors risk appetite and limits with the aim of assessing the level of the Bank's risk exposures and taking the appropriate corrective measures required to maintain appetite levels within acceptable ranges.

THREE LINES OF DEFENSE

In cooperation with the control functions of the Bank, Risk Management ensures a proactive risk governance and management of risks inherent in business activities by employing the three lines of defense model:

- First line: Business lines
- Second line: Risk Management, Compliance & the other control/support functions
- Third line: Internal Audit

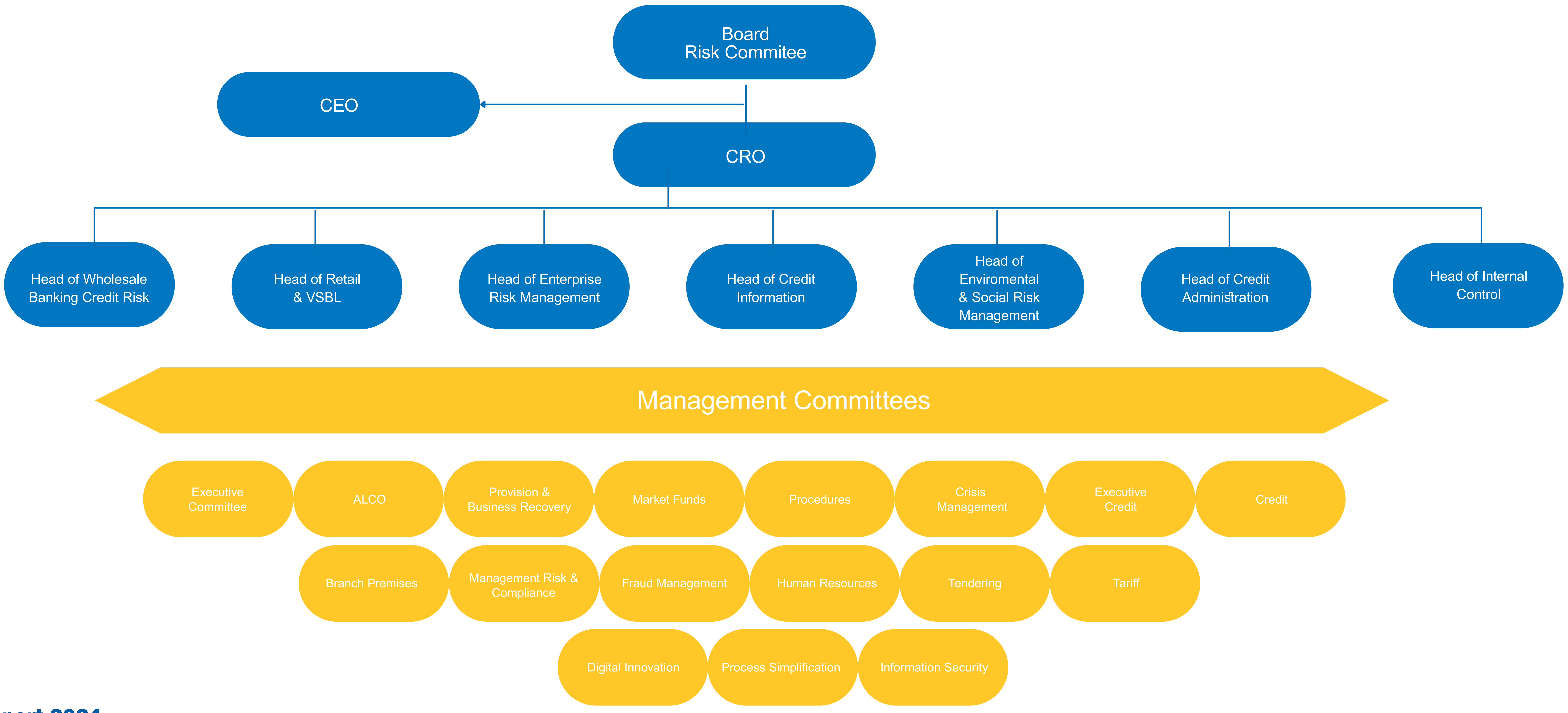
The business lines, along with the control/support divisions, and the internal audit division, comprise the three components that ensure effective compliance with the control processes laid down for risk management in the Bank. A separate Compliance Division also independently ensures that regulatory guidelines are followed and complied with. The Risk Management Division, with the active support of the Board and top management, is committed to installing a risk-conscious culture throughout the Bank.

RISK MANAGEMENT STRUCTURE & PROCESS

Risk Management includes the following four elements:

- Risk Identification
- Risk Monitoring
- Risk Measurement
- Risk Control

The Risk Management Division's organizational structure is set out below:



CREDIT RISK MANAGEMENT

Credit risk arises from the potential financial loss resulting from customers failing to honor the terms of their contractual agreement. It includes the risk of loss in portfolio value as a result of credit quality migration from lower risk to higher risk categories. Credit risk is the most significant risk to which the Bank is exposed, and its proactive management is key to ensuring the Bank's long-term success. The Bank has a comprehensive due diligence system to assess and approve credit facilities and well-defined policies for controlling and managing credit risk at the counter- party, group, economic sector, and country levels.

The soundness of credit risk is enhanced through a robust system of the Obligor Risk Rating (ORR) to assess the default risk of corporate borrowers incorporating international best practices. Credit borrowers are graded on a scale of 1 to 10, with "1" being excellent and "10" being poor. The ORR model takes into consideration key risk factors, such as business and financial risk factors including country, industry, competitive position, cash-flow & leverage parameters, and other factors such as management and governance, financial policy, capital structure, and business diversification which are duly weighted to arrive at the rating. Borrower rating changes/migration are monitored annually.

The Bank uses Standard & Poor's, Moody's, and Fitch Ratings for claims on sovereign and Bank exposures, choosing the higher of the lowest two ratings for assigning risk weight to an exposure. The Bank follows mapping notations of Standard & Poor's public issue ratings to assets in the Bank's book.

S&P Rating	ABK Revised Risk Grade
AAA	1
AA+, AA, AA-	2
A+, A, A-	3
BBB+, BBB, BBB-	4+, 4, 4-
BB+, BB, BB-	5+, 5, 5-
B+, B, B-	6+, 6, 6-
CCC, CC, C	7, 8, 9
D	10

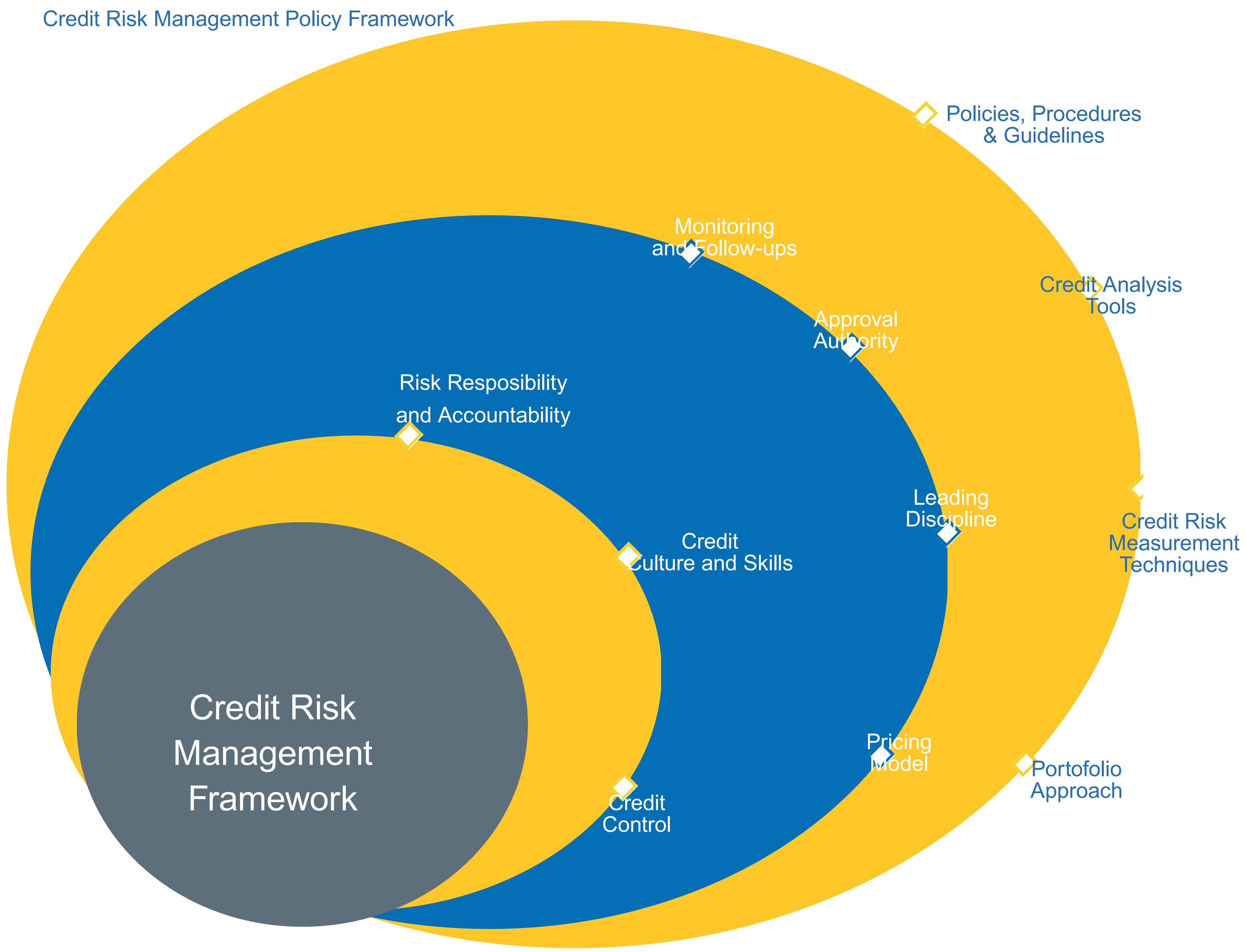
All corporate, international, and sovereign credit requires an independent credit risk review as per risk management practice. Borrower exposures are managed through exposure limits to them, and wherever group exposure exceeds a stipulated limit, the Board Credit & Investment Committee's approval is sought. Credits extended to the Board of Directors are approved strictly and executed on an arms-length basis, which are governed through the Bank's corporate governance process.
Concerning credit culture, Risk Management ensures that appropriate policies, guidelines, processes and procedures exist to cover all business areas and activities where credit risk arises. It ensures the consistent application of the Bank's credit-extending standards and the periodic review and updating of credit policies, guidelines, and procedures.

The policy sets limit criteria for individual exposures, group exposures, economic sector, and countries. Business with any counterparty does not commence until a credit line has been approved. A strict credit approval process exists with authority levels defined to ensure the efficient conduct of business. Risk Management ensures that credits are granted according to the approved standards and that all risks are comprehensively highlighted in the credit risk review, including policy exceptions. Credit facility risk covers the analysis of the nature of on and off-balance sheet counterparty exposure (size, tenor, complexity, and liquidity), including secured and unsecured credit facilities, and reporting thereof. Portfolio risk arises because of a high positive correlation between individual credit facilities, meaning that default by one borrower can lead to several related borrowers who bear that correlation. This may include a concentration of exposure in geographical areas, sectors, groups, counterparties, or rating categories.

The Bank complies with the CBE in regard to concentration instructions and credit disbursal/regulation to various sectors of the economy. In addition to the above, the Bank has prudent internal portfolio exposure limits to manage concentration in various sectors.
Portfolio exposure analysis is performed at regular intervals, and whenever required, the Bank will revise/ limit its exposures to manage/contain risks. The Bank proactively reviews its portfolio exposures to various transaction types, counter parties, sectors, banks and countries, and revised exposure limits for managing risk.

The concentration risk is considered as well under pillar II to ensure the required capital is available. Credit risk is also assessed based on the quality of collateral, its liquidity, volatility, and the effectiveness of documentation etc. The provisions and the expected credit loss are calculated, and early warning signals are monitored periodically.

As far as retail credit is concerned, the Bank also has the necessary policies, controls, and processes in place. Retail loans are originated through the Bank's branch network and direct sales force (DSF). The retail loans that comply with policy criteria are processed when approved by the necessary approving authorities. Exceptions are reviewed independently by Risk Management and approved by the credit committee. A separate Retail Credit Lending Unit under Risk Management reviews and ensures all necessary procedures and documentation are completed. The Bank also reviews the retail portfolio for deterioration and has mechanisms for loan and installment collections when past due.



MARKET RISK

Market risk is the risk of adverse impact on the value of assets, liabilities or revenues from market conditions or movements in market rates and prices. Market- sensitive assets and liabilities are generated through loans, investments, and customer and proprietary trading operations. For measuring market risk in the trading book, all positions are marked to market daily and limits are approved and independently monitored. All major exposures are monitored by Risk Management and appropriate limits are approved by the Asset Liability Management Committee (ALCO). The Bank adopts a standardized approach to measuring its market risk under Pillar I.

FOREIGN EXCHANGE RISK

Foreign exchange risk represents the Bank's exposure to fluctuations in the values of current holdings and future cash flows denominated in other currencies. The types of instruments exposed to this risk include foreign currency denominated loans and liabilities, future cash flows in foreign currencies arising from foreign exchange transactions, the Bank's proprietary positions and customers' foreign exchange transactions.

Instruments used to mitigate this risk are foreign exchange spots, forwards, etc These instruments help to insulate the Bank against losses that may arise due to significant movements in foreign exchange rates. All foreign exchange exposures are centrally managed by the Bank's Treasury and are daily marked to market. Limits have been assigned with respect to overnight open exposures, stop loss and authorized currencies to monitor and control foreign exchange exposures. Risk Management independently monitors the currency open position against the authorized limits daily. Foreign exchange risk is also assessed under stress tests.

INTEREST RATE RISK

Interest rate risk to the Bank arises on account of a mismatch in the re-pricing of loans and deposits. The mismatch that arises gives rise to interest rate risk (basis risk). The other elements in the consolidated statement of financial positions carrying interest rate risk are Treasury Bills and Bonds, under the Bank's fixed income investment portfolio. The Bank's overall goal is to manage interest rate sensitivity so that movements in interest rates do not adversely affect its net interest income. Interest rate risk is measured as the potential volatility in net interest income caused by changes in market interest rates.

Exposures are quantified using interest rate re-pricing gaps. Earnings at risk limits are monitored and simulations used to estimate the impact of various interest rate scenarios on the Bank's net interest income. These simulations incorporate assumptions of asset and liability re-pricing and maturity characteristics. Exposures against limits and simulation analysis are regularly monitored by ALCO.

Under Pillar II, the Bank conducts an internal assessment of capital for interest rate risk in the banking book and allocates specific capital for this risk, whenever applicable.

LIQUIDITY RISK

Liquidity is the ongoing ability to accommodate liability maturities and deposit withdrawals, fund asset growth and business operations, and meet contractual obligations through unconstrained access to funding at reasonable market rates.

The Bank's projected liquidity needs are analyzed continuously and optimum alternatives to manage liquidity risk are recommended. Risk Management identifies liquidity at risk, which is monitored and reported frequently. The Bank also has liquidity management policies, and a contingency liquidity plan has been established.

A liquidity stress test is conducted to assess the impact of the withdrawal of deposits in the mild, medium, and severe scenarios, both under Bank-specific, and systemic scenarios. The concentration in deposits is monitored on a regular basis and reviewed by ALCO. Liquidity risk appetite has been put in place for the following parameters: loans to deposits, top depositors' concentration, and regulatory ratios (Liquidity ratio, LCR & NSFR). These appetite parameters are used for driving liquidity risk and the exposure the Bank would be willing to take, managing risk levels within appetite levels.

ASSET LIABILITY MANAGEMENT RISK

Risk Management plays a critical role in assessing the risk embedded in the Bank's assets and liabilities. It recommends measures to manage risks efficiently within the agreed risk appetite. Risk Management's role includes assessing the volatility and concentration of revenues; effectiveness in pricing to cover costs and risk; and facilitating and setting risk-adjusted return on capital (RAROC) hurdle rates etc. To optimize balance sheet management, it is important to conduct balance sheet reviews. This helps in managing yields through the optimal deployment of surplus liquidity. Recommendations are made based on the review to prudently manage the cost of funds. Additionally, an appropriate funding mix between local currency and foreign currency is suggested to optimize balance sheet returns within acceptable risk limits.

OPERATIONAL RISK

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people, and systems, or from external events. Managing this risk relies on identifying risks that exist within the organization; the Bank identifies and assesses the operational risk in products, activities, processes, and systems. Risk identification is vital to the development of operational risk monitoring and control systems.

Risk identification considers internal factors such as the Bank's structure, the nature of its activities, the quality of its human resources, organizational changes, and employee turnover. It also examines external factors such as changes in the industry, major political and economic changes, and technological advances.

The Bank is currently working on enhancing the adopted Risk & Control Self-Assessment (RCSA) processes in addition to Key Risk Indicators which consist of a preventive means for early detection of potential occurrence of Operational Risk by implementing an operational risk system.

In addition, the Incident Report is a formal reporting tool that allows the Business & Support Divisions to communicate an operational error, and near misses once occurred or discovered, which may lead to the actual or potential loss.

The Bank also collects information about actual operational losses' events and recoveries, as well as descriptive information about the causes and drivers of the loss events. The loss data events collected are analyzed and any deficiencies in the Bank's processes are remedied.

The Operational Risk Unit aims to increase the Bank staff awareness and ensure that the control environment is adequate through the operational risk awareness sessions and workshops.

INFORMATION SECURITY AND IT RISK

ABK-Egypt considers its information and systems a critical asset. Loss, theft, or service interruption can have a crucial effect on ABK-Egypt operations, reputation, and market edge.

- Formulate information security policy and objectives in alliance with the overall business objectives of ABKEgypt.
- Inform the management and the board of directors on the ABK-Egypt security posture and security risks.
- Ensure compliance with adopted security standards, security policies, CBE regulations, and related legal and regulatory requirements.
- Responsible for developing and enforcing all aspects of cyber security controls to protect ABK-Egypt's assets from internal and external threats.
- Initiate internal and external security reviews and ensure that actions are taken to rectify any security findings identified.
- Review information security incidents and handle these incidents and initiate corrective and preventive actions after evaluating incidents.
- Ensure adequate measures (security metrics) are available to protect information technology

resources and maintain a high level of security and awareness throughout the organization.

- Inform the management and the board of directors on ABK-Egypt's information technology risks with corrective and preventive actions to mitigate these risks.

STRATEGIC RISK

The Bank defines strategic risk as the current or prospective impact on the Bank's earnings, capital, and risks arising from changes in its operating environment from adverse strategic decisions, improper implementation of decisions or a lack of responsiveness to industry strength, economic direction, or technological changes. In this regard, the Bank has put in place a strategic risk framework to identify, measure, monitor and report strategic risk exposures. For the purposes of strategic risk, the sources of risks are from:

- An inadequate strategic governance framework.
- An inadequate identification of factors that impact the strategy and/or business plans.
- Insufficient planning and resource allocation processes.
- Failure in the execution of plans, projects, and initiatives.
- Issues related to environment dynamics both internal and external including products, services, and Bank practices.

Strategic risk is primarily assessed in terms of the controls available to mitigate such risks and the Bank's ability to successfully implement its goals under its long-term strategic plan. Matrices have been developed to monitor and measure risk, using a score card process, to assess strategic risks to the strategic plan, and to consider whether the Bank has adequate capacity to withstand those risks against the stated / approved risk appetite. Capital is assessed based on a metric score, considering all strategic initiatives that impact the business and earnings through a self-assessment exercise.

REPUTATIONAL RISK

Reputational risk is defined as the risk of a current or prospective negative impact on the Bank's earnings, or capital arising from damage to the Bank's reputation in the perception of major stakeholders. The Bank seeks to manage reputational risk through a reputational risk management framework that focuses on:

- Identifying key reputational risk indicators under each driver.
- Establishing the roles and responsibilities of different entities in the reputational risk assessment and management process.
- Insufficient planning and resource allocation process.
- Failure in the execution of plans, projects, and initiatives.
- Issues related to environment dynamics – internal and external including products, services, and Bank practices.
- Developing a formalized and structured approach for managing risks to the Bank's reputation.

The Bank has identified various reputational risk indicators and has classified these under several drivers such as but not limited to; customer satisfaction; financial soundness; corporate governance; management integrity; business practice; risk management and control environment; regulatory compliance; staff competence; and crisis management. These parameters are used for assessing and managing reputation risk. Under Pillar II, the Bank assesses reputational risk based on reputational risk scorecards to assess risk through key drivers that influence the Bank's reputation in the perception of its significant stakeholders.

CAPITAL MANAGEMENT & STRESS TESTING

Capital management and stress testing ensures that the Bank has an adequate level of capital to absorb losses and support material risks under normal and stressed conditions.

- **Capital Management & Pillar II Risks**
  - Monitoring the regulatory minimum requirements of capital adequacy ratio.
  - Responsible for internal capital adequacy assessment process where quantitative and qualitative risk assessments are set in place to assess different types of risks.
  - Manage Pillar II risks such as concentration.

- **Stress Testing**

Performing stress testing scenarios to alert the Bank to adverse unexpected outcomes, thus providing a forward-looking approach under different severity degrees and simulations.

- Historical events that previously occurred.
- Hypothetical scenarios either related to the overall market (Systematic) or Idiosyncratic (Non-systematic, specific to ABK-Egypt).

BASEL ACCORD GUIDELINES, CAPITAL STRUCTURE & RISK WEIGHTED ASSETS BASEL ACCORD GUIDELINES (PILLAR I & PILLAR II)

Under Basel Accord guidelines, the Central Bank of Egypt issued guidelines in December 2012 for the minimum capital requirement under Pillar I.

As for Pillar II, Supervisory Review Process (SRP), CBE issued guidelines in March 2016 for the Internal Capital Adequacy Assessment Process (ICAAP), which aims at linking between the Bank's risk profile and how efficient is its risk management system and its capital adequacy. Therefore, the Bank applies an effective risk management system that ensures identifying, measuring and following up, and hence monitoring the risks.

The Bank has adopted these guidelines in its capital adequacy assessment and management of all material risks covered under Pillar I and Pillar II, in addition to the ABK Group methodology in following the Central Bank of Kuwait's (CBK) guidelines.

CAPITAL STRUCTURE & RISK WEIGHTED ASSETS

The major highlights of these regulations are:

- Banks must maintain a capital adequacy ratio at a minimum of 12.5%.
- The Bank's external auditors must audit the annual Internal Capital Adequacy Assessment Process (ICAAP).
- The Bank must conduct ICAAP to cover all its material risks, including those not captured under Pillar I capital requirement. Pillar II risks include the following:
  - Credit concentration risk
  - Other operational risk arising from Risk Control Self-Assessment – RCSA
  - Interest rate risk in banking book- IRRBB
  - Liquidity risk
  - Strategic risk
  - Reputational risk

Within the ICAAP, the Bank must conduct stress testing of its one year forward business projections under different scenarios and assess the impact on capital adequacy and profitability. Under the Capital Adequacy framework, the Bank must provide timely, accurate, relevant, and adequate disclosures of qualitative and quantitative information that enable users to assess its activities and risk profile.

CAPITAL STRUCTURE & RISK WEIGHTED ASSETS

The capital structure of ABK-Egypt consists of Common Equity Tier I, Additional Tier I capital (paid-up equity capital and reserves, including fair value reserves) and Tier II capital, which includes general provision (subject to maximum of 1.25% of total credit risk weighted assets).

Capital Structure (EGP 000)	2024	2023
Paid-up share capital/common stock	5,201,393	5,000,000
Reserves	296,398	152,575
Retained Earnings	10,163,389*	4,149,924*
Total accumulative comprehensive income items less	323,541	162,355
Treasury Shares	-	-
Total Deductions from Tier I	-158,849	-49,184
Common Equity Tier I	15,830,113	9,415,670
Additional Tier I	163	136.27
General provisions (subject to maximum of 1.25% of total credit risk weighted assets)	931,123	630,026
45% of special reserve	1,926	1,926
Tier II	933,050	631,952
Total eligible capital after deductions	16,763,326	10,047,758

* Includes YTD profits

ABK-Egypt capital management objective is aimed at maintaining an optimum level of capital to enable it to pursue its strategic goals that build long-term shareholder value, whilst always maintaining minimum Pillar I capital requirements as well as meeting Pillar II capital requirements. Pillar II, capital which is an internal estimate of the capital required to cover all its material risks, including those which are not captured under Pillar I capital requirements, and include credit concentration risk, interest rate risk in the banking book, liquidity risk, other operational risk, strategic risk, and reputation risk, etc. The objective is to maximize its return on capital and, at the same time, maintain capital for unexpected losses. ABK-Egypt manages its capital in an integrated manner with the aim of maintaining strong capital ratios. This calls for a balanced approach of maintaining capital levels that are sufficient to provide a high return to shareholders, while meeting the requirements of regulators, rating agencies and other stakeholders (including deposit holders) and supporting future business growth. The cost of capital and its composition is also taken into consideration. The consolidated composition of capital (Tier I and II) is analyzed to ensure capital stability and reduce volatility in the capital structure.

Capital Adequacy Ratio (EGP 000)	2024	2023
1. Claims on Sovereigns	3,816,728	2,326,428
2. Claims on Public Sector Entities (PSEs)	1,091,316	1,141,416
3. Claims on Banks	8,203,188	4,367,813
4. Claims on Corporate	39,724,959	27,514,885
5. Regulatory Retail Exposures	11,513,220	8,118,942
6. Non-performing Exposures	294,987	392,085
7. Other Exposures	9,845,467	6,540,501
Total Credit RWA	74,489,866	50,402,069
Market Risk RWA	495,829	-
Counterparty RWA	1,690	837
Operational Risk RWA	5,455,975	3,269,322
Total RWA	80,443,366	53,672,228
Capital Adequacy Ratio	20.84%	18.72%
Tier 1	19.68%	17.54%
CET 1	19.68%	17.54%

Risk Weighted Exposure Post Credit Conversion and Risk Mitigation (EGP,000)

RISK WEIGHTED EXPOSURE POST CREDIT CONVERSION AND RISK MITIGATION (EGP,000)

As of 31 December 2024 - (EGP 000)

Description	Rated	Unrated	Total
1. Claims on sovereigns	3,816,728	-	3,816,728
2. Claims on public sector entities	-	1,091,316	1,091,316
3. Claims on banks	5,703,188	2,500,000	8,203,188
4. Claims on corporate	-	39,724,959	39,724,959
5. Regulatory retail exposures	-	11,513,220	11,513,220
6. Non-performing exposures	-	294,987	294,987
7. Other exposures	-	9,845,467	9,845,467
Total	9,519,916	64,969,948	74,489,866

CAPITAL REQUIREMENTS FOR MARKET RISK EXPOSURES

The Bank uses a standardized approach for measuring the market risk of its portfolio consisting of FX, equity and derivative instruments.

Capital Requirements for Market Risk Exposures (EGP 000)	2024	2023
Capital required for Debt instruments	49,583	-
Capital required for Securities	-	-
Capital required for Mutual Funds	-	-
Minimum capital required for market risk	49,583	-

CAPITAL REQUIREMENTS FOR OPERATIONAL RISK

Starting from March 2022 the Bank implemented new CBE regulations to calculate the minimum Operational Risk Capital requirement as per the new Standardized Approach "SA" to measure operational risk.

Capital Requirements for Operational Risk (EGP 000)	2024	2023
Operational risk Capital (ORC)	436,478	261,546

LEVERAGE RATIO

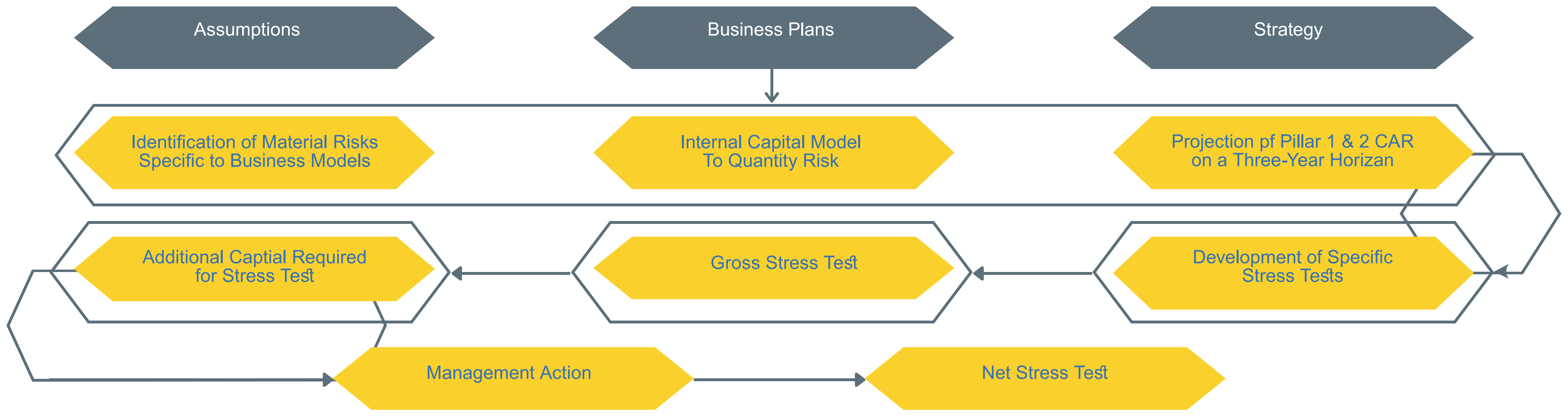
Within the framework of implementing Basel III reforms, the CBE has issued regulations on the application of a leverage ratio effective 2018. The regulation prescribes a minimum ratio requirement of 3% and is calculated as Tier 1 capital divided by the leveraged exposures. The leverage ratio computed as of 31st December 2024 & 31st December 2023 is disclosed in the table below.

Leverage Ratio (EGP 000)	2024	2023
Tier I	15,830,276	9,415,806
Total Exposures (On & Off-balance Sheet)	150,372,704	103,652,199
Total Exposures (On-balance Sheet)	143,001,694	98,874,921
Total Exposures (Off-balance Sheet)	7,371,010	4,777,278
Financial Leverage	10.53%	9.08%

ICAAP FRAMEWORK OF THE BANK

ABK-Egypt has established an ICAAP framework which entails:

- Incorporation of the business plan with a three-year horizon for capital assessment.
- Assessment and measurement of the material risks in the Bank's exposures as per Pillar I & II guidelines.
- Monitoring of risks against the risk limits established.
- Monitoring capital within the risk appetite framework.
- Stress testing to assess its capital adequacy in case of adverse scenarios.
- Periodic assessment and reporting of the ICAAP results to the senior management and Board so the appropriate remedial actions can be taken.



ABK-Egypt reviews the adequacy of its regulatory capital to support its current and future activities on an ongoing basis for internal capital management and regulatory reporting. Strategic business objectives and future capital needs are assessed within this framework. The Bank adopt capital rationing techniques to allocate capital for each of the Bank's business units through the budgetary planning process to optimize returns.

The Bank ensures that capital ratios are maintained above the regulatory minimum under Pillar I to meet Pillar II requirements and certain stress conditions. Under the terms of the framework, sources of future capital are identified.

The Bank plans its capital projections for a forward-looking period in line with approved strategy of the Bank to assess capital availability and adequacy, taking into account strategic business plans and other initiatives considering the strategic business environment and other factors in capital assessment process.

The annual dividend pay-out is prudently determined and proposed by the Board of Directors, and endeavors to meet shareholder expectations and regulatory capital requirements.

The capital levels are monitored throughout the year factoring the business plans and economic environment to maintain capital adequacy at targeted levels.

CREDIT PORTFOLIO PROFILE

GROSS CREDIT RISK EXPOSURE BEFORE RISK, MITIGANTS (EGP 000)

As of 31 December 2024- (EGP 000)

Description	Funded	Unfunded	Total
1. Cash items (Mandatory Reserve)	13,178,962	-	13,178,962
2. Claims on sovereigns	12,895,877	-	12,895,877
3. Claims on public sector entities (PSEs)	3,061,307	1,855,450	4,916,757
4. Claims on banks	39,925,417	34,607	39,960,024
5. Claims on corporate	42,072,448	10,826,660	52,899,108
6. Claims on retail	22,641,929	3,258	22,645,187
7. Non-performing exposures	1,282,995	98,280	1,381,275
8. Other exposures	6,504,419	-	6,504,419
Total	141,563,353	12,818,255	154,381,608

GEOGRAPHIC DISTRIBUTION – ALL EXPOSURES (EGP 000)

As of 31 December 2024- (EGP 000)

Description	Domestic (Egypt)	Other Middle East	Europe	Asia Pacific	Rest of World	Total
1. Cash items (Mandatory Reserve)	13,178,962	-	-	-	-	13,178,962
2. Claims on sovereigns	12,895,877	-	-	-	-	12,895,877
3. Claims on public sector entities (PSEs)	4,916,757	-	-	-	-	4,916,757
4. Claims on banks	2,379,292	24,095,544	12,004,105	302,491	1,178,593	39,960,024
5. Claims on corporate	52,899,108	-	-	-	-	52,899,108
6. Claims on retail	22,645,187	-	-	-	-	22,645,187
7. Non-performing exposures	1,381,275	-	-	-	-	1,381,275
8. Other exposures	6,504,419	-	-	-	-	6,504,419
Total	116,800,876	24,095,544	12,004,105	302,491	1,178,593	154,381,608

GEOGRAPHIC DISTRIBUTION FUNDED EXPOSURES (EGP 000)

As of 31 December 2024- (EGP 000)

Description	Domestic (Egypt)	Other Middle East	Europe	Asia Pacific	Rest of World	Total
1. Cash items (Mandatory Reserve)	13,178,962	-	-	-	-	13,178,962
2. Claims on sovereigns	12,895,877	-	-	-	-	12,895,877
3. Claims on public sector entities (PSEs) sector entities (PSEs)	3,061,307	-	-	-	-	3,061,307
4. Claims on banks	2,346,044	24,095,187	12,003,102	302,491	1,178,593	39,925,417
5. Claims on corporate	42,072,448	-	-	-	-	42,072,448
6. Claims on retail	22,641,929	-	-	-	-	22,641,929
7.Non-performing exposures	1,282,995	-	-	-	-	1,282,995
8. Other exposures	6,504,419	-	-	-	-	6,504,419
Total	103,983,980	24,095,187	12,003,102	302,491	1,178,593	141,563,353

GEOGRAPHIC DISTRIBUTION – UNFUNDED EXPOSURES (EGP 000)

As of 31 December 2024- (EGP 000)

Description	Domestic (Egypt)	Other Middle East	Europe	Asia Pacific	Rest of World	Total
1. Cash items (Mandatory Reserve)	-	-	-	-	-	-
2. Claims on sovereigns	-	-	-	-	-	-
3. Claims on public sector entities (PSEs) sector entities (PSEs)	1,855,450	-	-	-	-	1,855,450
4. Claims on banks	33,248	357	1,002	-	-	34,607
5. Claims on corporate	10,826,660	-	-	-	-	10,826,660
6. Claims on retail	3,258	-	-	-	-	3,258
7.Non-performing exposures	98,280	-	-	-	-	98,280
8. Other exposures	-	-	-	-	-	-
Total	12,816,896	357	1,002	-	-	12,818,255

COUNTER PARTY CREDIT RISK

The Bank has put in place risk policies and processes to identify, measure, monitor and report on counterparty credit risk. These policies are integrated into credit risk management and have been applied in determining the internal limits, based on the counterparty's credit rating. These limits have been determined based on the probability of default associated with each risk grade of borrowers. The bank seeks to minimize unexpected losses based on the probability of default.

For derivatives, the limits' structure that has been set up is based on the tenor of the contract and the risks. The Bank has implemented policies for accepting and securing collaterals as risk mitigation, as well as processes for monitoring valuation fluctuations and legally securing collateral to protect the Bank's interest.

Processes and methods are in place for the continuous monitoring of fluctuations in the values of collateral support on counterparty credit.

CREDIT RISK MITIGATION

The policies and processes for on-and of-balance sheet netting (and the extent to which the Bank makes use of them), the policies and processes for collateral valuation and management, and a description of the main types of collateral taken, are described below.

Credit Risk Mitigation (CRM) encompasses collateral management and credit guarantee.

The Bank has in place a mechanism of collateral valuation and management. All listed equity collateral is valued daily, for collateral coverage determination. In respect of real estate collateral, two valuations are obtained of which one will be the valuator approved by the CBE. The lowest of the two valuations will be considered. Real estate collateral is valued regularly. The Bank normally accepts the following types of collateral:

- Equity shares and funds
- Cash and deposits
- Real estate
- Ministry of Finance Guarantee (MOF)

Among other risk migrants, the Bank also insists on the assignment of insurance on inventories, plants and machinery and accepts unlisted equity, guarantees of individuals, corporates and banks, based on their creditworthiness and rating grades.

The Bank has also set up processes to accurately value the collateral support provided and to ensure that it is legally secured through proper documentation. Adequate legal processes are in place to ensure that documentation is comprehensive enough to protect the Bank's interests. Additionally, the Bank constantly monitors valuations to ensure that there is enough coverage for credit exposures.

Guarantors who provide collateral support are assessed for their creditworthiness based on their financial strength and external ratings, if available. In the case of individuals, their personal net worth is taken into account, while for corporate guarantors, their financial strength is assessed and rated. External agency ratings are used in the case of financial institutions.

COLLATERALIZED CREDIT EXPOSURE WITH ELIGIBLE COLLATERAL (EGP 000)

As of 31 December 2024- (EGP 000)

Description	Gross Credit Exposure	Cash Collaterals	Cash	Guarantees	Real-estate Mortgage	Commercial Mortgage	Securities	Collateralized Exposures
1. Cash items (Mandatory Reserve)	13,178,962	-	-	-	-	-	-	-
2. Claims on sovereigns	12,895,877	-	-	-	-	-	-	-
3. Claims on public sector entities (PSEs)	4,916,757	632,572	2,514,062	-	-	-	-	3,146,634
4. Claims on banks	39,960,024	154	-	-	-	-	-	154
5. Claims on corporate	52,899,108	4,445,040	2,840,594	477,846	0	860,131	0	8,623,611
6. Claims on retail	22,645,187	7,371,117	-	-	-	-	-	7,371,117
7. Non-performing exposures	1,381,275	25,119	-	46,281	41,417	136,236	-	249,052
8. Other exposures	6,504,419	-	-	-	-	-	-	-
Total	154,381,608	12,474,001	5,354,656	524,127	41,417	996,367	0	19,390,568

FINANCIAL STATEMENTS

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FINANCIAL STATEMENTS

Allied for Accounting and Auditing – EY	Kreston Egypt
Accountants & Consultants	Accountants & Consultants

AUDITORS' REPORT

To the shareholders of Al Ahli Bank of Kuwait- Egypt (S.A.E)

Report on the Separate Financial Statements

We have audited the accompanying separate financial statements of Al Ahli Bank of Kuwait- Egypt (S.A.E) which compromises the separate financial position as of December 31, 2024 and the related separate statements of income, comprehensive income, changes in equity and cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Separate Financial Statements

These separate financial statements are the responsibility of Bank's management. Management is responsible for the preparation and fair presentation of these financial statements in accordance with the rules of preparation and presentation of 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, management responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of separate financial statements that are free from material misstatement, whether due to fraud or error; management responsibility also includes selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these separate financial statements based on our audit. We conducted our audit in accordance with the Egyptian Standards on Auditing and in the light of the prevailing Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the separate financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate financial statements.

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

Opinion

In our opinion, the separate financial statements referred to above present fairly, in all material respects, the separate financial position of Al Ahli Bank of Kuwait- Egypt (S.A.E) as of December 31, 2024 and of its separate financial performance and its separate cash flows for the 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 separate financial statements.

Report on Legal and Other Regulatory Requirements

No contravention of the Central Bank and Banking Sector Law No. 194 of the year 2020 were noted during the financial year ended 31 December 2024 .

The Bank maintains proper books of accounts, which include all that is required by law and by the statutes of the Bank, the separate financial statements are in agreement thereto.

The financial information included in the Board of Directors' report which is prepared according to law no. 159 of 1981 and its executive regulation, is in agreement with the books of the bank insofar as such information is recorded therein.

Cairo: 20 February 2025

Auditors

Ashraf Mohamed Ismail	Gomaa Farag Gomaa
FRA No. 102	FRA No. 345
Allied for Accounting and Auditing - EY	Kreston Egypt
Public Accountants & Consultants	Public Accountants & Consultants

AL AHLI BANK OF KUWAIT - EGYPT

Translation of separate financial statements
Originally issued in Arabic

AL AHLI BANK OF KUWAIT - EGYPT (S.A.E)
Separate Balance Sheet - As at 31 December 2024

(Amounts expressed in Egyptian Pounds)	Notes	December 31, 2024	December 31, 2023
Assets			
Cash and balances with the central bank (mandatory reserve)	(7)	13 825 220 800	10 547 116 114
Due from Banks	(8)	39 762 683 704	8 293 607 591
Loans and advances to banks	(9)	156 304 632	2 451 177 934
Loans and advances to customers	(10)	65 534 863 595	44 968 498 658
Derivative financial instruments	(19)	434 561	70 194
Financial Investments:	(11)		
Fair value through P&L		390 544 260	292 082
Fair value through OCI		9 778 962 293	22 174 392 239
Amortized cost		7 592 118 001	5 984 509 630
Investments in subsidiaries and associates	(12)	89 940 000	89 940 000
Intangible assets	(13)	93 938 326	24 458 176
Other assets	(14)	3 705 173 727	2 602 576 579
Fixed assets	(16)	669 728 056	469 458 434
Total Assets		141 599 911 955	97 606 097 631
Liabilities and Shareholders' Equity			
Liabilities			
Due to banks	(17)	835 623 385	1 232 939 423
Customers' deposits	(18)	119 887 974 324	83 064 241 108
Other liabilities	(20)	4 245 435 464	3 397 255 320
Other provisions	(21)	637 126 752	424 134 797
Deferred tax liabilities	(15)	36 274 413	23 220 286
Retirement benefit obligations	(22)	70 472 053	74 520 746
Total liabilities		125 712 906 391	88 216 311 680
Shareholders' Equity	(23)		
Issued & Paid up capital		5 000 000 000	4 027 856 366
Capital increase under registration		201 392 818	972 143 634
Reserves		655 239 805	335 858 085
Retained Earnings		10 030 372 941	4 053 927 866
Total Shareholders' Equity		15 887 005 564	9 389 785 951
Total Liabilities and Shareholders' Equity		141 599 911 955	97 606 097 631

The accompanying notes from (1) to (39) are an integral part of these financial statements.

Approved on 20 February 2025

Khaled Nabil El Salawy
CEO & Managing Director

Ali Ebrahim Marafi
Chairman

AL AHLI BANK OF KUWAIT - EGYPT

Translation of separate financial statements
Originally issued in Arabic

AL AHLI BANK OF KUWAIT - EGYPT (S.A.E)
Separate Income Statement - for the year ended 31 December 2024

(Amounts expressed in Egyptian Pounds)	Notes	31 December 2024	31 December 2023
Interest income and similar revenues		22 155 732 874	11 843 108 983
Interest expense and similar charges		(15 657 662 975)	(7 755 403 954)
Net interest income	(26)	**6 498 069 899**	**4 087 705 029**
Fees and commission income		2 217 189 561	1 632 329 743
Fees and commission expense		(703 177 573)	(407 944 573)
Net fees and commission income	(27)	**1 514 011 988**	**1 224 385 170**
Dividend income	(28)	59 604 113	47 221 713
Net trading income	(29)	386 913 730	149 305 431
Gain from financial investments	(11)	3 513 548	5 614 255
Impairment on loans loss	(30)	(970 346 034)	(677 292 014)
General and administrative expenses	(31)	(1 977 307 511)	(1 443 792 357)
Other operating income (expenses)	(32)	2 445 943 025	366 291 909
Profit for the year before income tax		**7 960 402 758**	**3 759 439 136**
Income tax expense	(36)	(1 317 041 776)	(956 610 449)
Profit for the year after income tax		**6 643 360 982**	**2 802 828 687**
Earning per share	(33)	**19.90**	**8.12**

The accompanying notes from (1) to (39) are an integral part of these financial statements.

Translation of separate financial statements
Originally issued in Arabic

AL AHLI BANK OF KUWAIT - EGYPT (S.A.E)

Separate Comprehensive Income Statement - for the year ended 31 December 2024

(Amounts expressed in Egyptian Pounds)		31 December 2024	31 December 2023
Net profit for the year after tax		**6 643 360 982**	**2 802 828 687**
Items that will not be reclassified to income statement			
Changes in Fair value through other comprehensive income of equity instrument		30 600 447	94 047 417
Re-measurements of post-employment benefit obligation		10 937 541	11 170 170
Deferred tax	(15)	(4 223 820)	(68 149 291)
		37 314 168	**37 068 296**
Items that are or will be reclassified subsequently to income statement:			
Changes in fair value through other comprehensive income of debt instrument		139 741 747	(110 398 851)
Changes in allowance for expected credit losses of fair value through other comprehensive income		(7 644 786)	34 942 867
Deferred tax	(15)	(276 278)	10 582 712
		131 820 683	**(64 873 272)**
Total items of comprehensive income for the year		**169 134 851**	**(27 804 976)**
Total comprehensive income for the year		**6 812 495 833**	**2 775 023 711**

The accompanying notes from (1) to (39) are an integral part of these financial statements.

Translation of separate financial statements
Originally issued in Arabic

AL AHLI BANK OF KUWAIT - EGYPT (S.A.E)

Separate Cash Flows Statement - for the year ended 31 December 2024

(Amounts expressed in Egyptian Pounds)	Notes	31 December 2024	31 December 2023
Cash flows from operating activities			
Profit for the year before income taxes		**7 960 402 758**	**3 759 439 136**
Adjustments for year profit from operating activities			
Depreciation and amortization		139 373 154	111 348 305
ECL / Impairment on loans loss		1 214 023 967	721 231 883
Other provisions charge		210 632 940	242 692 762
Gain from financial investments		(3 513 548)	(5 614 255)
Dividends Income		(59 604 113)	(47 221 713)
Foreign exchange differences of other provisions in foreign currencies		14 496 760	5 285 971
Foreign exchange differences of Investments through OCI		(541 797 036)	(370 769 104)
Foreign exchange differences of of Investments Amortised cost		(961 097 893)	(135 979 903)
Gain from sale of fixed assets		(467 120)	(6 706 009)
Amortization of Premium / Discount		18 184 474	76 540 300
Provisions used other than impairment loans provisions		(12 137 732)	(7 609 220)
Operating income before changes in assets and liabilities provided from operating activities		**7 978 496 611**	**4 342 638 153**
Net decrease (increase) in assets			
Due from banks		(30 767 404 366)	3 261 650 046
Balances with central bank (mandatory reserve)		(3 247 942 226)	(2 248 737 205)
Loans to Banks		2 331 884 938	(1 526 986 721)
Loans to customers		(21 851 452 279)	(12 597 292 554)
Derivative financial instruments (Net)		(364 367)	(70 194)
Other assets		(1 101 355 199)	(890 762 334)
Trading investment		(390 252 178)	(292 082)
Net increase (decrease)in liabilities			
Due to banks		(397 316 038)	582 977 839
Customers' deposits		36 823 733 216	16 910 811 405
Other liabilities		458 395 244	651 310 649
Income tax paid		(918 702 847)	(554 737 644)
Retirement benefit obligations		6 888 848	6 257 561
Net cash flow (used in) provided from operating activities		**(11 075 390 643)**	**7 936 766 919**
Cash flows from investing activities			
Payments to purchase fixed assets and branches preparation		(322 234 077)	(109 967 840)
Payments to purchase intangible assets		(88 400 969)	(20 303 090)
Proceeds from sale of fixed assets		1 979 240	6 976 372
(Payments)Proceeds from financial investments other than investments FVTPL		(1 495 147 683)	5 342 320 304
Dividend income		59 604 113	47 221 713
Net cash flow (used in) provided from investing activities		**(1 844 199 376)**	**5 266 247 459**
Cash flows from financing activities			
Capital increase		-	593 964 000
Dividends paid		(315 367 571)	(191 534 220)
Net cash flow (used in) provided from financing activities		**(315 367 571)**	**402 429 780**
Net Change in cash and cash equivalents during the year		**(13 234 957 590)**	**13 605 444 158**
Cash and cash equivalents at beginning of the year		14 950 154 663	1 344 710 505
Cash and cash equivalents at end of the year		**1 715 197 073**	**14 950 154 663**
Cash and cash equivalents are represented in			
Cash and due from Central Banks		13 825 220 800	10 547 116 114
Due from banks		39 766 545 632	8 324 041 816
Treasury bills		4 925 491 798	15 223 485 728
Due from Central Banks (mandatory reserve)		(13 178 961 801)	(9 931 019 575)
Deposits with banks (maturity more than three months from the date of acquisition)		(38 697 607 558)	(7 930 203 192)
Treasury bills (maturity more than three months from the date of acquisition)		(4 925 491 798)	(1 283 266 228)
Total cash and cash equivalents	(24)	**1 715 197 073**	**14 950 154 663**

The accompanying notes from (1) to (39) are an integral part of these financial statements.

Translation of separate financial statements
Originally issued in Arabic

AL AHLI BANK OF KUWAIT - EGYPT (S.A.E)
Separate Statement of changes in shareholders' equity - for the year ended 31 December 2024

(Amounts expressed in Egyptian Pounds)

Description	Paid in capital	Capital increase under registration	Legal reserve	Capital reserve	Special reserve	OCI reserve	General Banking risk reserve	Other reserve	General risk reserve	Retained Earnings	Total
Balance as 1 January 2023	**3 234 662 006**	**793 194 360**	**41 513 589**	**5 381 298**	**4 280 968**	**201 330 215**	**16 050 945**	**(8 825 881)**	**4 242 264**	**1 920 502 696**	**6 212 332 460**
Transfer to capital	793 194 360	(793 194 360)	-	-	-	-	-	-	-	-	-
Subscription in Capital	-	593 964 000	-	-	-	-	-	-	-	-	**593 964 000**
Transfer to legal reserve	-	-	83 492 192	-	-	-	-	-	-	**(83 492 192)**	-
Transfer to capital reserve	-	-	-	11 831 877	-	-	-	-	-	**(11 831 877)**	-
Profit share for the year 2022	-	-	-	-	-	-	-	-	-	**(123 000 000)**	**(123 000 000)**
Board of director remuneration for the year 2022	-	-	-	-	-	-	-	-	-	**(50 000 000)**	**(50 000 000)**
Profit distributed for shareholders (Stock Dividends)	-	378 179 634	-	-	-	-	-	-	-	**(378 179 634)**	-
Bank share of banking sector development fund	-	-	-	-	-	-	-	-	-	**(18 534 220)**	**(18 534 220)**
Transfer to general bank risk reserve	-	-	-	-	-	-	4 365 594	-	-	**(4 365 594)**	-
Net change in fair value of OCI	-	-	-	-	-	(38 975 146)	-	11 170 170	-	-	**(27 804 976)**
Profit for the year	-	-	-	-	-	-	-	-	-	**2 802 828 687**	**2 802 828 687**
Balance as 31 December 2023	**4 027 856 366**	**972 143 634**	**125 005 781**	**17 213 175**	**4 280 968**	**162 355 069**	**20 416 539**	**2 344 289**	**4 242 264**	**4 053 927 866**	**9 389 785 951**
Balance as 1 January 2024	**4 027 856 366**	**972 143 634**	**125 005 781**	**17 213 175**	**4 280 968**	**162 355 069**	**20 416 539**	**2 344 289**	**4 242 264**	**4 053 927 866**	**9 389 785 951**
Transfer to capital	972 143 634	(972 143 634)	-	-	-	-	-	-	-	-	-
Transfer to legal reserve	-	-	139 806 134	-	-	-	-	-	-	**(139 806 134)**	-
Transfer to capital reserve	-	-	-	6 706 009	-	-	-	-	-	**(6 706 009)**	-
Profit share for the year 2023	-	-	-	-	-	-	-	-	-	**(206 000 000)**	**(206 000 000)**
Board of director remuneration for the year 2023	-	-	-	-	-	-	-	-	-	**(81 450 000)**	**(81 450 000)**
Profit distributed for shareholders (Stock Dividends)	-	201 392 818	-	-	-	-	-	-	-	**(201 392 818)**	-
Bank share of banking sector development fund	-	-	-	-	-	-	-	-	-	**(27 917 571)**	**(27 917 571)**
Transfer to general bank risk reserve	-	-	-	-	-	-	3 734 726	-	-	**(3 734 726)**	-
Net change in fair value of OCI	-	-	-	-	-	161 185 722	-	7 949 129	-	-	**169 134 851**
Gains from selling equity instruments	-	-	-	-	-	-	-	-	-	**91 351**	**91 351**
Profit for the year	-	-	-	-	-	-	-	-	-	**6 643 360 982**	**6 643 360 982**
Balance as 31 December 2024	**5 000 000 000**	**201 392 818**	**264 811 915**	**23 919 184**	**4 280 968**	**323 540 791**	**24 151 265**	**10 293 418**	**4 242 264**	**10 030 372 941**	**15 887 005 564**

The accompanying notes from (1) to (39) are an integral part of these financial statements.

Translation of separate financial statements

AL AHLI BANK OF KUWAIT - EGYPT (S.A.E) Originally issued in Arabic
Statement of profit distribution proposal - For the year ended December 31, 2024

(Amounts expressed in Egyptian Pounds)	**December 31, 2024**	**December 31, 2023**
Profit for the year after income tax	6 643 360 982	2 802 828 687
Add/less		
Capital gain	(467 120)	(6 706 009)
General Banking risk reserve	(3 734 726)	(4 365 594)
Gains from selling equity instruments	(91 351)	-
Distributable net profit for the year	**6 639 067 785**	**2 791 757 084**
Add		
Retained Earnings at 1 January	3 390 655 333	1 255 464 772
Total	**10 029 723 118**	**4 047 221 856**
Distributed as follow :		
Legal reserve	332 144 693	139 806 134
Staff profit share	330 000 000	206 000 000
Bank share of banking sector development fund *	66 390 678	27 917 571
Profit distributed for shareholders (Stock Dividends)	267 035 946	201 392 818
Remuneration for Board of Directors	153 600 000	81 450 000
Retained Earnings at 31 December	8 880 551 801	3 390 655 333
	10 029 723 118	**4 047 221 856**

*According to Article 178 of the Central Bank and Banking System's Law No. 194 for year 2020, to deduct an amount not exceeding 1% of the distributable year's net profits for the benefit of the Support and Development the Banking System Fund.

1. General Information

Al Ahli Bank of Kuwait - EGYPT (S.A.E) is involved in providing corporate, retail, and investment banking services in Arab Republic of Egypt and abroad through its head office located in Cairo and 45 branches. The Bank has 1 764 employees at the date of balance sheet.

The Bank has been incorporated under the name of Alexandria Kuwait International Bank in accordance with the ministerial resolution No. 119 of 1978. Then, the name was changed to the "Egyptian Commercial Bank" in accordance with the ministerial resolution No. 107 of 1997. Having the share capital of the bank increased to EGP 500 million, Piraeus Bank Greece owned 87.97% of the Bank shares. Accordingly, the name of the Bank has been changed to "Piraeus Bank – Egypt" in accordance with the ministerial resolution No. 209/2 of 2006 issued on 25 January 2006. Thereafter, the share capital has been increased many times to the extent that the shareholding of Piraeus Bank Greece reached to 98.49 %. On 21 May 2015, Piraeus Bank Egypt announced that it has entered into a final agreement with Al Ahli Bank of Kuwait to acquires Its entire percentage of ownership . On 10 November 2015, ownership of the shares listed in the Egyptian Exchange was transferred and, on 25 July 2016, the commercial register was amended by changing the name of the bank to "Al Ahli Bank of Kuwait - EGYPT (S.A.E)". Al Ahli Bank of Kuwait – Kuwait has acquired some shares, therefore the shareholding of Al Ahli Bank of Kuwait – Kuwait reached 98.69% in the date of balance sheet.

The Bank was incorporated as an Egyptian shareholding company under the law 43 of 1974, amended by the law no 8 of 1997 regarding investment guarantees and incentives in Arab Republic of Egypt. The head office of the Bank is at Smart Village - Km. 28, Cairo / Alexandria Desert Road – Giza governate - building no. B227 - B228 - 12577 - Egypt.

2. Basis of preparation of the separate financial statements

These separate financial statements have been prepared in accordance with the regulations of the Central Bank of Egypt (CBE) approved by its Board of Directors on 16 December 2008, under IFRS 9 "Financial Instruments" in compliance with the regulations issued by the Central Bank of Egypt (CBE) on 26 February 2019, under the revised Egyptian accounting standards issued during the period 2015, as amended and provisions of the relevant local laws.

These separate financial statements of the Bank have been prepared in accordance with the provisions of the relevant local laws. Also, the consolidated financial statements of the bank and its subsidiaries have been prepared in accordance with the Egyptian Accounting Standards. The subsidiaries- in which the Bank directly or indirectly has more than half of the voting rights or the ability to control the financial and operating policies of the subsidiary, regardless the type of activity- have been entirely consolidated in the consolidated financial statements. The consolidated financial statements of Bank can be obtained from the management of the Bank. The investments in subsidiaries or associates are presented in the separate financial statements of the bank and are accounted by the cost less the impairment loss.

The separate financial statements of the Bank should be read with its consolidated financial statements for the year ended 31 December 2024 to obtain full information on the financial position, income statements, cash flows and change in shareholders' equity of the bank.

Al Ahli Bank of Kuwait - EGYPT (S.A.E)

Notes to the separate financial statements – For the year ended 31 December 2024

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

3.Functional and presentation currency

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

4.Accounting estimates and assumptions

The bank uses estimates and assumptions that affect the amounts of assets and liabilities that are disclosed during the next financial period. The estimates and associated assumptions are assessed regularly based on historical experience and other factors, including the expectations of the future events that are believed to be reasonable in the light of the conditions and the available information.

5.Most Significant Adopted Accounting Policies

The most significant policies adopted in the preparation of financial statements are as following. These policies have been followed constantly for all the presented periods.

5.1.Subsidiaries and associates

5.1.1.Subsidiaries

Subsidiaries are all entities (including the Special Purpose Entities "SPEs") over which the bank has owned directly or indirectly the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the bank controls another entity.

5.1.2.Associates

Associates are all entities over which the bank has direct or indirect significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights.

Purchase method of accounting has been applied to all the acquisition operations. The cost of acquisition is measured at fair value or the assets offered/ issued equity securities / liabilities incurred/ liabilities accepted in behalf of the acquired company, at the date of the exchange, plus costs directly attributed to the acquisition. Identifiable net assets acquired, and liabilities and contingent liabilities assumed in a business combination are measured initially at fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the bank's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the entity acquired, the difference is recognized directly in the income statement into other operating income (expenses).

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

5.2.Translation of Foreign Currencies

The accounts of the bank are maintained in Egyptian pound "EGP". The foreign currencies transactions are recognized during the financial year on the basis the exchange rates prevailing at the date of transactions. The monetary assets and liabilities balances dominated in other currencies are retranslated at the end of Financial period based on the prevailing rates at that date. The changes in fair value of the monetary instruments dominated in foreign currencies and classified as investments carried at fair value through comprehensive income are analyzed to the differences of assessment resulted from changes in the amortized cost of the instrument, differences resulted from change in the prevailing exchange rates and differences resulted from change in the fair value of the instrument.

5.2.Translation of Foreign Currencies (continued)

The differences of assessment resulted from the non – monetary items include profits and losses resulting from change of the fair value such as the equity instruments carried at fair value through profits and losses. The differences of assessment resulted from equity instruments that are designated as investments carried at fair value through Statement of Comprehensive Income are recognized in statement of comprehensive income.

Profits or losses resulting from the settlement of such transactions are recognized in the statement of profits or losses and by the differences resulting from the translation in the following items:

- Net trading income or net income from the financial instruments recognized at fair value through profits or losses for the assets / liabilities for trading or those recognized at fair value through profits and losses based on the classification of the asset or the liability.
- The differences of change in the exchange rates are recognized.
- The differences of assessment relating to changes in the amortized cost are recognized in the statement of profits or losses under the item" loans interest and similar income" and by differences relating to the change of exchange rates under the item "other operating income (expenses)".
- Other operating income (expenses) for the other items.

The differences of changes relating to the fair value are recognized under the items of comprehensive income and by equity for the following items:

- For the financial derivatives that are qualified for hedge (satisfying the conditions) of the cash flows risks or qualified for hedge of net investment.
- For the financial investments from the equity instruments carried at fair value through comprehensive income.

5.3.Interest income and expenses

5.3.1.Effective Interest Rate

Interest income and expenses are recognized in the statement of income under the item "loans interest and similar income "or "deposits cost and similar costs" by using the Effective Interest Method for all the interest – bearing financial instrument, except for those recognized at fair value through profits or losses.

Effective Interest Method is the method of calculating the amortized cost of a financial asset or liability and of allocating the interest income or interest expenses over the lifetime of the related instrument. Effective Interest Rate is the rate which is used to discount the future cash flows expected to be paid or collected during the expected lifetime of the financial instrument or, when appropriate, a shorter period, to accurately determine the carrying amount of a financial asset or liability.

The bank, when calculating the Effective Interest Rate, estimates the cash flows, taking into account all contractual terms of the financial instrument (such as the early payment options), but doesn't take into account the future credit losses. The calculation of effective interest should include all fees paid or received among the contract parties and are considered as an integral part of the Effective Interest Rate, costs of transaction and all other premiums and discounts. There is an assumption that the cash flows and the expected lifetime of similar financial instruments can be estimated in a reliable method. Despite of this, in some rare cases, when the cash flows and the expected lifetime of the financial instrument or a group of the financial instruments can't be estimated in a reliable method, the bank has to use the contractual cash flows over the contractual lifetime of the financial instrument or a group of the financial instruments.

5.3.Interest income and expenses (continued)

5.3.2.Total Carrying Amount of Financial Asset or Liability or Amortized cost (continued)

Amortized cost is the amount whereby the financial asset or liability is measured on initial recognition, less the payments of the principal amount, plus or less the total consumption by using the Effective Interest Rate for any difference between such initial amount and the amount at the date of maturity, adjusted for the financial assets by any provision of Expected Credit Loss.

5.3.3.Method of Calculation of Interest Income and Expenses

Upon calculation of interest income and expenses, the Effective Interest Rate is applied on the total carrying amount of the asset (in the case of not classifying the loans or debts as non – performing or impaired) or the financial liability.

When the loans and debts are classified as non – performing or impaired based on the case, the related interest income is not recognized in the books but recorded in marginal records apart from the financial statement, and it is recognized as revenues according to the cash basis as following:

- When they are collected, after receiving all past due instalments for consumption loans, personal mortgage loans, and small business loans.
- For corporate loans, cash basis is also applied, where the return subsequently calculated added to loan amount in accordance with the loan rescheduling contract, until 25% of the rescheduling instalments are repaid, with a minimum of one period of regular repayment scheme. In case the counterparty persists to regularly pay, the return calculated on the loan outstanding is recognized in interest income. (interest on rescheduling balance) without marginal interest before rescheduling which is not recognized as revenues except after paying all the loan balance in the Balance Sheet before rescheduling.

5.4.Fees and commissions income

Fees charged for servicing a loan or facility are recognized as revenue when the service is provided. Fees and commissions on non-performing or impaired loans or receivables cease to be recognized as income and are rather recorded in marginal records apart from the financial statements. These are recognized as revenue - on a cash basis - only when interest income on those loans is recognized in accordance with what's provided in the item (5-3-1), at which time, fees and commissions that are an integral part of the original effective interest rate of a financial asset are generally treated as an adjustment to the effective interest rate.

Loan commitment fees for loans that are likely to be drawn down are deferred as commitment fees received by the bank are considered as a compensation for continuous intervention to acquire the financial instrument. Then, these fees are recognized as a revised adjustment to the effective interest rate on the loan. In the case that the commitment period expires without the bank issuing the loan, the fees are recognized as income at the end of the commitment period, and the fees relating to the debt instruments that are measured at its fair value are recognized as revenues on initial recognition. Loan syndication fees are recognized as revenue when the syndication has been completed and the bank has retained no part of the loan package for itself or has retained a part at the same effective interest rate as the other participants.

Commission and fees arising 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 debt instruments or the purchase or sale of businesses – are recognized in statement of income on completion of the underlying transaction. Other management advisory and service fees are recognized based on the applicable service contracts, usually on a time-apportion basis. Fees of financial planning management and carrying services provided over long periods of time are recognized over the period when the service is provided.

5.5.Dividend income

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

5.6.Income tax

The income tax on profits or losses for the period includes both current tax and deferred tax and is recognized in the statement of income, except for the income tax that relates to items of equity which are directly recognized into equity. Income tax is calculated on the net taxable profits using the prevailing tax rates in the balance sheet date in addition to tax adjustments for previous periods.

Deferred taxes arising from temporary differences between the carrying amount of the assets and liabilities in accordance with the accounting bases and their value in accordance with the tax bases are recognized. Deferred tax value is determined based on the expected method used to realize or settle the values of these assets and liabilities, using the tax rates prevailing in the balance sheet date.

Deferred tax assets of the bank are recognized when there is a reasonable probability that future taxable profits will be realized through which the asset can be utilized. Deferred tax assets are reduced by the portion that will not be realized for the expected tax benefit over the following periods. However, if the expected tax benefit increases, deferred tax assets will be increased within the limits of the foregoing.

5.7.Financial Assets and Financial Liabilities

5.7.1.Initial Recognition and Measurement

The bank initially recognizes the financial assets and liabilities in date the bank becomes a party in the contractual provisions of the financial instrument. The financial asset or liability is initially measured at fair value. In respect of those that are not consequently measured at fair value through profits and losses, they are measured at fair value plus the cost of transaction that's directly associated with the process of acquisition or issuance.

5.7.2.Classification

Financial Assets

On initial recognition, the bank classifies financial assets into financial assets at amortized cost, financial assets at fair value through other comprehensive income (FVTOCI) and financial assets at fair value through profit or loss (FVTPL). The financial asset is measured at amortized cost if it meets the two following conditions and it is not designated by the bank management, on initial recognition, at fair value through profits or losses:

- The financial asset is held in the business model of to collect the contractual cash flows.
- The contractual terms of the financial asset, in specific dates, result in contractual cash flows of the asset represented in the Solely Payments of Principal and Interest (SPPI).

Al Ahli Bank of Kuwait - EGYPT (S.A.E)

Notes to the separate financial statements – For the year ended 31 December 2024

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

Financial Assets (continued)

Debt instrument is measured at fair value through other comprehensive income "FVTOCI" if it is not designated at fair value through profit or loss and the following two conditions are met:

- The asset is held in business model to collect contractual cash flow and sell the financial asset.
- The contractual terms of the financial asset, in specific dates, result in contractual cash flows of the asset represented that are not only represented in the original debt and interest.

Upon the initial recognition of equity interest not held for trading, the bank can irrevocably choose to present the subsequent changes in the fair value in the statement of comprehensive income and this option is for case – by – case investment.

The other remaining financial assets are classified as financial investments at fair value through profits or losses.

Additionally, the bank, on initial recognition, can irrevocably assign a financial asset to be measured at fair value though profits or losses, despite of satisfying the condition of classification as a financial asset carried at amortized cost or at fair value though comprehensive income, if doing so ceases or significantly decreases the inconsistency that may arise in the accounting measurement.

Summary of classification and measurement of debt instruments and equity instruments is set out as following:

Measurement methods based on business models			
		Fair value	
Financial Instrument	Amortized cost	Through comprehensive income	Through profits or losses
Equity instruments	-	One- time option that's revoked on the initial recognition.	Regular transaction of equity instruments
Debt instruments	Business model of the assets held to collect the contractual cash flows .	Business model of the assets held to collect the contractual cash flows and sell.	Business model of the assets held for trading.

Business Model Assessment

The bank assesses the objective of business model at the portfolio level through which the financial asset is held as this reflects the method of business management and the method the management provides information. Information that have to be considered when assessing objective of business model is set out below:

* Approved and documented policies, objectives of the portfolio and the adoption of such policies in reality, particularly if the strategy of management focuses only on collecting the contractual cash flows of the asset and holding a specific return to agree the maturities of financial assets with the maturities of liabilities which finance such assets or generate cash flows through selling such assets.

* How to assess and report the portfolio performance to the senior management.

* The risks that have an impact on performance of the business model, including the nature of the financial assets held in such model and the way these risks

* How to determine the assessment of the business managers' performance (fair value, the contractual cash flows, or both).

* Regularity, value, and timing of sales operations in the previous periods, the reasons of such operations and the expectations concerning the future activities of sale. However, the information on the activities of sale aren't taken into account separately, but as a part of overall assessment on how the bank objective from the financial assets' management is achieved and how the cash flows are generated.

5.7 Financial Assets and Financial Liabilities (continued)

Business Model Assessment

The financial assets held for trading or those managed, and their performance assessed based on the fair value are measured at fair value through profits or losses as they aren't held to collect contractual cash flows or to collect contractual cash flows and sell financial assets.

Summary of business model in line with requirements of IFERS 9 and in a way reflecting the strategy adopted by the bank to manage the financial assets and their cash flows is set out below:

Financial Asset	Business Model	Main Characteristics
Financial assets at amortized cost	Business model of the financial assets held to collect the contractual cash flows.	The objective of business model is to hold the financial assets to collect the contractual cash flows represented in the principal amount and interests. Sale is an exceptional contingent event in respect of the objective of this model and in accordance with the conditions provided in the standard that are represented in the existence of deterioration in the credit capacity of the source of financial instrument. Less sales in respect of regularity and value. The bank carries out a clear and reliable documentation process for the expedients of each sale operation and to what extent it's in compliance with the requirements of the standard.
Financial assets at fair value through comprehensive income	Business model of the financial assets held to collect the contractual cash flows and sale	Both collection of contractual cash flows and sale are integral to achieve the objective of this model. High sales (in respect of regularity and value) compared with the business model held to collect the contractual cash flows.
Financial assets at fair value through profits or losses	Other business models (including trading – managing the financial assets based on the fair value – maximizing the cash flows by sale)	The objective of business model is not to hold the financial asset to collect the contractual cash flows or that's held to collect the contractual cash flows and sale. Managing the financial assets on the part of management based on the fair value through losses or profits to avoid the mismatch in the accounting measurement.

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5.7 Financial Assets and Financial Liabilities (continued)

Assessment Whether the Contractual Cash Flows of the Financial Asset Represent Solely Payments of Principal and Interest of Instrument ("SPPI test").

For the purpose of this assessment, the bank defines principal amount of the financial asset as fair value of the financial asset on initial recognition. The interest is the consideration of time value of money, the credit risks associated with the principal amount through a specific period, other borrowing risks, costs (such as liquidity risk and administrative costs) and marginal profit.

To assess whether the contractual cash flows of the financial asset represent Solely Payments of Principal and Interest of financial asset ("SPPI test"), the bank takes into its account the contractual terms of the instrument. This assessment includes whether the financial asset includes contractual terms that may change timing or amount of the contractual cash flows, causing them not meeting this condition.

To carry out this assessment, the bank considers:

- Contingent events that may change amount and timing of the cash flows.
- Characteristics of financial leverage (interest rate, past dues, type of currency.....)
- Conditions of early payment and deadline extension.
- Conditions that limit the ability of the bank to claim cash flows from specific assets.
- Characteristics that may be equivalent to the time amount of money (periodical re-pricing of the asset).

5.7.3.Re-classification

The financial assets are not reclassified after initial recognition unless– and only – when the bank changes the business model relating to the management of these assets. In all cases, reclassification is not carried out among items of the financial liability at fair value through profits and losses and among the financial liabilities at amortized cost.

5.7.4.Financial Liabilities

• On initial recognition, the bank reclassifies the financial liabilities to financial liabilities at amortized cost and financial liabilities at fair value through profits and losses based on the objective of business model of the bank.

• All financial liabilities are initially recognized at fair value in the date when the bank becomes a party in the contractual conditions of the financial instrument.

• Financial liabilities classified at amortized cost are measured subsequently at amortized cost and by using the effective interest method.

• Financial liabilities at fair value through profits or losses are measured subsequently at fair value and the change in fair value relating to change in credit rating of the bank is recognized in the statement of comprehensive income, while the remaining amount from change in fair value is reflected in profits or losses.

5.7 Financial Assets and Financial Liabilities (continued)

5.7.5.De-recognition

5.7.5.1.Financial Assets

Financial asset is derecognized when the effective period of contractual right to get cash flows from the financial asset expires or when the bank transfers the right in receiving the contractual cash flows in a transaction whereby the risks and benefits of ownership are significantly transferred to third party.

When a financial asset is derecognized, the difference between carrying amount of the asset (or carrying amount allocated to the part of the asset that was derecognized) and total of both received consideration (including any new received asset, less any new assumed liability) and any collective profits or losses recognized previously in the fair value reserve of the financial investments at fair value through statement of comprehensive income is recognized in the statement of profits or losses.

Any accumulative profits or losses recognized in statement of comprehensive income relating to investments in equity instruments designated as investments at fair value through statement of comprehensive income are not recognized in profits and losses when such asset is derecognized, and any share arose or was held from the asset qualified for de-recognition (satisfying the terms of de-recognition) is recognized as a separate asset or liability.

When the bank enters into transactions whereby it transfers an asset previously recognized in the statement of financial position, but it fully or significantly holds most of the risks and benefits of the transferred asset or a part of it, in such cases, the transferred asset is not derecognized.

The risks that affect the business model performance, including the nature of the financial assets held in such model and the way these risks are managed. For transactions in which the bank doesn't significantly retain or transfer all the risks and benefits of the ownership of asset and maintains control on the asset, the bank continues to recognize the asset to the extent of its continuous association with the financial asset. The bank's continuous association with the financial asset is determined by to what extent the bank is exposed to the changes in the value of the transferred asset.

In some transactions, the bank retains service liability of the transferred asset in return for a commission, when the transferred asset is derecognized. If it satisfies the terms of de-recognition and an asset or liability is recognized for the service contract, if the service commission is higher than the appropriate amount (asset) or less than the appropriate amount (liability) of service performance.

5.7.5.2.Financial Liabilities

The bank derecognizes the financial liabilities when the obligation under the liability is discharged or cancelled or expires.

5.7.6.Amendments on Financial Assets and Financial Liabilities

5.7.6.1.Financial Assets

If a term of a financial asset is amended, the bank assesses whether the cash flows of the amended asset are significantly different. If the cash flows are significantly different, the contractual rights of cash flows of the original financial asset are deemed expired, therefore the original financial asset is derecognized and a new financial asset is recognized at fair value and the fair value arising from the amendment of the total carrying amount is recognized as profits and losses in the profits or losses. However, if this amendment occurred due to financial difficulties of the borrower, the profits are deferred and presented with the total impairment losses, while the losses are recognized in profits and losses.

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5.7 Financial Assets and Financial Liabilities (continued)

5.7.6.2.Financial Liabilities

The bank amends a financial liability when its terms are amended, and the cash flows of the amended liability are significantly different. In such case, a new financial liability is recognized at fair value based on the amended terms. The difference between the carrying amount of the old financial liability and the new financial liability based on the amended terms is recognized in the profits and losses.

5.7.7.Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are only offset when there is a legally enforceable right to set off the recognized amounts and there was an intention to settle on a net basis or to receive the asset and settle the liability simultaneously.

Income and expenses are only offset if the same is permitted in accordance with the amended Egyptian Accounting Standards, the outcome of profits or losses arising from similar categories as a result of trading activity or the outcome of difference of translation of balances of monetary assets and liabilities dominated in foreign currencies and the outcome of profits (losses) dealing in foreign currencies.

5.7.8.Fair Value Measurement

The bank determines the fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, taking into account, when measuring the fair value, the characteristics of the asset or the liability if the participants in the market consider these characteristics.

When pricing the asset and /or the liability in the date of measurement as these characteristics include the condition and location of the asset and the restriction on selling or using the asset and / or the way the participants in the market take the same into consideration.

The bank uses the market approach to determine the fair value of the financial assets and liabilities as this approach uses the prices and other related information resulting from the transaction that include assets, liabilities or a group of assets and liabilities and are applicable or comparable. Therefore, the bank may use the valuation techniques that are in compliance with the market approach such the market multiples driven from the comparable categories. Therefore, the selection of an appropriate multiple is required in the scope of the use of personal judgment, taking into account the quantitative and qualitative factors relating to the measurement.

When the market input is not reliable in determining the fair value of a financial asset or a financial liability, the bank uses income approach to determine the fair value whereby the future amounts, such financial cash flows or income and expenses, are transferred to current (discounted) amount, so that that the fair value measurement reflects the current market expectations on the future amounts.

When the market input or income approach are not reliable in determining the fair value of a financial asset or a financial liability, the bank uses the cost approach to determine the fair value to reflect the amount required currently to replace the asset by its current condition (current replacement cost), so that the fair value reflects the cost incurred by the market participant, as a purchaser, from the acquisition of an alternative asset with similar benefit, as the market participant, in his capacity as purchaser , will not pay for the asset more than the amount used to replace the original benefit.

5.7 Financial Assets and Financial Liabilities (continued)

5.7.8.Fair Value Measurement (continued)

The techniques of measuring the financial assets and liabilities at fair value in the financial statements under fair value hierarchy based on the levels of inputs that are considered as significant in the fair value measurement as a whole are set out below:

Level 1 - First -level inputs are the quoted (unadjusted) prices in the active markets for identical assets or liabilities that can obtained by the bank at the date of measurement.

Level 2 – Second -level inputs are all the inputs other the prices quoted in the first level and these inputs are directly or indirectly observable for the asset or liability.

Level 3 – The third level inputs are the unobservable inputs for the asset or the liability.

(a) First – Level Financial Instruments

Fair value of the current financial instruments in active market is determined based on the quoted prices at the reporting date. The market is considered as active when the items traded in the market are identical and there are, generally, purchasers and sellers with desire to deal at any time in an ordinary way. The bank uses the quoted bid price to determine the fair value of this level. The instruments under the first level include the investments held to maturity with the purpose of trading in stock exchange markets.

(b) Second – Level Financial Instruments

Fair values of non – current financial instruments in active market are determined by using the evaluation techniques. The evaluation techniques depend mainly on the observable inputs of the asset or liability, whether directly or indirectly. The fair value determination technique is included in the second level, if all the significant inputs are observable throughout the duration of the financial asset or liability. However, if the significant inputs are unobservable, the financial instrument is included in the third level.

Evaluation techniques used in determining the fair value of the financial instrument include:

- Quoted prices of the identical assets or liabilities in active markets.
- Interest swap contracts by calculating the present value for the expected future cash flows based on the observable interest curves
- Fair value of the future contracts of exchange rates by using the present value for the value of the expected cash flows by using the future exchange rate for the contractual currency.
- Analysis of the discounted cash flows in determining the fair value of the other financial instruments.

(c) Third – Level Financial Instruments

The valuation techniques used to measure the fair value have a minimum level of inputs. The valuation techniques include the discounted cash flow approach, the carrying amount approach, or other related valuation techniques commonly used in the market. The significant inputs of these valuation techniques include market interest rates, discount rates, similar growth rate, liquidity discount, and cash flow estimates.

5.8. Impairment of Financial Assets

In accordance with International Standard No. 9, credit losses are recognized earlier than they were in accordance with the instructions of the Central Bank of Egypt issued On the 16th of December 2008

Impairment losses on the expected credit losses are recognized for the following financial instruments which are not measured at fair value through profits and losses and these are:

- The financial assets that represent debt instruments.
- Accounts receivable.
- Financial guarantees contracts.
- Loan commitments and commitments of similar debt instruments.

Financial assets incorporated or acquired by the bank and include credit risk rate higher than the bank rates for the low – risk financial assets are

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5.8.Impairment of Financial Assets (continued)

5.8.1.Classification of debt instruments to calculate the expected credit losses

The bank assesses the debt instruments portfolios quarterly, at the portfolio level for all financial assets for the individuals, corporates and small, medium and micro enterprises, and regularly in respect of the financial assets for the entities classified under the following – up list to monitor the related credit risk. This assessment is also carried out at the level of the counterparty regularly. The criteria used to determine the significant increase in the credit risk are reviewed and monitored regularly by the credit risk management.

5.8.1.1.classification of debt instruments relating to the banking retail products and loans and advances of medium, small and micro entities and enterprises:

The bank is grouping the debt instruments into groups with similar credit risks and classifies them into three stages based on the quantitative and qualitative criteria as following:

Classification of Financial Instrument	Key Determinant (Quantitative Criteria)	Additional Determinant (Qualitative Criteria)
First Stage: Low-credit risk financial instruments	There are no past dues	* Low – potential default risks. * Debtor has great ability in the short term to meet his obligations. * There are no events of adverse changes in the economy and business environment in the long term that negatively affect the ability of the debtor to meet his obligations.
Second stage: Financial instruments for which a significant increase occurred in the credit risks since the initial recognition, however they have not been defaulted yet as there is no objective evidence indicating the occurrence of default.	**Banking Retail Products:** More than 30 days past due from the date of the contractual installment's maturity and less than 90 days. **Loans and Advances of Medium, Small and Micro Entities and Enterprises:** More than 30 days past due from the date of the contractual installment's maturity and less than 90 days	The standard includes some indicators – for example but not limited to – that are appropriate to assess the increase occurring in the credit risk level.
Third Stage: Financial instruments for which the evidence/ evidences indicate that they have become defaulted (non – performing)	When the borrower becomes more than 90 days past due in the payment of the contractual installments	The standard includes some factors – for example but not limited to – that affect and provide evidence on occurrence of credit default.

5.8.Impairment of Financial Assets (continued)

5.8.1.Classification of debt instruments to calculate the expected credit losses (continued)

5.8.1.2.Transfer from second stage to first stage

The bank doesn't transfer financial asset from the second stage to the first stage unless all the quantitative and qualitative elements of the first stage are met and the full arrears of the financial asset and the proceeds are paid and after three months of regularity of payment and meeting all terms of the first stage.

5.8.1.3.Transfer from third stage to second stage

The bank doesn't transfer the financial asset the third stage to the second stage until all the following conditions have been met:

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

5.8.1.4.Period of recognition of the financial asset under the final category from the second stage

Period of recognition (classification) of the financial asset under the final category from the second stage doesn't exceed nine months from the date of transfer to such stage.

5.8.2. Measurement of Expected Credit Losses (ECL)

The bank, at the reporting date, estimate the provision of impairment of financial instrument at a value equivalent to the lifetime expected credit losses, except for the following cases in which the provision of impairment losses is estimated at a value equivalent to the expected credit losses over 12 months:

- Debt instrument determined as having low credit risks at the reporting date (debt instruments under the first stage)
- Other financial instruments in which the credit risks have not significantly increased at the reporting date since the initial recognition (debt instruments under the first stage).

The bank considers the expected credit risks as a probable – weighted estimation of the expected credit risks which are measured as following:

- Expected credit risks on the financial assets under the first stage are measured based on the present value of the total monetary deficit computed on the basis of the historical probability of default rates, amended by the expectation of the average scenarios of macro-economic indicators for the next 12 months multiplied by the value on default, taking into account the probable -weighted rates of recovery expected when calculating the loss rate for each category of the debt instruments with similar credit risks, as these expected credit risks take into account the amount and time of payments, therefore the credit losses arise, even if the entity expects the full payment, but in a subsequent time after the debt falls due under the contractual terms. The expected credit losses over 12 months are considered a part of the expected credit losses over the lifetime of the asset which result from the default in payment of a financial instrument and are probable during 12 months after the reporting date.

- The expected credit losses of the financial assets under the second stage are measured based on the present value of the total monetary deficit computed on the basis of the historical probability of default rates, amended by the expectation of the average scenarios of macro- economic indicators for the lifetime of the asset multiplied by the value on default, taking into account the probable -weighted rates of recovery expected when calculating the loss rate for each category of the debt instruments with similar credit risks,

- The credit impaired financial assets, at the reporting date, are measured by the difference between the total carrying amount of the asset

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5.8 Impairment of Financial Assets (continued)

5.8.2. Measurement of Expected Credit Losses (ECL) (continued)

The commitments of loans and similar debt instruments are included in the calculation of value upon default. These commitments are charged on the balances outstanding on the date of the financial statements after they have been transferred to value in the case of using those commitments in the future.

The bank, when calculating the loss rates, takes into account the expected recovery rates from the present value of the expected cash flows, whether from the cash and in – kind collaterals or the historical or future expected payment rates as following:

- For the debt instruments designated under the first stage, only value of cash collaterals and the like, represented in cash and other financial instruments that can be transferred easily to cash in a short time (3 months or less) or without the occurrence of a change (loss) in its value due to the credit risks, is considered.

- For the debt instruments designated under the second and third stages, only types of the collaterals in accordance with the rules issued by CBE on 24 May 2005 concerning the determination of the creditworthiness of the clients and making the provisions, while the value of these collaterals is calculated in accordance with the rules of preparation and presentation of the financial statements of the bank and the recognition and measurement bases issued by CBE on 16 Dec 2008, are considered.

- For the debt instruments held by the banks working abroad, the probability of default rates are determined on the basis of credit classification of the main office of the bank that works abroad and in a way not exceeding the credit classification of the country where main office is located, taking into account the instructions issued by Central Bank concerning the risks of countries. The loss rate is calculated at 45%.

- For the debt instruments held by the banks working in Egypt, the probability of default rates are determined on the basis of classification of the bank by the International External Rating Agencies and branches of the Egyptian banks abroad are treated as the main office and branches of foreign banks working in Egypt are treated as their main office. The loss rate is calculated at 45%.

- For the debt instruments issued by entities other than the banks, the probability of default rates is calculated based on the classification of the financial instrument issuer conducted by the International External Rating Agencies, in a way not exceeding the credit classification of the issuer in the case of the foreign entities. The loss rate is calculated at 45%.

- The impairment provision of the financial assets recognized in the financial position is discounted from the financial assets when presenting the statement of financial position, while the impairment provision relating to the loan commitments, financial guarantees contracts and contingent liabilities is recognized under the liability provisions in the financial position.

- For the financial guarantee contracts, the bank estimates the expected credit loss based on the difference between the payments expected to be made to the collateral holder, less any other amounts the bank expects to recover.

5.8.3.Restructured Financial Assets

If the conditions of a financial asset are renegotiated or amended or a new financial asset replaces a current financial asset due to financial difficulties faced by the borrower, an assessment is conducted to determine whether the financial asset is derecognized from the records and the expected credit losses are measured as following:

- If the rescheduling will not lead to de-recognition of the current asset, the expected cash flows resulting from the amended financial asset are used when calculating the cash deficit in the current asset. The expected credit losses are calculated over the lifetime.

- If the rescheduling will lead to de-recognition of the current asset, the expected fair value of the new asset is treated as final cash flows from the current financial asset when derecognizing it. This value is used in calculating the cash deficit from the current financial asset which has been discounted from the expected date to derecognize the asset till the reporting date by using the original effective interest of the current financial asset.

5.8.4.Presenting Provisions of Expected Credit Risks in the Statement of Financial Position

The provisions of expected credit risks are presented in the statement of financial position as following:

- Financial assets measured at amortized cost as a discount from the carrying amount of the assets.
- Commitments on the loans and financial guarantee contracts: generally, as a provision.
- When the financial instrument includes both the used and non – used portions of the permitted limit of this instrument, and the bank can't determine the expected credit risks of the non – used portion separately, it will present the provision of collective loss for both used and non – used portion and the amount is presented as a discount from the total carrying amount of the used portion. Any increase in the provision of loss to the total amount used as a provision is presented for the non – used portion.
- For debt instruments at fair value through comprehensive income, no impairment provision is recognized in the statement of financial position because the carrying amount of such assets is their fair value. However, the impairment provision is disclosed, and it's recognized in the fair value reserve.

5.8.5.Written -off debts

The debts are written off (either partially or in full) when there is no real possibility of recovering such debts and, generally, when the bank determines that the debtor does not have assets, resources or sources of income that could generate enough cash flows to repay the debts that will be written off. However, financial assets that are written off could still be subject to procedures taken by the bank for recovery of amounts due. The discount is made on the provision for impairment of the debts that are written off, whether a provision has been made for it or not.

5.9.Purchase & Resale Agreements and Sale & repurchase agreements

The financial instruments sold in accordance with the repurchase agreements under assets added to the treasury bonds and other government securities are presented in the financial position. The liability (purchase & reseal agreements), less the treasury bonds and other government securities is presented in the financial position by the difference between price of sale and price of purchasing as it is an interest due over the period of the agreements by using the effective interest rate method.

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5.10.Financial Derivatives

The financial derivatives are recognized at fair value at the date the derivative contract is signed. It's subsequently measured at fair value. Fair value is obtained from the market prices quoted in the active markets, recent market transactions or the assessment techniques such as the discounted cash flows models and options pricing models, based on cases.

All derivatives are reflected in the assets if its fair value is positive or in the liabilities if its fair value is negative. The method of recognition of profits or losses resulting from changes of fair value of the derivatives depends on whether the derivative is designated as a hedge instrument and on nature of the hedged item. The changes of fair value of the derivatives that are not qualified for hedge accounting are recognized under "net trading income" in the statement of income. "Net income from the financial instruments designated, on inception, at fair value through profits or losses" is recognized in the statement of income under the profits and losses resulting from changes in the fair value of the derivatives that are managed in conjunction with the financial assets and liabilities classified, on inception, at fair value through profits or losses.

The changes in fair value of the derivatives designated and qualified for the hedges of the fair value are recognized with any changes in the fair value relating to the risk of the hedged asset or liability. The impact of the effective change in fair value of the interest rate swap contracts and the related hedged items is taken to "net income from interest".

Impact of the effective changes in fair value of the future currency contracts is taken to "Net Trading Income'. Ineffective impact in all contracts and the related hedged items mentioned in the previous paragraph is taken to the "Net Trading Income".

Effective part of the changes in fair value of the derivatives designated and qualified for the cash flows hedges is recognized in equity. Profits and losses relating to the ineffective part is immediately recognized under "Net Trading Income" in the statement of income. The amounts accumulated in equity are brought forward to the statement of income at the same periods when the hedged item has an impact on the profits or losses. Profits or losses relating to the effective part of currency swaps and options are taken to "Net Trading Income ". When a hedge instrument is due or sold or if the hedge is no longer meeting the conditions of hedge accounting, the profits or losses accumulated in the equity at that time remain under equity, and they are recognized in the statement of income when the expected transaction is eventually recognized. However, if the expected transaction is no longer expected to occur, then the profits or losses accumulated in equity are immediately brought forward to the statement of income.

5.11.Intangible Assets

Computer Software

Expenses relating to development or maintenance of computer software are recognized as an expense in the statement of income when incurred. The expenses relating directly to specific software under control of the bank and expected to generate economic benefits exceeding its cost for more than one period are recognized as an intangible asset. The direct costs include the cost of the staff involved in the software development, in addition to an appropriate portion of the related general expenses.

Expenses leading to increase or expansion in the computer software more than the original descriptions are recognized as development cost and these expenses are added to the cost of the original software.

Cost of the computer software recognized as an asset over the period in which it's expected to be used no later than 3 periods is depreciated. The new computer system is depreciated not later than 10 periods.

5.12.Fixed Assets

Fixed assets are represented mainly in the main offices, branches and offices. All assets are shown at historical cost less depreciation and impairment losses. The historical cost includes the expenses related directly to the acquisition of fixed assets.

The subsequent expenses are recognized at fair value of the outstanding asset, considering them as a future asset, when appropriate, when future economic benefits flow relating to the financial asset to the bank is probable and the cost was reliably determined. Expenses of maintenance and repair in the period they are charged are expensed under other operations expenses

Lands are not depreciated. Depreciation of other fixed assets is accounted on straight line bases of cost allocation so that the residual value over the lifetime is estimated as following:

Buildings	2.5% - 14.3%
Leasehold improvements	20%
Machinery and equipment	20%
Computers	10% - 25%
Vehicles	16.67% - 20%
Other	20%

5.13.Employees Benefits

5.13.1.Specific Subscription Plans

Represent pension regulations whereby the bank pays fixed contributions and the bank commits to pay contributions to the General Organization for Social Insurance, and the bank does not incur any additional liabilities once these contributions are paid. These periodic contributions are charged to the statement of income for the period in which they are due and are recognized in employee benefits.

5.13.2. Employees' Share in Profits

The bank pays a portion of the cash dividends expected to be distributed as employees' share in the profits and it's recognized in the profits as part of the dividends in equity and as liabilities when approved by the bank's shareholders' general assembly, and no liabilities related to the employees' share in undistributed profits are recognized.

5.13.3.System of Defined Benefits

The bank is committed to pay specific benefits to its employees before January 2006 based on the salary of 1 January 2006, within the limits of a specific scope for the annual increase. Liability of the defined benefit recognized in the financial position represents the present value of liabilities of the defined benefits at the end of the financial period less fair value of the plan assets, considering any amendments related to previous services that were not previously reflected.

The liabilities of the defined benefit plan are estimated annually by a qualified independent actuary by using the estimated incremental unit method. The fair value is estimated by discounting the cash flows expected to be repaid using the effective interest rate on bonds and government treasury bills due to the lack of special bonds that are traded in the market actively.

Actuarial gains and losses arising from changes in actuarial assumptions are charged on the statement of equity in the period in which they occur.

5.13.4.Medical Benefits Plan

The bank covers health care for employees and their families during the period of their service at the bank, in accordance with the applicable regulations. The bank also covers health care for some employees after retirement, through a health care service provider. The service provider provides an integrated medical network that covers geographically most of the republic.

The bank also bears the costs of such health care without the employee incurring any burdens, except for those costs that are spent outside the scope of coverage. The periodic contributions are charged on the statement of income for the period in which they are due and are recognized under employee benefits. In respect of the retired workers, the expected cost of health care over one – period service of employee is included by using the same defined benefit method. The liabilities are assessed annually by qualified actuaries.

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5.14.Income tax

The income tax on the bank's period's profits or losses includes both current tax, and deferred tax Income tax is recognized in the statement of income, except when it relates to items directly recognized into equity, in which case the tax is also recognized directly in equity. Income tax is calculated on the taxable profits using the prevailing tax rates as of balance sheet in addition to tax adjustments for previous period.

Deferred income tax is provided on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined based on the method used to realize or settle the current values of these assets and liabilities, using the tax rates prevailing as of the balance sheet date. Deferred tax assets are recognized when there is a reasonable probability that future taxable profits will be realized through which the asset can be utilized. Deferred tax assets are reduced by the portion that will not be realized for the expected tax benefit over the following periods. However, if the expected tax benefit increases, deferred tax assets will be increased within the limits of the foregoing.

5.15.Cash and cash equivalents

For the purpose of the statement of cash flow, cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including cash and balances due from Central Banks other than for mandatory reserve, due from banks, and treasury bills and other government securities.

5.16.Other provisions

Provisions for restructuring costs, legal claims and other governmental claims are recognized when: The bank has a present legal or constructive liability as a result of past events; it is more likely that an outflow of resources will be required to settle the liability; and the amount can be reliably estimated.

Where there are similar liabilities, the likelihood that an outflow will be required in settlement is determined by considering the class of liabilities as a whole. A provision is recognized even if there is little likelihood of an outflow of cash for an item within that group.
Reversals of provisions no longer required (whether fully or partially) are presented under other operating income /expense in the statement of profits and losses.

The present value of the estimated payments to be made for payment of the liabilities determined for payment is measured one period after the balance sheet date using an appropriate rate for the payment of the liability - without being affected by the applicable tax rate - which reflects the time value of the money and if the term is less than one period the estimated value of the obligation is calculated The impact of which is substantially calculated at present value.

5.17.Borrowing

Loans obtained by the bank are first recognized at fair value less cost of the loan. Loan is subsequently measured at the amortized cost, while the statement of profit and loss is charged by the difference between the net proceeds and the value that will be satisfied over the borrowing period using the effective interest method. Fair value of the portion that represents a liability for the bonds convertible into shares is determined by using the market-equivalent interest rate for the non-convertible bonds, and this liability is recognized by the amortized cost method until the bonds are transferred or matured, and the remaining proceeds are charged on the option of conversion which is recognized under equity with net of the income tax effect and it is not re-measured.

5.18. Capital

5.18.1.Cost of capital

Issuance expenses directly attributable to issuance of new shares or options or acquisition of a business are shown in equity as a deduction, by net proceeds, net of tax.

5.18.2.Dividends

Dividends are recognized in equity in the year in which they are approved by the Bank's general assembly. These dividends include the employee share in profits and board of director's bonus as stipulated by the article of association and law.

5.18.3.Treasury Shares

The purchasing amount of treasury shares is deducted from their cost until they are canceled, and in the case that those shares are sold or reissued in a subsequent year, all collected amounts are added to the equity.

5.19.Comparatives

Comparatives are reclassified, when required, to comply with changes in the presentation used in the current period.

5.20.Segment Reports

A segment of business is a group of assets and operations associated with providing products or services which have risks and benefits that are different from those associated with other business sectors. The geographical sector is associated with providing products or services within a single economic environment with risks and benefits that are specific to them than those associated with geographical sectors operating in a different economic environment.

6.Credit Risk Management

The bank, as a result of its activities, is exposed to various financial risks, considering that these risks are the basis of the financial activity. Some risks or a group of risks are analyzed, assessed and managed collectively, and therefore the bank intends to achieve an appropriate balance between risk and interest and to reduce the potential negative effects on the financial performance of the bank. The most significant types of financial risk are credit risk and market risk. Market risk includes foreign exchange rate risk, interest rate risk and other price risks.

Risk management policies are adopted to determine and analyze risks to limit, control and monitor the risks and commit to limits through the reliable techniques and updated information systems. The bank periodically reviews and amends the risk management policies and systems to reflect changes in markets, products and services, and the best recent applications.

Risks are managed by Risk Committee, the Market Risk Management and Credit Risk Management, in terms of the policies approved by the Board of Directors. Risk Management determines, assesses and covers the financial risks in close cooperation with the various operating units of the bank. The board of directors provides written principles for managing the risks as a whole, in addition to written policies covering specific risk areas such as credit risk, foreign exchange risk, interest rate risk and the use of derivative and non – derivative instruments. In addition, the Risk Committee is responsible for periodic review of the risk management and control environment.

6.1.Credit Risks

Credit risks represent the potential loss arising from the possibility that borrowers or counterparties will fail to fulfill their liabilities in accordance with contractual terms. Credit risks arise mainly from bank balances, loans and advances to banks, individuals, small, medium, or micro enterprises, and the related commitments. Credit risks may also arise from the granted support loans / credit guarantees such as credit options (credit default swap contracts), financial guarantee contracts, letters of credit and letters of guarantee.

6.1.Credit Risks (continued)

The bank is also exposed to credit risks from the activities of investment in debt instruments and unpaid positions from trading activities and financial derivatives.

Credit risks are considered as the most significant risks for the bank's activity and, therefore, the bank manages the exposures to credit risks carefully. The credit risks of the bank are managed and control mainly by the retail banking credit risk management staff and the risk management institutions that report to both the Risk Committee, senior management, heads of activity units and the Board of Directors on regularly periodic

6.1.1.Credit Risks Measurement

Loans and Advances to Banks and Clients

Estimation of exposure to credit risks to manage the credit risks is a complex matter that requires the use of statistical and electronic models, as the level of exposure to credit risks changes depending on the changes in market conditions and other economic areas in a complex and rapid degree. The exposure to credit risk changes depending on the changes in the level, value and timing of expected cash flows and the passage of time. Accordingly, assessment of the credit risk of the assets portfolio requires further estimations of the probability of default and the related loss rates. The bank measures credit risk losses by using the probability of default (default in contractual liabilities) based on the Exposure at Default and loss given default.

6.1.2.Classification of Credit Risks

The bank assesses the probability of default at the level of each client / related group / credit product, by using techniques to classify the clients into different categories, taking into account the minimum rating in accordance with the CBE instructions in terms of determining the creditworthiness of the clients and making the provisions issued during the year 2005. Therefore, the bank uses a group of internally developed models and evaluation techniques for the categories of counterparties, clients and the nature of various loans in light of the available information that is collected on the date of adoption of the used model (such as: level of income, level of disposable income and guarantees for individual clients, revenues, type of industry, and other financial and non-financial indicators of the institutions). The bank completes such indicators with a set of external data, such as the inquiry reports issued by both CBE and credit reporting companies on borrowers and the reports issued by the other Local and External Credit Rating Agencies. Moreover, the models used by the bank allow the systematic exercise of expert assessment of credit risk officials in the final internal credit rating. Therefore, this allows to consider other matters and indicators that may not have been taken as part of other data inputs in the internally or externally developed assessment models and techniques.

Credit grades are assessed so that the risk of default increases incrementally at each higher risk grade, namely the difference in default rates between the rating grade A and A- is less than the difference in default rates between rating grade B and B-. Additional considerations for each type of credit portfolio held by the bank are set out below:

6.1.2.1.Individuals, Retail Banking Products and Small & Micro Enterprises

After the date of initial recognition, the borrower's payment behavior is monitored periodically to calculate a measurement of the payment pattern. Any other information known about the borrower, supposed to be determined by the bank, may have an impact the creditworthiness, such as unemployment rates and non-payment precedents, as they are included to measure the payment pattern and default rates are, accordingly, determined for each payment pattern measurement.

6.1.2.2.(Large & Medium) Enterprises and Companies

The rating is determined at the level of the borrower/groups with similar credit risks. Any updated or new credit information or assessments are included in the credit system constantly and periodically. In addition, information about the creditworthiness of the borrower / groups with similar credit risks is also updated periodically from other sources such as financial statements and other published financial and non-financial statements. This should determine the grade of the recent internal credit rating and default rates.

6.1Credit Risks (continued)

6.1.2.3.Debt Instruments issued by Egyptian Government and Central Bank

Debt Instruments, Treasury Bills and Government Bonds

The bank uses the external ratings issued by the institutions mentioned in the CBE's instructions to manage the credit risk in terms of the debt instruments in the investment portfolio. These published classifications are monitored and updated regularly and periodically. The default rates associated with each rating are determined based on the rates realized over the previous twelve months, as published by the aforementioned rating agencies. The loss rate of the government and CBE debt instruments dominated in local currency is zero.

The credit rating of the bank in terms of the debt instruments includes 20 rating classes for regular instruments (1-16), and 4 classes for non-performing instruments (from 17 to 20). The key measurement gives each category a rating with a specified range of probabilities of default, which are stable over time. The bank agrees the internal rating categories with the rating categories determined by the CBE in accordance with the instructions of determining creditworthiness, establishing provisions and reviewing that interview regularly.

The classification techniques are subject to periodic recalibration and validation to reflect the latest expectations in light of all assumptions that were actually observed. The following is the bank's internal assessment table against the external ratings:

A-Internal Assessment of the bank against the external rating of the financial investments and banks

No	Probability of Default %	External Rating
1	0.0001%	AAA
2	0.0001%	AA+
3	0.0003%	AA
4	0.0007%	AA-
5	0.0014%	A+
6	0.0024%	A
7	0.0040%	A-
8	0.0072%	BBB+
9	0.0112%	BBB
10	0.0208%	BBB-
11	0.0352%	BB+
12	0.0733%	BB
13	0.1596%	BB-
14	0.4428%	B+
15	0.9460%	B
16	2.7423%	B-
17	7.3228%	CCC+
18	20.1600%	CCC
19	51.9125%	CCC-
20	100.0000%	D

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6.1 Credit Risks (continued)

B-Internal Assessment of the bank against the external rating of financial institutions

No	Probability of Default %	External Rating
1	0.0221%	AAA
2	0.0337%	AA+
3	0.0558%	AA
4	0.1051%	AA-
5	0.1535%	A+
6	0.2106%	A
7	0.2888%	A-
8	0.4086%	BBB+
9	0.5320%	BBB
10	0.7726%	BBB-
11	1.0565%	BB+
12	1.6328%	BB
13	2.5888%	BB-
14	4.7119%	B+
15	7.3133%	B
16	13.3659%	B-
17	22.9016%	CCC+
18	39.2771%	CCC
19	69.1004%	CCC-
20	100.0000%	D

Future data is used in assessing whether there is a significant increase in the credit risk of financial instruments and estimating the expected credit losses (ECL). The management of bank determines the main economic variables that affect credit risk and expected credit losses for each credit portfolio by carrying out an analysis of historical data. The economic variables and the related effect on both Probability of Default "PD" and the Exposure at Default "EAD" and Loss Given Default "LGD" are different depending on the financial asset. The bank will use expert opinions regarding these assumptions and estimates, if necessary.

To determine the impact of such economic variables on both Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD), the management of the Bank carries out the "regression analysis" to understand the historical effects arising from such variables on the default rates and the inputs used in calculating both Exposure at Default (EAD) and Loss Given Default (LGD).

Further to the key economic scenarios, the management of bank establishes other potential scenarios in addition to assumptions relating to each scenario separately. The Lifetime probability of default (PD) relating to the key assumption and other assumptions are used, as the outcome of multiplication is determined for each assumption with the related probabilities of each, in addition to the supporting indicators and qualitative indicators. Based on the results of such study, it is assessed whether this financial asset is located at the first, second or third level, on the basis of which it is determined whether the expected credit losses "ECL" will be computed on 12- month bases "12-month ECL" or over lifetime of the financial instrument "Lifetime ECL".

6.1 Credit Risks (continued)

The expectations and probabilities of occurrence are subject to a high degree of uncertainty, as it is known to any economic forecasts, therefore the actual results may be significantly different from those anticipated. The bank makes the best estimate of these potential expectations and carries out an analytical study of the irrelevant and non -similar factors for the different credit portfolios to conclude appropriate assumptions for all possible scenarios.

6.1.3.Future Data Used in the Expected Losses

6.1.3.1.Variable Economic Assumptions

The most significant assumptions that have an impact on the expected credit losses "ECL" are:

- Consumption Pricing Indicators (CPI),
- Unemployment Rate,
- Gross Domestic Product (GDP),
- Energy indicators,
- Stocks Index,
- Internal Rating Reduction.

6.1.3.2.Classification of the instruments relating to the losses measured on basis of the similar groups

For ECL provisions, groups are classified on the basis of similar credit risk characteristics, as risk exposure within the bank is homogeneous. When carrying out this classification, it is taken into account that there is sufficient information that enables the bank to classify the bank with statistical reliability. When sufficient information is not available, the bank takes into account the complementary internal / external reference data. Examples of these characteristics and any supplementary data used to determine the classification are set out below:

6.1.3.3.Individual Loans - The groups are formed in the light of:

- Period of facility.
- Type of product (such housing / purchasing the real estate mortgage, overdraft, credit card and car loans).
- Rating the borrower in terms of private work or an employee.
- Probability of default model (S& P) is used.
- A reconciliation was made between "S&P" and "ORR".
- The model was updated by some of economic indictors to be in line with clients of the bank inside Egypt.

The model was updated by the ratios of change in the low credit rating of the other clients of the bank for two periods to keep the ratios of model default in line with the clients of the bank.

6.1 Credit Risks (continued)

6.1.4. Maximum Exposure to credit risks-Impaired Financial Instruments

The following table includes the analysis of maximum exposure to the credit risks of financial instruments for which the provision of expected credit risks (ECL) is recognized:

The following table represents the total carrying amount of financial assets and the maximum credit risk exposure on these financial assets.

Individuals — 31-December-2024 — Amount in EGP 000

Credit Grade	Order of Expected Credit Risks			Credit Grade
	First Stage 12 Months	Second Stage Overtime	Third Stage Overtime	
Standard monitoring	21,709,868	-	-	**21,709,868**
Special monitoring	-	932,061	-	**932,061**
Default	-	-	261,441	**261,441**
Total carrying amount	**21,709,868**	**932,061**	**261,441**	**22,903,370**
Loss provision	(305,345)	(38,488)	(180,291)	**(524,124)**
Net carrying amount	**21,404,523**	**893,573**	**81,150**	**22,379,246**

Corporate — 31-December-2024 — Amount in EGP 000

Credit Grade	Order of Expected Credit Risks			Credit Grade
	First Stage 12 Months	Second Stage Overtime	Third Stage Overtime	
Standard monitoring	42,611,907	-	-	**42,611,907**
Special monitoring	-	2,521,848	-	**2,521,848**
Default	-	-	1,055,630	**1,055,630**
Total carrying amount	**42,611,907**	**2,521,848**	**1,055,630**	**46,189,385**
Loss provision	(843,338)	(1,357,679)	(798,674)	**(2,999,691)**
Suspended Interest	-	-	(34,076)	**(34,076)**
Net carrying amount	**41,768,569**	**1,164,169**	**222,880**	**43,155,618**

Loans and Balances with Banks — 31-December-2024 — Amount in EGP 000

Credit Grade	Order of Expected Credit Risks			Credit Grade
	First Stage 12 Months	Second Stage Overtime	Third Stage Overtime	
Standard monitoring	37,257,600	2,667,817	-	**39,925,417**
Total carrying amount	**37,257,600**	**2,667,817**	-	**39,925,417**
Loss provision	(3,862)	(2,567)	-	**(6,429)**
Net carrying amount	**37,253,738**	**2,665,250**	-	**39,918,988**

6.1 Credit Risks (continued)

Treasury Bills and Debt Instruments — 31-December-2024 — Amount in EGP 000

Credit Grade	Order of Expected Credit Risks			Credit Grade
	First Stage 12 Months	Second Stage Overtime	Third Stage Overtime	
Standard monitoring	16,637,743	-	-	16,637,743
Total carrying amount	16,637,743	-	-	16,637,743
Loss provision	(68,489)	-	-	(68,489)
Net carrying amount	16,569,254	-	-	16,569,254

Other Assets — 31-December-2024 — Amount in EGP 000

Credit Grade	Order of Expected Credit Risks			Credit Grade
	First Stage 12 Months	Second Stage Overtime	Third Stage Overtime	
Standard monitoring	1,668,065	-	-	1,668,065
Total carrying amount	1,668,065	-	-	1,668,065
Loss provision	(8,341)	-	-	(8,341)
Net carrying amount	1,659,724	-	-	1,659,724

6.1.5. Credit Guarantees

The bank uses many policies and practices to decrease the credit risks. The most widely adopted of these is the acceptability of collateral for debt instruments and loan commitments. The bank has internal policies regarding classes of collateral that can be accepted to limit or decrease the credit risks.

The bank accrues out an assessment of the guarantees that have been obtained when establishing these loans. This assessment is regularly assessed. The key types of guarantees are:

- Cash and cash equivalent
- Real estate mortgage
- Derivatives Margin agreement that has been signed with the bank as a part of main offsetting agreements.
- Commercial mortgages
- Financial assets pledge such as debt instruments and equity instruments.

The guarantee held as collateral against the financial assets other than loans and advances depends on the nature of the instrument, as debt securities, government bonds and other qualified bills are generally not secured, except for the asset-backed securities and similar instruments secured by portfolios of financial instruments. The derivatives are often secured.

The policies adopted by the bank have not been changed significantly in terms of obtaining guarantees during the financial period, and there has been no change in the quality of those guarantees held by the bank compared to the previous financial period.

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6.1.5. Credit Guarantees (continued)

The bank closely monitors the guarantees held against the low – credit financial assets, as it is likely that the bank will hold collateral to mitigate potential credit losses.

Financial assets with low- credit value and the related guarantees held to mitigate potential losses are shown as follows:

Amount in EGP 000

Description	Total assets exposed to credit risks	Impairment provision	Carrying amount	Fair value of held guarantees
Financial Assets				
Loans to individuals				
Overdrafts	15,072	(535)	14,537	14,355
Credit cards	861,864	(121,724)	740,140	252,225
Personal loans	22,026,434	(401,865)	21,624,569	7,131,529
Loans to institutions				
Overdrafts	7,819,606	(414,178)	7,405,428	757,221
Direct loans	34,417,505	(1,111,823)	33,305,682	7,364,328
Syndicated loans	3,347,216	(1,466,172)	1,881,044	463,220
Other loans	605,058	(7,518)	597,540	10,162
Total impaired loans	69,092,755	(3,523,815)	65,568,940	15,993,040

6.1.6 Written – Off Financial Instruments (Loans)

The bank excludes the financial assets that are still under compulsory collection for unpaid contractual amounts of the bad assets. The bank seeks to fully recover some amounts due in law that were partially or fully written off due to the lack of a possibility of a full recovery.

6.1.7 Amendments to loan terms and rescheduling

The bank sometimes amends terms of the loans granted to the clients due to the commercial renegotiation or non-performing to increase the chances of recovery. The activities of restructuring include arrangements of extension of repayment terms, grace periods, exemption from repayment or some or full interests. Restructuring policies and practices are based on indicators or criteria that indicate – based on the discretion of management - that repayment is likely to continue. These policies are constantly reviewed.
The Bank continues to monitor whether there has been a significant increase in credit risk in respect of these assets through the use of specific modified asset models.

6.1.8 Reduction and Risk Avoidance Policies

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

The bank regulates the levels of acceptable credit risks by setting limits to the amount of risk that will be accepted at the level of each borrower, or group of borrowers, and at the level of economic activities and geographical sectors. These risks are monitored constantly and are reviewed annually or on a recurring basis, when necessary. Limits of the credit risks at the level of the borrower / bank, producer, sector and country are quarterly approved by the Board of Directors.

Credit limits for any borrower, including banks, are divided into sub-limits that include the amounts in -and off- financial position, and the daily risk limit relating to trading items such as forward foreign exchange contracts. Actual amounts are compared with the daily limits as follows:

Exposure to credit risks is also managed through periodic analysis of the ability of borrowers and potential borrowers to meet the repayment of

6.1.8 Reduction and Risk Avoidance Policies

Means of setting limits to the risks are shown as following:

Guarantees

The bank adopts many policies and controls to limit the credit risks. These means include the guarantees obtained against borrowed funds. The bank sets guiding rules for specific acceptable classes of guarantees. The key types guarantee of loans and advances are:

- Cash and cash equivalent.
- Real estate mortgages.
- Commercial mortgages.
- Pledge of financial instruments such as debt instruments and equity.

The financing is often granted in the longer term and loans to the companies are secured while credit facilities for individuals are not secured. in order to reduce the credit loss to a minimum, the bank seeks to get additional guarantees from the concerned parties and when indicators of impairment are shown for a loan or facilities.

The guarantees taken as collateral for assets other than loans and advances are determined based on the nature of the instrument. Generally, the debt instruments and treasury bills are not secured, except for groups of financial instruments covered by Asset-Backed Securities and similar instruments that are secured by a portfolio of financial instruments.

6.1.9 Derivatives

The bank maintains strict control limits on net open derivative positions (i.e., the difference between purchase and sale contracts) by both amount and term. The amount exposed to credit risk, at any time, is determined at the fair value of the instrument that provides a benefit for the bank, i.e. an asset with a positive fair value that represents a portion of the contractual / notional value used to express the size of the existing instruments. This credit risk exposure is managed as part of the overall lending limits with customers, together with potential exposures from market movements. Collateral or other security is not usually obtained for credit risk exposures on these instruments, except where the bank requires margin deposits from counterparties.

Settlement risk arises in any situation where a payment in cash, securities or equities is made in the expectation of a corresponding receipt in cash, securities or equities. Daily settlement limits are established for each counter party to cover the aggregate of all settlement risk arising from the bank market's transactions on any single day.

6.1.10. Master Netting Arrangements

The bank further restricts its exposure to credit losses by entering into master netting arrangements with counterparties with which it undertakes a significant volume of transactions. Master netting arrangements do not generally result in an offset of assets and liabilities shown in the balance sheet, as transactions are either usually settled on a gross basis. However, the credit risk associated with favorable contracts is reduced by a master netting arrangement to the extent that if a default occurs, all amounts with the counterparty are terminated and settled on a net basis. The bank's overall exposure to credit risk on derivative instruments subject to master netting arrangements can change substantially within a short period, as it is affected by each transaction subject to the arrangement.

6.1.11. Credit Related Commitments

Commitments to extend credit represent unused portions of authorizations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the bank is potentially exposed to loss in an amount equal to the total unused commitments. However, the likely amount of loss is less than the total unused commitments, as most commitments to extend credit are contingent upon customers maintaining specific credit standards. The bank monitors the term to maturity of credit commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

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6.1.12. General Bank Risk Measurement Model

Following is a table of the worthiness levels for institutions in accordance with the internal assessment bases compared to the Central Bank of Egypt assessment bases and the provision ratios required for the impairment of the assets exposed to credit risk: -

CBE Rating Categorization ORR	Rating description	Provision%	MRA rating	Internal rating description
1	Low Risk	0%	AAA	Good loans
2	Average Risk	1%	AA	Good loans
3	Satisfactory Risk	1%	A	Good loans
4	Reasonable Risk	2%	BBB+ / BBB / BBB-	Good loans
5	Acceptable Risk	2%	BB+ / BB / BB-	Good loans
6	Marginally Acceptable Risk	3%	B+ / B / B-	Standard monitoring
7	Watch List	5%	CCC+	Special monitoring
8	Substandard	20%	CCC	Non-performing
9	Doubtful	50%	CCC-	Non-performing
10	Bad Debt	100%	D	Non-performing

6.1.13.Maximum credit risk limit before collaterals

Credit risk exposure items (in-balance sheet): -

	31-December-2024	31-December-2023
Balances with Central Bank limited to the statutory reserve ratio	13,178,961,801	9,931,019,575
Treasury bills and other government securities	4,925,491,798	15,223,485,728
Balances with banks	39,766,545,632	8,324,041,816
Loans and advances to banks	158,871,250	2,490,756,188
Loans and advances to customers		
Loans to individuals:		
- Personal loans	22,026,434,087	16,109,449,030
- Credit cards	861,864,330	537,899,146
- Overdrafts	15,071,802	40,944,155
Loans to corporate entities:		
- Overdrafts	7,819,605,586	8,097,438,338
- Direct Loans	34,417,505,341	20,469,906,525
- Syndicated loans	3,347,216,339	1,646,634,147
- Other loans	605,057,948	101,341,413
Investment in debt instruments	11,712,250,739	12,238,731,060
Other assets	1,668,064,665	1,060,117,841
	140,502,941,318	**96,271,764,962**

Credit risk exposures item without taking collaterals (off-balance sheet): -

	31-December-2024	31-December-2023
Commitment over irrevocable loans and other obligations related to credit	969,195,546	369,406,591
Acceptances papers	377,326,812	178,963,751
Letters of guarantee	10,863,618,042	8,193,794,089
Letters of credit	1,577,309,831	374,539,898
	[illegible]	[illegible]

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6.1Credit Risks (continued)

6.1.14.Loans and Advances

Balances of Loans and advances are set out below:

	31-December-2024		31-December-2023	
	Loans and advances to customers	Loans and balances with banks	Loans and advances to customers	Loans and balances with banks
A. Neither past due nor impaired	64,321,775,184	37,257,600,132	43,554,478,593	2,473,377,616
B. Past due but not impaired	3,453,909,080	2,667,816,750	2,602,475,365	8,341,420,388
C. Subject to impairment	1,317,071,169	-	846,658,796	-
Total	**69,092,755,433**	**39,925,416,882**	**47,003,612,754**	**10,814,798,004**
Less				
Impairment losses provision	(3,523,815,341)	(6,428,546)	(2,001,180,610)	(70,012,479)
Suspended Interest	(34,076,497)	-	(33,933,486)	-
Net	**65,534,863,595**	**39,918,988,336**	**44,968,498,658**	**10,744,785,525**

6.1 Credit Risks (Continued)

A.Loans and Advances neither past due nor impaired

The credit worthiness of the portfolio of loans and advances that were neither past due nor impaired can be assessed by the internal rating system adopted by the Bank.

31-December-2024

	Retail			Corporate					
Grades	Personal loans	Credit cards	Overdrafts	Overdrafts	Direct loans	Syndicated loans	Other loans	Total loans and advances to customers	Loans and Balances with Banks
1. Good	20,883,966,731	815,728,493	10,172,452	6,621,345,862	32,599,772,085	1,059,975,072	605,057,948	**62,596,018,643**	**37,257,600,132**
2. Standard monitoring	-	-	-	111,927,110	614,050,921	999,778,510	-	**1,725,756,541**	-
Total	**20,883,966,731**	**815,728,493**	**10,172,452**	**6,733,272,972**	**33,213,823,006**	**2,059,753,582**	**605,057,948**	**64,321,775,184**	**37,257,600,132**

31-December-2023

	Retail			Corporate					
Grades	Personal loans	Credit cards	Overdrafts	Overdrafts	Direct loans	Syndicated loans	Other loans	Total loans and advances to customers	Loans and Balances with Banks
1. Good	15,061,716,005	501,880,633	37,078,526	7,465,325,042	18,836,941,968	298,646,471	101,341,413	**42,302,930,058**	**2,473,377,616**
2. Standard monitoring	-	-	-	35,562,585	734,423,139	481,562,811	-	**1,251,548,535**	-
Total	**15,061,716,005**	**501,880,633**	**37,078,526**	**7,500,887,627**	**19,571,365,107**	**780,209,282**	**101,341,413**	**43,554,478,593**	**2,473,377,616**

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

6.1Credit Risks (Continued)

B.Loans and advances past due but not impaired

These are the loans and advance that are past due for less than 90 days but not impaired yet, unless other information indicates the opposite. Loans and advance past due but not impaired and the fair values of the

31-December-2024

	Retail			Corporate				
Grades	Personal loans	Credit cards	Overdrafts	Overdrafts	Direct loans	Syndicated loans	Total loans and advances to customers	Loans and balances with banks
Well – performing /No Dues	97,731,247	3,582,958	-	160,842,364	265,367,932	1,109,810,372	**1,637,334,873**	**2,667,816,750**
Past due up to 30 days	198,244,982	4,144,426	3,556,006	42,915,079	115,595,635	-	**364,456,128**	-
Past due 30-60 days	426,325,181	20,011,461	13,262	163,308,540	124,325,176	-	**733,983,620**	-
Past due 60-90 days	171,313,831	7,131,234	6,708	462,959,184	67,556,278	-	**708,967,235**	-
Past due more than 90 days	-	-	-	380,032	8,787,192	-	**9,167,224**	-
Total	**893,615,241**	**34,870,079**	**3,575,976**	**830,405,199**	**581,632,213**	**1,109,810,372**	**3,453,909,080**	**2,667,816,750**
Fair value of collateral	**284,257,394**	**4,270,987**	**7,151,952**	**220,977,517**	**245,470,810**	**284,449,833**	**1,046,578,493**	-

31-December-2023

	Retail			Corporate				
Grades	Personal loans	Credit cards	Overdrafts	Overdrafts	Direct loans	Syndicated loans	Total loans and advances to customers	Loans and balances with banks
Well – performing /No Dues	91,970,991	2,852,981	4,093	385,262,214	172,441,493	686,952,989	**1,339,484,761**	**8,341,420,388**
Past due up to 30 days	152,541,705	3,294,781	1,010,999	12,159,517	270,635,110	-	**439,642,112**	-
Past due 30-60 days	347,684,258	10,618,664	1,655,571	19,772,415	131,300,354	-	**511,031,262**	-
Past due 60-90 days	178,557,303	8,201,588	11,499	59,131,506	45,839,311	-	**291,741,207**	-
Past due more than 90 days	-	-	-	10,084,516	10,491,507	-	**20,576,023**	-
Total	**770,754,257**	**24,968,014**	**2,682,162**	**486,410,168**	**630,707,775**	**686,952,989**	**2,602,475,365**	**8,341,420,388**
Fair value of collateral	**219,548,027**	**3,388,778**	**2,480,451**	**182,833,956**	**329,897,469**	**172,850,995**	**910,999,676**	-

6.1Credit Risks (continued)

C.Loans and advances individually impaired

31-December-2024

	Retail			Corporate			
Grades	Personal loans	Credit cards	Overdrafts	Overdrafts	Direct loans	Syndicated loans	Total loans and advances to customers
Impaired loans	248,852,115	11,265,758	1,323,374	255,927,415	622,050,122	177,652,385	**1,317,071,169**
Fair value of collaterals	-	2,609	813,270	15,799,294	21,090,184	164,707,991	**202,413,348**

31-December-2023

	Retail			Corporate			
Grades	Personal loans	Credit cards	Overdrafts	Overdrafts	Direct loans	Syndicated loans	Total loans and advances to customers
Impaired loans	276,978,768	11,050,499	1,183,467	110,140,543	267,833,643	179,471,876	**846,658,796**
Fair value of collaterals	-	146,779	903,175	18,572,645	16,519,446	164,707,991	**200,850,036**

6.1Credit Risks (continued)

6.1.15.Restructured Loans and Advances

The bank's policy depends on restructuring/scheduling activities is most commonly applied to term loans – in particular, customer finance loan, include extended payment arrangements, modification and deferral of payments are based on indicators or criteria that, in the judgment of local management, indicate that payment will most likely continue. These policies are kept under continuous review.

6.1.16.Written-off loans

In accordance with the board of directors' decision or its specialized committees, the written-off loans from the non-performing loans are written-off against its related loans loss provisions and that after exhausting all the possible recovering operations.

Loans and advances to customers	31-December-2024	31-December-2023
Corporate		
Direct loans	192,685,045	186,134,788
Retail		
Personal loans	230,414,412	243,871,129
Credit cards	20,436,268	16,652,356
	443,535,725	**446,658,273**

6.1.17.Debt securities and Treasury Bills

The table below presents an analysis of debt securities, treasury bills and other governmental securities according to the rating agencies at financial year end.

31-December-2024	Treasury bills & Governmental securities	Debt Instruments	Total
From AA+ to AA-	-	1,688,727,085	**1,688,727,085**
A+ to A-	-	3,013,842,107	**3,013,842,107**
Less than A-	4,925,491,798	7,009,681,547	**11,935,173,345**
Total	**4,925,491,798**	**11,712,250,739**	**16,637,742,537**

31-December-2023	Treasury bills & Governmental securities	Debt Instruments	Total
From AA+ to AA-	-	1,689,623,086	**1,689,623,086**
A+ to A-	-	1,033,012,460	**1,033,012,460**
Less than A-	15,223,485,728	9,516,095,514	**24,739,581,242**
Total	**15,223,485,728**	**12,238,731,060**	**27,462,216,788**

6.1Credit Risks (continued)

Concentration of financial assets risk exposed to credit risk

6.1.18.Geographical sectors

The following table represents an analysis of the Bank's credit risk exposure at their carrying amounts categorised by geographical sectors at the end of year.

Amounts are in EGP 000's

	31-December-2024						
Credit risk exposure items in-balance sheet:	**Cairo**	**Alex/ Canal Red sea/ Sinai**	**Delta**	**Upper Egypt**	**Foreign countries**	**Arab countries**	**Total**
Balances with central Bank limited to the statutory reserve ratio	13,178,962	-	-	-	-	-	**13,178,962**
Treasury Bills	4,925,492	-	-	-	-	-	**4,925,492**
Balances with Banks	20,821,611	-	-	-	12,975,798	5,969,137	**39,766,546**
Bank loans and advances	158,871	-	-	-	-	-	**158,871**
Loans and advances to customers:							
Retail Loans:							
Personal loans	18,410,030	2,128,815	1,013,284	474,305	-	-	**22,026,434**
Credit cards	725,217	60,057	61,299	15,291	-	-	**861,864**
Overdrafts	13,745	529	798	-	-	-	**15,072**
Corporate loans:							
Overdrafts	7,077,822	684,165	57,618	1	-	-	**7,819,606**
Direct loans	30,325,111	3,597,624	410,348	84,422	-	-	**34,417,505**
Syndicated loans	3,337,251	9,965	-	-	-	-	**3,347,216**
Other loans	390,112	200,539	-	14,407	-	-	**605,058**
Investment in debt instruments	8,698,409	-	-	-	-	3,013,842	**11,712,251**
Other assets	1,668,065	-	-	-	-	-	**1,668,065**
Total at the end of year	**109,730,698**	**6,681,694**	**1,543,347**	**588,426**	**12,975,798**	**8,982,979**	**140,502,942**
Total at the end of the year 2023	**85,949,531**	**5,343,940**	**1,413,392**	**551,683**	**1,598,817**	**1,380,468**	**96,237,831**

6.1Credit Risks (continued)

6.1.19.Industry sectors

The following table represents an analysis of the Bank's credit risk exposure at their carrying amounts categorised by industry sectors of the Bank's clients.

Amounts are in EGP 000's

	31-December-2024													
Credit risk exposure items in-balance sheet:	**Commercial**	**Manufacturing**	**Agriculture**	**Energy**	**Transportation**	**Tourism**	**Financial institutions**	**Constructions**	**Real-estate**	**Public**	**Others**	**Governmental**	**Individuals**	**Total**
Balances with central Bank limited to the statutory reserve ratio	-	-	-	-	-	-	-	-	-	-	-	13,178,962	-	**13,178,962**
Treasury Bills	-	-	-	-	-	-	-	-	-	-	-	4,925,492	-	**4,925,492**
Balances with Banks	-	-	-	-	-	-	39,766,546	-	-	-	-	-	-	**39,766,546**
Bank loans and advances	-	-	-	-	-	-	158,871	-	-	-	-	-	-	**158,871**
Loans and advances to customers:														
Retail Loans:														
Personal loans	-	-	-	-	-	-	-	-	-	-	-	-	22,026,434	**22,026,434**
Credit cards	-	-	-	-	-	-	-	-	-	-	-	-	861,864	**861,864**
Overdrafts	-	-	-	-	-	-	-	-	-	-	-	-	15,072	**15,072**
Corporate loans:														
Overdrafts	991,119	1,314,015	71,519	349,806	94,658	1,945	1,554,724	1,658,767	166,014	14	1,617,025	-	-	**7,819,606**
Direct loans	3,309,231	7,847,393	644,505	1,653,123	274,971	115,553	9,629,890	1,102,869	3,397,968	2,872,285	3,569,717	-	-	**34,417,505**
Syndicated loans	-	1,322,382	-	13,002	423,657	-	13,181	-	527,077	1,013,841	34,076	-	-	**3,347,216**
Other loans	586,035	-	-	-	-	-	-	-	-	-	19,023	-	-	**605,058**
Investment in debt instruments	-	-	-	-	-	-	3,013,842	-	-	-	-	8,698,409	-	**11,712,251**
Other assets	-	-	-	-	-	-	-	-	-	-	1,668,065	-	-	**1,668,065**
Total at the end of year	**4,886,385**	**10,483,790**	**716,024**	**2,015,931**	**793,286**	**117,498**	**54,137,054**	**2,761,636**	**4,091,059**	**3,886,140**	**6,907,906**	**26,802,863**	**22,903,370**	**140,502,942**
Total at the end of the year 2023	**4,499,431**	**7,808,349**	**816,195**	**1,518,193**	**506,219**	**91,803**	**15,898,012**	**2,981,286**	**1,238,662**	**1,738,394**	**5,017,320**	**37,435,675**	**16,688,292**	**96,237,831**

6.2.Market risk

The bank is exposed to the market risk represented in the fluctuations in fair value or future cash flows arising from the changes in the market prices. Market risk arises from open positions in the rate of interest rate, currency and equity products, as each of them is exposed to public and private movements in the market and changes in the level of sensitivity to market rates or the prices such as interest rates, exchange rates and prices of equity instruments. The bank classifies the extent of its exposure to the market risk into trading and non – trading portfolios. Market risk management arising from trading or non-trading activities is concentrated in the bank's risk management and is monitored by a professional team. Periodic reports on market risks are regularly submitted to the Risk Management Committee and the bank's senior management. The trading portfolios include those positions arising from the bank's direct dealings with the clients or the market. However, the non-trading portfolios result mainly from the exchange rate risks of open positions of foreign currencies and the interest rate risks of assets and liabilities that are sensitive to changes in interest rates.

6.2.1.Market Risk Measurement Techniques

The most significant measurement means used to control the market risk are set out below:

6.2.1.1.Value at Risk (VaR)

The bank adopts the VaR technique to the open currency centers at the end of the day. The model prepared by the Risk Management Committee was approved during the month of April 2010. The used model's accuracy is also monitored through back testing and the related results are reported to the Risk Management Committee.

The value at risk is a statistical expectation of the potential loss of the current portfolio arising from adverse market movements. VaR reflects the maximum value that the bank can lose in a single day, however by using a determined confidence coefficient (99%) and, therefore, there is a statistical probability of (1%) that the actual loss is greater than the expected VaR. The bank estimates the previous movement based on data from more than five prior periods.

The use of such method does not prevent the loss from exceeding those limits, if there are higher movements in the market. Therefore, the securities portfolio of the bank is listed for liquidation and it currently comprises only one share. A VaR measurement model in terms of the securities has not been activated. Accordingly, it's restricted to the open financial positions in foreign currencies. Three different trust transactions are used, i.e., 95% (low), 98% (average) and 99% (high)

6.2.1.2.Stress Testing

Stress tests indicate volume of the expected loss that may arise from severe adverse conditions. Stress tests are designed to be in line with the activity, by using a typical analysis of determined scenarios. Stress tests conducted by the risk management sector of bank include stress testing of risk factors, as a set of effective movements is adopted on each risk category and the pressures of developing markets is tested. The developing markets are subject to effective movements and test of special stresses, including possible events affecting specific centers or regions, such as what may arise in a region due to the release of restrictions on a currency. Results of the stress tests are reviewed by senior management and the board of directors.

6.2.Market risk (continued)

6.2.1.2.Stress Testing (continued)

Value at risk (VaR) for trading portfolio as per the risk type:

Amounts in EGP 000

	31-December-2024			31-December-2023		
	Average	High	Low	Average	High	Low
	98%	99%	95%	98%	99%	95%
Foreign exchange risk	101	114	81	1,223	1,385	979
VAR	**101**	**114**	**81**	**1,223**	**1,385**	**979**

6.2.2.Exchange Rate Fluctuations Risk

The bank is exposed to the exchange rate fluctuations risk on the financial position and cash flows. The main office has set limits to the foreign currencies at the total fair value at a level of each currency separately. The following table summarizes the carrying amount of the financial instruments categorized by the related currencies.

Amounts in EGP 000

	31-December-2024					
	EGP	USD	EUR	GBP	OTHER	Total
Financial assets						
Cash and balances with central banks	13,591,969	161,817	46,357	7,139	17,939	**13,825,221**
Balances with Banks	17,914,225	20,309,680	1,304,931	135,125	102,585	**39,766,546**
* Loans and advances to banks	-	158,871	-	-	-	**158,871**
* Loans and advances to customers	62,633,800	6,356,761	102,194	-	-	**69,092,755**
Financial Investment:						
Through profit or loss	391,214	-	-	-	-	**391,214**
Through OCI	9,136,800	1,162,656	155,493	-	-	**10,454,949**
**Amortized Cost	5,200,405	2,435,034	-	-	-	**7,635,439**
Financial Investments in subsidiaries and associates	89,940	-	-	-	-	**89,940**
Other Financial Assets	4,255,298	1,040,825	41,957	253	18,209	**5,356,542**
Total financial assets	**113,213,651**	**31,625,644**	**1,650,932**	**142,517**	**138,733**	**146,771,477**
Financial liabilities						
Due to Banks	30,062	799,846	2,803	2,907	5	**835,623**
Customers' deposits	97,863,928	20,235,331	1,524,510	136,069	128,136	**119,887,974**
Other Financial Liabilities	15,321,292	10,591,128	124,033	2,193	9,234	**26,047,880**
Total financial liabilities	**113,215,282**	**31,626,305**	**1,651,346**	**141,169**	**137,375**	**146,771,477**
Net on balance sheet financial position	**(1,631)**	**(661)**	**(414)**	**1,348**	**1,358**	**-**
Credit commitments	969,196	-	-	-	-	**969,196**
31-Dec-2023						
Total financial assets	82,404,841	16,716,810	1,413,431	91,320	87,663	**100,714,065**
Total financial liabilities	82,459,672	16,665,737	1,415,366	89,718	83,572	**100,714,065**
Net on balance sheet financial position	**(54,831)**	**51,073**	**(1,935)**	**1,602**	**4,091**	**-**
Credit commitments	369,407	-	-	-	-	**369,407**

*Loans and advances are recognized at aggregate value (not discounted).

**Financial investments Amortized Cost recognized at aggregate value (not discounted)

6.2. Market risk (Continued)

6.2.3.Interest rate risk

The bank is exposed to the effects of fluctuations in the levels of the prevailing interest rate in the market, i.e. the risk of cash flows of the interest rate represented in the fluctuation of future cash flows of a financial instrument due to changes in the interest rate of the instrument and fair value risk of the interest rate, i.e. is the risk of fluctuations in the value of the financial instrument as a result of a change in the interest rates in the market. The interest margin may increase due to these changes; however, the profits may decrease if unexpected movements occur.

The tables below summaries the bank 's exposure to the interest rate fluctuations risk that include carrying value of the financial instruments categorized based on the re-pricing dates or the maturity date – whichever is earlier.

Amounts are in EGP 000's

	31-December-2024							
Description	**Up to 1 month**	**months 1-3**	**months 3-6**	**months 6-12**	**years 1-3**	**Over 3 years**	**Non-interest bearing**	**Total**
Cash and reserve balances with central Bank	-	-	-	-	-	-	13,825,221	**13,825,221**
Balances with Banks	39,636,396	-	-	-	-	-	126,288	**39,762,684**
Loans and advances to banks	-	31,261	-	93,783	31,261	-	-	**156,305**
Loans and advances to customers	10,477,509	36,267,463	1,582,708	2,934,016	9,572,518	4,700,650	-	**65,534,864**
Financial Investments								
Through Profit or loss	21,633	-	-	-	-	-	368,911	**390,544**
Through OCI	93,509	95,614	2,185,386	2,554,841	2,697,863	1,439,611	712,138	**9,778,962**
Amortized Cost	4,718	1,585,694	435,291	672,352	2,901,680	1,992,383	-	**7,592,118**
Investments in subsidiaries and associates	-	-	-	-	-	-	89,940	**89,940**
Other debit balances & derivatives	-	-	-	-	-	-	3,705,608	**3,705,608**
Fixed & Intangible Assets	-	-	-	-	-	-	763,666	**763,666**
Total financial assets	**50,233,765**	**37,980,032**	**4,203,385**	**6,254,992**	**15,203,322**	**8,132,644**	**19,591,772**	**141,599,912**
Due to Banks	835,623	-	-	-	-	-	-	**835,623**
Customers' deposits	27,027,986	53,254,859	1,535,217	19,252,721	11,619,767	613,058	6,584,366	**119,887,974**
Other credit balances & derivatives & Deferred tax liabilities	-	-	-	-	-	-	4,281,710	**4,281,710**
Other provisions	-	-	-	-	-	-	637,127	**637,127**
Retirement benefits liabilities	-	-	-	-	-	-	70,472	**70,472**
Owners' equity	-	-	-	-	-	-	15,887,006	**15,887,006**
Total financial liabilities and equities	**27,863,609**	**53,254,859**	**1,535,217**	**19,252,721**	**11,619,767**	**613,058**	**27,460,681**	**141,599,912**
Re- pricing gap	**22,370,156**	**(15,274,827)**	**2,668,168**	**(12,997,729)**	**3,583,555**	**7,519,586**	**(7,868,909)**	**-**
31-December-2023								
Total financial assets	19,510,468	36,321,518	2,859,257	5,110,631	10,500,700	7,820,843	15,482,680	97,606,097
Total financial liabilities and equities	21,006,570	40,070,037	5,309,708	2,980,005	8,317,647	878,850	19,043,280	97,606,097
Re- pricing gap	**(1,496,102)**	**(3,748,519)**	**(2,450,451)**	**2,130,626**	**2,183,053**	**6,941,993**	**(3,560,600)**	**-**

6.2. Market risk (Continued)

Sensitivity analysis of Interest Rate

Changes in interest rates affect equity by the following ways:

• Retained Earnings: Increase or decrease in the net interest income and fair value of the financial derivatives included in profits and losses.

• Fair value reserve: Increase or decrease in the fair value of the financial assets at fair value through comprehensive income recognized directly in the statement of comprehensive income.

6.2.4.Liquidity risk

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

6.2.4.1.Liquidity Risk Management

Liquidity risk control adopted by the Risk Management Sector of the bank include the following:

• Day-to-day funding managed by monitoring future cash flows to ensure that requirements can be met. This includes replenishment of funds as they mature or borrowed by customers. The bank maintains an active presence in global money markets to enable this to happen.

• Maintaining a portfolio of highly marketable assets that can easily be liquidated as protection against any unforeseen interruption to cash flow.

• Monitoring the liquidity ratios against internal and regulatory requirements by the Central Bank of Egypt.

• Managing the concentration and profile of debt maturities.

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

Assets and liability management also monitors unmatched medium-term assets, the level and type of undrawn lending commitments, the usage of overdraft facilities and the impact of contingent liabilities such as standby letters of credit and guarantees.

6.2.4.2. Funding approach

Sources of liquidity are regularly reviewed by a separate team of the risk management sector of the bank to maintain a wide diversification by currency, geography, provider, product and term.

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(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

6.2 Market risk (continued)

6.2.5.Non -Derivative Cash Flows

Amounts are in EGP 000's

	31-December-2024						
Description/ Maturity Date	**Up to1 month**	**1 – 3 months**	**3 – 6 months**	**6 – 12 months**	**1 – 3 years**	**Over 3 years**	**Total**
Due to local banks	766,731	-	-	--	--	--	**766,731**
Due to foreign banks	69,089	-	-	--	--	--	**69,089**
Customers' deposits	20,909,375	9,773,148	12,383,310	39,964,512	14,983,252	30,463,988	**128,477,585**
Other liabilities	3,626,364	-	-	36,274	-	70,472	**3,733,110**
Total financial liabilities according to the contractual maturity date	**25,371,559**	**9,773,148**	**12,383,310**	**40,000,786**	**14,983,252**	**30,534,460**	**133,046,515**
***Total financial assets according to the contractual maturity date**	**54,272,498**	**13,640,864**	**16,465,592**	**28,987,784**	**48,212,183**	**17,568,109**	**179,147,030**

Amounts are in EGP 000's

	31-December-2023						
Description/ Maturity Date	**Up to1 month**	**1 – 3 months**	**3 – 6 months**	**6 – 12 months**	**1 – 3 years**	**Over 3 years**	**Total**
Due to local banks	1,138,424	-	-	--	-	-	**1,138,424**
Due to foreign banks	97,285	-	-	--	-	-	**97,285**
Customers' deposits	9,981,435	6,770,812	2,738,663	16,480,696	11,392,962	40,938,036	**88,302,604**
Other liabilities	3,053,098	-	-	23,220	-	74,521	**3,150,839**
Total financial liabilities according to the contractual maturity date	**14,270,242**	**6,770,812**	**2,738,663**	**16,503,916**	**11,392,962**	**41,012,557**	**92,689,152**
***Total financial assets according to the contractual maturity date**	**26,751,914**	**21,643,848**	**9,214,582**	**19,884,736**	**30,325,721**	**11,608,777**	**119,429,578**

Assets available to satisfy all liabilities and cover loan-associated commitments include cash, balances with the central bank, bank balances, treasury bills and other governmental securities, loans and advances to banks and customers. The group has the ability to satisfy the unexpected net cash flows by selling securities and finding other financing sources.

** The assets shown in the table represent the discounted cash flows according to the contractual maturity date.

6.2 Market risk (continued)

6.2.6.Fair Value of Financial Assets and Liabilities

Financial instruments not measured at Fair Value

The table below summarizes the book value and fair value of the financial assets and liabilities not presented at fair value on the bank's statement of financial position:

Amounts are in EGP 000's

	Book Value		Fair Value	
	31-Dec-2024	31-Dec-2023	31-Dec-2024	31-Dec-2023
Financial assets				
Balances with Banks	39,762,684	7,235,868	39,762,684	7,235,868
Current Loans	38,527,704	28,110,409	38,527,704	28,110,409
Financial liabilities				
Due to Banks	835,623	1,232,939	835,623	1,232,939
Current deposits	107,223,377	73,026,379	107,223,377	73,026,379

6.2.6.1.Balances with Banks

Fair value of the variable-rate overnight placements and deposits represents the related present value. The expected fair value of the variable interest – bearing deposits is estimated on the basis of the discounted cash flows by using the prevailing interest rate in financial markets for debts with credit risk and a similar maturity date.

6.2.6.2.Loans and Advances to Banks

Loans and advances to banks comprise loans other than deposits with banks. The expected fair value of the loans and advances represents the discounted value of the expected future cash flows to be collected. The cash flows are discounted by using the current market interest rate to determine the fair value. Loans and advances are shown at net of impairment losses provision.

6.2.6.3.Investment securities

Investments securities comprise only the financial assets with specific or determinable maturity date and the business model tends to hold them to get the principal investment and interest. Fair value of those financial assets is determined for the financial assets held to maturity on the basis of market prices or prices obtained from brokers. If this data is not available, fair value is estimated by using the financial market prices for traded securities with similar credit characteristics, maturity dates and similar rates.

6.2.6.4.Due to Other Banks and Customers

Estimated fair value of the deposits with indefinite maturity, including the interest – free deposits, represents the amount that would be paid on demand.

Fair value of the Fixed-interest deposits and the other loans not traded in an active market is determined on the basis of the discounted cash flows by using the interest rate on the new debts with a similar maturity date.

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6.2 Market risk (continued)

6.2.6.5 Issued Debt Instruments

The total fair value is calculated on the basis of current financial market prices. In respect of the securities for which there is no active markets, the discounted cash flow model is used for the first time on the basis of the current rate that's appropriate for the remaining period to the maturity date.

6.3.Capital risk management

The Bank's objectives when managing capital, which is a broader concept than the 'equity' on the balance sheet statement, are:

- To comply with the legal capital requirements set by Arab Republic of Egypt and other countries in which the Bank's branches operates.
- To safeguard the Bank's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- Ensuring that the Bank's performance complies with the Risk Appetite limits approved by the Board of Directors of the Bank, which are annually monitored through the Risk Matrix

To maintain a strong capital base to support the development of its business.

Capital adequacy and capital uses are daily reviewed by the management of the bank in accordance with the requirements of the regulatory authority (the Central Bank of Egypt in the Arab Republic of Egypt or the Regulatory Authorities where the foreign bank branches operate) through models based on the Basel Committee's guidelines. The required data are submitted and deposited with the Central Bank of Egypt on a quarterly basis.

The CBE requires the bank to

- Maintain, as a minimum, issued & paid up capital with amount EGP 5 Billion.
- Maintain ratio of 10% or more of total regulatory capital to its risk-weighted assets and contingent liabilities , minimum level of capital adequacy ratio reached 12.50 % after adding Capital Conservation Buffer requirement .

Numerator of the capital adequacy comprises the following two tranches:

Tier 1 capital: It is the main capital that comprises the paid-up capital (net of the carrying amount of treasury shares), retained earnings and reserves arising from dividends, except for the bank risk general reserve, net of any goodwill previously recognized and any brought forward losses.

Tier 2 capital: It is the subordinated Capital that consists of what is equivalent to the general risk provision in accordance with the principles of credit worthiness issued by the CBE, not exceeding 1.25% of total risk – weighted assets and contingent liabilities, and subordinated loans / deposits with maturities of more than five periods (with depreciation of 20% of its value per period of the last five periods of its maturities) and 45% of the increase between fair value and carrying amount of both the financial assets at fair value through comprehensive income and financial investments assessed at amortized cost and in subsidiary and associates.

When calculating the total numerator of capital adequacy standard, the bank takes into account that the subordinated capital shall not exceed the main capital and the subordinated loans (deposits) shall not exceed 50% of the main capital.

Assets are weighted by risk weights ranging from zero to 100%, designed in accordance with the nature of the debtor party for each asset, reflecting the related credit risk associated and considering the cash collateral. The same treatment is used for amounts off – balance sheet after conducting amendments to reflect the contingent nature and potential losses of such amounts.

The bank has committed to all local capital requirements over the past two years. The following table summarizes components of the main and subordinated capital at the end of these two years.

6.3 Capital risk (continued)

Amounts are in EGP 000's

	31-December-2024	31-December-2023
Capital		
Tier 1 after deductions		
Issued and Paid up capital	5,000,000	4,621,820
Capital under registration (free shares)	201,393	579,572
Legal reserve	272,478	270,926
Capital reserve	23,919	23,919
General risk reserve	4,242	4,242
Retained Earnings	3,479,992	3,486,652
Profit for the year	6,683,397	-
Total accumulative comprehensive income items	323,541	162,355
Minority Interest	163	136
Total deductions from Tier 1	(158,849)	(49,183)
Total Tier 1 after deductions (1)	**15,830,276**	**9,100,439**
Tier 2 after deductions		
45% of Special Reserve	1,926	1,926
The significant provisions required against debt instruments, loans, credit facilities and contingent liabilities included in Tier 1	931,123	630,026
Total Tier 2 after deductions (2)	**933,049**	**631,952**
Total capital (1+2)	**16,763,325**	**9,732,391**
Credit risk -weighted assets and contingent liabilities:		
Total credit risk	74,491,560	50,402,069
Total market risk	495,830	837
Total operation risk	5,455,977	3,269,322
Total credit risk -weighted assets and contingent liabilities	**80,443,367**	**53,672,228**
***Capital Adequacy Ratio %**	**20.84%**	**18.13%**

* The capital adequacy ratio has been prepared in accordance with the items of the consolidated financial statements and the instructions issued by the Central Bank on 24 December 2012, considering the instructions issued on 26 February 2019 to adopt IFRS 9.

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6.4.Leverage ratio

CBE Board of Directors had approved in its meeting held on 7 July 2015 special supervisory instructions related to leverage ratio of maintaining a minimum level of leverage ratio of 3% to be reported on a quarterly basis as follows:

- As a guidance ratio starting from end of September 2015 till March 2017
- As an obligatory ratio starting from the period 2018

This ratio will be included in Basel requirement Tier 1 (minimum capital adequacy ratio) in order to maintain the effectiveness and safety of the Egyptian banking system, as well as keep up with the best international regulatory practices.

Financial leverage ratio reflects the relationship between tier1 for capital that are used in capital adequacy ratio (after exclusions) and the Bank's assets (on and off-balance Sheet items) that are no risk weighted assets.

Ratio Components

Numerator components:

The numerator consists of the tier 1 for capital that are used in capital adequacy ratio (after exclusions) in accordance with the CBE's requirements.

Denominator components:

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

1) On balance sheet exposure items after deducting Tier 1 exclusions for capital base
2) Derivatives contracts exposure
3) Financing financial securities operations exposure
4) Off-balance sheet exposures "weighted exchange transactions"

Following table summarize Leverage ratio as at 31 December 2024 & 31 December 2023

Leverage ratio

Amounts are in EGP 000's

	31-December-2024	31-December-2023
Tier 1 after deductions	15,830,276	9,100,439
On-balance sheet items & derivatives	143,001,694	98,874,921
Off-balance sheet items	7,371,010	4,777,278
Total exposures	**150,372,704**	**103,652,199**
Leverage Ratio	**10.53%**	**8.78%**

7. Cash and Balances with the Central Bank Limited to the Reserve Ratio

	31-December-2024	31-December-2023
Cash	646,258,999	616,096,539
Balances with the Central Bank limited to the statutory reserve ratio	13,178,961,801	9,931,019,575
	13,825,220,800	**10,547,116,114**
Cash	646,258,999	616,096,539
Non-interest-bearing balances	13,178,961,801	9,931,019,575
	13,825,220,800	**10,547,116,114**
Current Balances	**13,825,220,800**	**10,547,116,114**

8. Due from Banks

	31-December-2024	31-December-2023
Current accounts	1,068,938,074	393,838,624
Deposits	38,697,607,558	7,930,203,192
	39,766,545,632	**8,324,041,816**
Less ECL provision	(3,861,928)	(30,434,225)
	39,762,683,704	**8,293,607,591**
Central Banks	2,331,880,593	1,122,809,304
Local Banks	18,489,730,234	5,254,958,975
Foreign Banks	18,944,934,805	1,946,273,537
	39,766,545,632	**8,324,041,816**
Less ECL provision	(3,861,928)	(30,434,225)
	39,762,683,704	**8,293,607,591**
Non-interest-bearing balances	122,759,702	109,900,676
Variable interest-bearing balances	946,178,372	268,501,850
Fixed interest-bearing balances	38,697,607,558	7,945,639,290
	39,766,545,632	**8,324,041,816**
Less ECL provision	(3,861,928)	(30,434,225)
	39,762,683,704	**8,293,607,591**
Current balances	**39,762,683,704**	**8,293,607,591**

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9. Loans and advances to banks

	31-December-2024	31-December-2023
Direct loans	158,871,250	2,490,756,188
Less: Impairment losses provisions	(2,566,618)	(39,578,254)
	156,304,632	**2,451,177,934**

10. Loans and advances to customers

	31-December-2024	31-December-2023
Individual		
Personal loans	22,026,434,087	16,109,449,030
Credit cards	861,864,330	537,899,146
Overdraft	15,071,802	40,944,155
Total (1)	**22,903,370,219**	**16,688,292,331**
Corporate including small loans for economic activities		
Overdrafts	7,819,605,586	8,097,438,338
Direct loans	34,417,505,341	20,469,906,525
Syndicated loans	3,347,216,339	1,646,634,147
Other loans	605,057,948	101,341,413
Total (2)	**46,189,385,214**	**30,315,320,423**
Total loans and advances to customers (1) + (2)	69,092,755,433	47,003,612,754
Less: Impairment losses provisions	(3,523,815,341)	(2,001,180,610)
Less: Suspended Interest	(34,076,497)	(33,933,486)
	65,534,863,595	**44,968,498,658**
Current balances	38,527,704,419	28,110,408,515
Non-current balances	30,565,051,014	18,893,204,239
	69,092,755,433	**47,003,612,754**

10.Loans and advances to customers (continued)

Movements of impairment losses provisions on loans and advances during the year reflected as follows:

	31-December-2024 Individual				
	Personal loans	Credit Cards	Overdrafts	Real state loans	Total
ECL provision balance at the beginning of the year	**394,216,081**	**54,707,137**	**330,911**	-	**449,254,129**
Impairment charge	88,609,304	76,278,538	203,745	-	**165,091,587**
Proceeds from previously written off loans	149,453,283	11,174,335	-	-	**160,627,618**
Written off amounts during the year	(230,414,412)	(20,436,268)	-	-	**(250,850,680)**
Foreign exchange differences	783	-	656	-	**1,439**
ECL provision balance at the end of the year	**401,865,039**	**121,723,742**	**535,312**	-	**524,124,093**

	31-December-2024 Corporate				
	Overdrafts	Direct Loans	Syndicated loans	Other Loans	Total
ECL provision balance at the beginning of the year	**332,084,329**	**730,410,200**	**489,047,523**	**384,429**	**1,551,926,481**
Impairment charge	39,346,357	153,076,360	703,038,490	533,935	**895,995,142**
Proceeds from previously written off loans	-	129,951,709	390,503,787	-	**520,455,496**
Written off amounts during the year	-	(192,685,045)	-	-	**(192,685,045)**
Foreign exchange differences	(65,206,547)	28,353,252	260,852,469	-	**223,999,174**
ECL provision balance at the end of the year	**306,224,139**	**849,106,476**	**1,843,442,269**	**918,364**	**2,999,691,248**

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10. Loans and advances to customers (continued)

	31-December-2023 Individual				
	Personal loans	Credit Cards	Overdrafts	Real state loans	Total
ECL provision balance at the beginning of the year	**338,199,284**	**18,068,683**	**186,944**	-	**356,454,911**
Impairment charge	194,034,068	42,192,674	143,866	-	**236,370,608**
Proceeds from previously written off loans	105,853,858	11,098,136	-	-	**116,951,994**
Written off amounts during the year	(243,871,129)	(16,652,356)	-	-	**(260,523,485)**
Foreign exchange differences	-	-	101	-	**101**
ECL provision balance at the end of the year	**394,216,081**	**54,707,137**	**330,911**	-	**449,254,129**

	31-December-2023 Corporate				
	Overdrafts	Direct Loans	Syndicated loans	Other Loans	Total
ECL provision balance at the beginning of the year	**267,683,759**	**609,394,067**	**413,839,463**	**759,189**	**1,291,676,478**
Impairment (Reverse) charge	52,244,600	219,397,460	50,183,791	(374,760)	**321,451,091**
Proceeds from previously written off loans	-	52,090,389	-	-	**52,090,389**
Written off amounts during the year	-	(186,134,788)	-	-	**(186,134,788)**
Foreign exchange differences	12,155,970	35,663,072	25,024,269	-	**72,843,311**
ECL provision balance at the end of the year	**332,084,329**	**730,410,200**	**489,047,523**	**384,429**	**1,551,926,481**

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11. Financial investments

	31-December-2024	31-December-2023
Financial investments at fair value through profit and loss (FVTPL)		
Debt instrument		
Treasury Bills	21,633,094	292,082
Other Debt instrument	368,911,166	-
Total Financial investments at FVTP&L	**390,544,260**	**292,082**
Financial investments at fair value through other comprehensive income (FVTOCI)		
Debt instrument		
Bonds	5,688,401,540	7,188,345,018
Treasury Bills	3,324,892,882	14,250,794,602
Equity instrument		
Listed	579,653,439	570,548,935
Unlisted	120,502,332	111,598,484
Mutual Fund certificates		
Mutual Fund certificates - Unlisted	65,512,100	53,105,200
Total Financial investment at FVTOCI	**9,778,962,293**	**22,174,392,239**
Financial investments at Amortized Cost		
Debt Instrument		
Bonds	6,023,849,199	5,050,386,042
Treasury Bills	1,600,598,916	972,691,126
Less: ECL provision	(32,330,114)	(38,567,538)
Total Financial investment at Amortized cost	**7,592,118,001**	**5,984,509,630**
Debt instruments with fixed interest rates	15,627,041,834	25,444,722,425
Debt instruments with floating interest rates	1,000,003,683	1,979,218,907
	16,627,045,517	**27,423,941,332**

Financial Investment Profits are represented in:

	31-December-2024	31-December-2023
Debt instruments gain through OCI	3,513,548	5,614,255
	3,513,548	**5,614,255**

11. Financial investments (continued)

The movement in financial investments during the year may be summarized as follows:

	FVTPL	FVTOCI	Amortized Cost	Total
Balance at 1 January 2023	**44,159,500**	**12,906,486,684**	**6,565,996,563**	**19,516,642,747**
Reclassification	(44,159,500)	718,258,764	(674,099,264)	-
Balance at 1 January 2023	-	**13,624,745,448**	**5,891,897,299**	**19,516,642,747**
Additions	401,070,232,550	28,576,263,388	2,200,157,315	**431,846,653,253**
Disposals (sale / redemption)	(401,069,940,468)	(20,398,743,340)	(2,137,848,212)	**(423,606,532,020)**
Amortization of issuance premium / discount	-	(1,095,859)	(75,444,441)	**(76,540,300)**
changes in fair value	-	(16,351,434)	-	**(16,351,434)**
Foreign exchange revaluation	-	370,769,104	135,979,903	**506,749,007**
ECL	-	-	(30,232,234)	**(30,232,234)**
Repo	-	18,804,932	-	**18,804,932**
Balance at 31 December 2023	**292,082**	**22,174,392,239**	**5,984,509,630**	**28,159,193,951**
Balance at 1 January 2024	**292,082**	**22,174,392,239**	**5,984,509,630**	**28,159,193,951**
Additions	407,486,517,724	15,185,937,709	4,367,539,839	**427,039,995,272**
Disposals (sale / redemption)	(407,100,079,552)	(28,321,621,605)	(3,698,950,023)	**(439,120,651,180)**
Amortization of issuance premium / discount	-	10,132,288	(28,316,762)	**(18,184,474)**
changes in fair value	-	170,342,194	-	**170,342,194**
Foreign exchange revaluation	3,814,006	541,797,036	961,097,893	**1,506,708,935**
ECL	-	-	6,237,424	**6,237,424**
Repo	-	17,982,432	-	**17,982,432**
Balance at 31 December 2024	**390,544,260**	**9,778,962,293**	**7,592,118,001**	**17,761,624,554**

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12. Investment in subsidiaries and associates

Financial investments in subsidiaries and associates are not listed in stock exchange

31-December-2024

	Value	Contribution %	Company's assets	Company's liabilities	Company's revenues	Company's profits(Losses)
A- Investments in capitals of subsidiaries						
Al Ahli Kuwait Egypt Leasing Co.	79,944,000	99.93%	755,898,055	526,640,834	205,063,437	39,606,863
Al Ahli Kuwait Egypt Investment Co.	9,996,000	99.96%	12,291,242	128,999	-	(150,107)
B-Investments in capitals of associates						
Alexandria for Financial Investments and Development	-	22.00%	87,283,791	45,991,042	2,305,164	(752,740)
Total	**89,940,000**		**855,473,088**	**572,760,875**	**207,368,601**	**38,704,016**

31-December-2023

	Value	Contribution %	Company's assets	Company's liabilities	Company's revenues	Company's profits(Losses)
A- Investments in capitals of subsidiaries						
Al Ahli Kuwait Egypt Leasing Co.	79,944,000	99.93%	832,585,800	641,775,313	125,765,401	30,767,224
Al Ahli Kuwait Egypt Investment Co.	9,996,000	99.96%	12,574,848	133,499	-	(231,509)
B-Investments in capitals of associates						
Alexandria for Financial Investments and Development	-	22.00%	85,227,873	43,182,383	2,312,122	(523,676)
Total	**89,940,000**		**930,388,521**	**685,091,195**	**128,077,523**	**30,012,039**

13. Intangible Assets

	31-December-2024	31-December-2023
Balance at 1 January 2024	24,458,176	8,736,879
Additions	88,400,969	20,303,090
Amortization	(18,920,819)	(4,581,793)
Balance at 31 December 2024	**93,938,326**	**24,458,176**

14. Other assets

	31-December-2024	31-December-2023
Accrued revenues	1,587,769,756	1,031,698,746
Prepaid expenses	1,059,820,304	558,278,657
Projects under construction	205,190,230	97,192,129
Assets reverted to the Bank	87,222,291	104,750,741
Refundable deposits	80,294,909	28,419,095
Advance payments for purchase of fixed assets	184,781,314	188,795,022
Other debit balances	522,008,307	611,611,097
Less: ECL provision	(21,913,384)	(18,168,908)
	3,705,173,727	**2,602,576,579**

15. Deferred income tax

Deferred income tax is provided in full, using the liability method on temporary differences using tax rate of 22.50 %.

Deferred tax assets and liabilities can be off set when there is a legal reason to offset between the current taxes on assets versus the current tax on liabilities, in addition, when the deferred tax is following the same tax authority.

Deferred tax assets (Liabilities) balances

	Deferred tax assets		Deferred tax Liabilities	
	31-December-2024	31-December-2023	31-December-2024	31-December-2023
Fixed assets	-	-	(36,353,744)	(26,487,888)
Provisions (Other than ECL)	62,146,008	60,834,181	-	-
change in fair value for investments FVTOCI & other reserves	-	-	(62,066,677)	(57,566,579)
Total deferred tax assets (Liabilities)	**62,146,008**	**60,834,181**	**(98,420,421)**	**(84,054,467)**
Net deferred tax assets (Liabilities)	-	-	**(36,274,413)**	**(23,220,286)**

Deferred tax assets (Liabilities) movement

	Deferred tax assets		Deferred tax Liabilities	
	31-December-2024	31-December-2023	31-December-2024	31-December-2023
Balance at the beginning of the year	60,834,181	-	(84,054,467)	-
Additions	1,311,827	60,834,181	(4,500,098)	(84,054,467)
Disposals	-	-	(9,865,856)	-
Balance at the ending of the year	**62,146,008**	**60,834,181**	**(98,420,421)**	**(84,054,467)**

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16. Fixed Assets

	Land and buildings	Leasehold improvements	Machinery and equipment	Computer systems	Vehicles	Others	Total
Balance at 1 January 2023							
Cost	478,254,820	206,157,677	98,467,846	508,310,545	28,234,052	53,785,962	**1,373,210,902**
Accumulated depreciation	(235,438,674)	(166,730,655)	(69,528,884)	(366,274,222)	(22,364,866)	(46,346,132)	**(906,683,433)**
Net book value at 1 January 2023	**242,816,146**	**39,427,022**	**28,938,962**	**142,036,323**	**5,869,186**	**7,439,830**	**466,527,469**
Additions	27,500,000	3,643,286	13,253,902	41,535,685	19,037,642	4,997,325	**109,967,840**
Disposals	-	-	(2,399,023)	(2,270,662)	(4,866,792)	(757,269)	**(10,293,746)**
Depreciation cost	(12,212,942)	(19,509,838)	(10,507,953)	(57,973,957)	(3,028,159)	(3,533,663)	**(106,766,512)**
Disposals depreciation	-	-	2,368,243	2,270,662	4,627,209	757,269	**10,023,383**
Net book value at 31 December 2023	**258,103,204**	**23,560,470**	**31,654,131**	**125,598,051**	**21,639,086**	**8,903,492**	**469,458,434**
Balance at 1 January 2024							
Cost	505,754,820	209,800,963	109,322,725	547,575,568	42,404,902	58,026,018	**1,472,884,996**
Accumulated depreciation	(247,651,616)	(186,240,493)	(77,668,594)	(421,977,517)	(20,765,816)	(49,122,526)	**(1,003,426,562)**
Net book value at 1 January 2024	**258,103,204**	**23,560,470**	**31,654,131**	**125,598,051**	**21,639,086**	**8,903,492**	**469,458,434**
Additions	51,128,026	56,501,487	90,420,143	108,461,302	6,197,000	9,526,119	**322,234,077**
Disposals	-	-	(63,000)	(4,332)	(9,052,592)	-	**(9,119,924)**
Depreciation cost	(15,632,382)	(18,930,656)	(16,210,894)	(60,829,182)	(5,039,442)	(3,809,779)	**(120,452,335)**
Disposals depreciation	-	-	2,120	1,170	7,604,514	-	**7,607,804**
Net book value at 31 December 2024	**293,598,848**	**61,131,301**	**105,802,500**	**173,227,009**	**21,348,566**	**14,619,832**	**669,728,056**
Balance at 31 December 2024							
Cost	556,882,846	266,302,450	199,679,868	656,032,538	39,549,310	67,552,137	**1,785,999,149**
Accumulated depreciation	(263,283,998)	(205,171,149)	(93,877,368)	(482,805,529)	(18,200,744)	(52,932,305)	**(1,116,271,093)**
Net book value at 31 December 2024	**293,598,848**	**61,131,301**	**105,802,500**	**173,227,009**	**21,348,566**	**14,619,832**	**669,728,056**

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17. Due to Banks

	31-December-2024	31-December-2023
Current accounts	60,693,097	91,642,347
Deposits	774,930,288	1,141,297,076
	835,623,385	**1,232,939,423**
Local Banks	766,534,294	1,135,654,032
Foreign Banks	69,089,091	97,285,391
	835,623,385	**1,232,939,423**
Non-interest-bearing balances	47,815,826	42,073,080
Fixed Interest bearing balances	787,807,559	1,190,866,343
	835,623,385	**1,232,939,423**
Current balances	**835,623,385**	**1,232,939,423**

18. Customers' deposits

	31-December-2024	31-December-2023
Demand deposits and current accounts	57,474,910,149	39,027,039,742
Time and call deposits	39,304,471,340	26,222,814,052
Certificates of deposits	16,939,276,012	14,223,385,755
Saving deposits	5,173,508,977	2,591,524,687
Other deposits	995,807,846	999,476,872
	119,887,974,324	**83,064,241,108**
Corporate deposits	85,954,269,865	61,595,192,554
Individual deposits	33,933,704,459	21,469,048,554
	119,887,974,324	**83,064,241,108**
Non-interest-bearing balances	6,674,450,440	7,042,866,268
Variable Interest-bearing balances	56,911,734,532	35,527,567,850
Fixed Interest-bearing balances	56,301,789,352	40,493,806,990
	119,887,974,324	**83,064,241,108**
Current balances	107,223,376,612	73,026,379,399
Non-current balances	12,664,597,712	10,037,861,709
	119,887,974,324	**83,064,241,108**

19. Derivative financial instruments

The Bank uses the following derivative instruments for both hedging and non-hedging purposes:

-Currency forwards represent commitments to purchase foreign and domestic currency, including undelivered spot transactions. Foreign currency and interest rate futures are contractual obligations to receive or pay a net amount based on changes in currency rates or interest rates, or to buy or sell foreign currency or a financial instrument on a future date at a specified price, established in an organized financial market.

- The Bank credit risk is considered as minimal. Forward rate agreements are individually negotiated and require cash settlement at a future date for the difference between a contracted rate of interest and the current market rate, based on a nominal value agreed on.

- Currency and interest rate swaps are commitments to exchange one set of cash flows for another. Swaps result in an exchange of currencies or interest rates (for example, fixed rate for floating rate) or a combination of all these (i.e., cross-currency interest rate swaps). No exchange of principal takes place, except for certain currency swaps.

- The Bank's credit risk represents the potential cost to replace the swap contracts if counterparties fail to fulfil their obligation. This risk is monitored on an ongoing basis with reference to the fair value, and a proportion of the notional amount of the contracts. To control the level of credit risk taken, the Bank assesses counterparties using the same techniques as for its lending activities.

- The contractual amounts of certain types of financial instrument provide a basis for comparison with instruments recognized on the balance sheet but do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments and, therefore, do not indicate the Bank's exposure to credit or price risks.

- The derivative instruments become favorable (assets) or unfavorable (liabilities) as a result of fluctuations in foreign exchange rates or the interest rates relating to these relatives. The aggregate contractual or notional amount of derivative financial instruments on hand, the extent to which instruments are favorable or unfavorable, and thus the aggregate fair values of derivative financial assets and liabilities, can fluctuate significantly from time to time.

The fair values of held for trading derivative instruments are set out below:

	31-December-2024			31-December-2023		
	Contractual amount	Assets	Liabilities	Contractual amount	Assets	Liabilities
Currency swap contracts	309,426,550	843,075	(408,514)	32,421,550	1,249,608	(1,179,414)
Total foreign currency derivatives		843,075	(408,514)		1,249,608	(1,179,414)
Total held for trading derivative assets / (liabilities)		434,561	-		70,194	

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20. Other liabilities

	31-December-2024	31-December-2023
Accrued interest	619,071,336	344,157,229
Accrued expenses	971,681,525	569,331,163
Taxes due on treasury bills and bonds	53,893,030	159,248,071
Dividends payable	1,423,179	1,423,179
Unearned income	302,461,541	220,744,820
Income tax payable	836,680,064	300,278,221
Other credit balances	1,460,224,789	1,802,072,637
	4,245,435,464	**3,397,255,320**

21. Other Provisions

	31-December-2024				
	Tax claims provision	Legal claims	Contingent liabilities	Other	Total
Provision balance at the beginning of the year	**115,715,545**	**193,479,418**	**80,829,179**	**34,110,655**	**424,134,797**
Charged on statement of income	196,500,000	1,697,936	12,435,004	-	**210,632,940**
Foreign exchange differences	-	11,358,537	3,138,210	-	**14,496,747**
Utilized during the year	(11,334,309)	(803,423)	-	-	**(12,137,732)**
Provision balance at the end of the year	**300,881,236**	**205,732,468**	**96,402,393**	**34,110,655**	**637,126,752**

	31-December-2023				
	Tax claims provision	Legal claims	Contingent liabilities	Other	Total
Provision balance at the beginning of the year	**30,007,769**	**82,984,612**	**63,613,872**	**7,159,004**	**183,765,257**
Charged on statement of income	91,068,477	109,250,000	15,422,636	34,000,000	**249,741,113**
Foreign exchange differences	-	3,493,325	1,792,671	1,537,425	**6,823,421**
Utilized during the year	(5,360,701)	(2,248,519)	-	-	**(7,609,220)**
Transfer to other debit balance provison	-	-	-	(8,585,774)	**(8,585,774)**
Provision balance at the end of the year	**115,715,545**	**193,479,418**	**80,829,179**	**34,110,655**	**424,134,797**

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22. Retirement benefit obligations

The Bank applies a scheme to meet the retirement benefits liabilities which includes the staff employed before 1 January 2006.The Bank has prepared actuarial study through an independent actuary on 30 November 2024 to calculate the liabilities of retirement benefits plan which depends, in terms of its financial assumptions, on the market expectations at balance sheet date. The study includes the amounts expected for the period subsequent to the date of actuarial study preparation and shows the retirement benefits liabilities as follows:

Balance sheet liabilities:

	31-December-2024	31-December-2023
Pension benefits	70,472,053	74,520,746
Total	**70,472,053**	**74,520,746**

Amounts recognized in the statement of income:

	31-December-2024	31-December-2023
Pension benefits	(6,888,848)	(7,722,172)
Total	**(6,888,848)**	**(7,722,172)**

Pension benefits:

The amounts recognized in the balance sheet are as follows:

	31-December-2024	31-December-2023
Present value of liabilities	130,599,191	130,683,330
Fair value of assets	(60,127,138)	(56,162,584)
Total	**70,472,053**	**74,520,746**

The movement in the liabilities during the year are as follows:

	31-December-2024	31-December-2023
Balance at the beginning of the year	130,683,330	131,278,527
Service cost	440,670	-
Interest cost	19,446,306	19,459,690
Employees contributions	2,810,137	2,716,962
Benefits paid	(18,837,284)	(19,964,190)
Actuarial Gains	(3,943,968)	(2,807,659)
Balance at the end of the year	**130,599,191**	**130,683,330**

22. Retirement benefit obligations (continued)

The movement in the assets during the year are as follows:

	31-December-2024	31-December-2023
Balance at the beginning of the year	56,162,584	51,845,172
Expected return	7,630,350	6,550,591
Bank contributions	5,367,778	5,186,927
Employees contributions	2,810,137	2,716,962
Benefits paid	(18,837,284)	(19,964,190)
Used	-	1,464,611
Actuarial gains	6,993,573	8,362,511
Balance at the end of the year	**60,127,138**	**56,162,584**

The amount recognized in the statement of income are as follows:

	31-December-2024	31-December-2023
Service cost	(440,670)	-
Interest cost	(19,446,306)	(19,459,690)
Expected return	7,630,350	6,550,591
Bank contributions	5,367,778	5,186,927
Total (included in staff cost note 31)	**(6,888,848)**	**(7,722,172)**

The principal actuarial assumption used are as follows:	31-December-2024	31-December-2023
Discount rate	23.50%	15.38%
Expected return on assets	35.73%	35.80%
Rate of compensation increase	15.25%	8.62%

23. Equity

23.1 Share capital

	Number of shares (in millions)	Common stocks (EGP)
Balance at 1 January 2024	258.5	4,027,856,366
Subscription in Capital	38.1	593,964,000
Stock dividend	24.3	378,179,634
Balance at 31 December 2024	**320.9**	**5,000,000,000**

	Number of shares (in millions)	Common stocks (EGP)
Balance at 1 January 2023	207.6	3,234,662,006
Stock dividend	50.9	793,194,360
Balance at 31 December 2023	**258.5**	**4,027,856,366**

A. Authorized capital

The Bank's authorized capital amounted EGP 10,000 million at 31 December 2024 , The extra ordinary general assembly meeting approved on 27 October 2021 to increase the authorized capital amounted EGP 7,000 million to reach amount EGP 10,000 million, and this increase has been registered .

B. Issued and paid in capital

The issued and paid in capital is EGP 5 billion at 31 December 2024 distributed on 320,870,715 shares with nominal value of EGP 15.5826 .

C. Capital increase

Based on the Board of Directors approval dated 10 September 2010, and by the delegation from the Bank extra ordinary general assembly dated 14 July 2005, the existing shareholders were invited to subscribe in the issued capital increase to be EGP 1 238 424 000 with an increase of EGP 238 424 000 representing 15,300,656 shares with a nominal value EGP 15.5826 per each without expenses or premium.

The approval of the General Authority for Investment GAFI and the Egyptian Financial Supervisory Authority EFSA was obtained during November 2011. The increase was registered in the commercial register along with the amendments of the article of association (articles6and7) related to the capital structure as of end 2011.Accordingly, the paid in and issued capital reflected the above-mentioned increase.On 1 March 2012, the board of directors approved issued capital increase and on 18 April 2012 the existing shareholders were invited to subscribe in the capital increase by amounted EGP 200 404 035. On 10 June 2012 the subscription has been closed and the capital increase was registered in the banks' register on 26 May 2013 and the commercial register on 17 March 2013. On 22 May 2014, the existing shareholders were invited to subscribe in the issued capital increase by amount of EGP 200 million. On 30 June 2014, subscription was closed by amount of 178 502 968 and the increase was registered in the commercial register on 2 June 2015 along with the amendments of the article of association (articles 6&7) concerning the capital structure. On 21 May 2015, Piraeus Bank Egypt announced final agreement with Al Ahli Bank of Kuwait to acquire its full percentage of ownership and the Central Bank of Egypt agreed on 4 August 2015 while on 5 November 2015, General authority for Investment (GAFI) agreed the shares transfer. On 10 November 2015, the shares were transferred in Stock exchange, and the commercial register was amended on 25 July 2016 by changing the bank's name to be Al Ahli Bank of Kuwait - EGYPT (S.A.E) .The ordinary general assembly meeting approved on 27 October 2021 to increase paid up capital by distributing Stock dividend for shareholders in amount of EGP 1,617 million to reach amount EGP 3,235 million, and this increase has been registered , The ordinary general assembly meeting approved on 29 March 2022 to increase paid up capital by distributing Stock dividend for shareholders in amount of EGP 793 million to reach amount EGP 4,028 million, and this increase has been registered , The subscription in capital by EGP 594 Million process has been finished and the capital increase was registered in commercial register on 13 February 2024 . The ordinary general assembly meeting approved on 29 March 2023 to increase paid up capital by distributing Stock dividend for shareholders in amount of EGP 387 million , and this increase registered in commerial register on 30 April 2024 , and capital reached 5,000 Million .On 16 January 2025 bank received CBE approval on paid up capital increase by EGP 201 M , this increase under registration.

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23. Equity (continued)

23.2 Reserves

A. Legal Reserves

According to the Bank's articles of association, 5% of the net profits is transferred to the legal reserve until this reserve reaches 100% of the bank's paid capital. If any amount is taken from the reserve, transfer is required to be made. The general assembly meeting based on the proposal of the board of directors can decide percentage of the net profits to form new reserve.

B.General Reserve

According to Central Bank of Egypt requirements and instructions, the general reserve is formed to meet unexpected risks.

C. Capital Reserve

According to Central Bank of Egypt requirements and instructions, the capital reserve is formed from the capital gains realized from sale of fixed assets

D. Special Reserve

According to Central Bank of Egypt instructions, approved by its board of directors 16 March 2008, the changing of accounting policy related to first time adoption of the new accounting policies should be retained in special reserve and should not distributed without Central Bank of Egypt approval and the special reserve includes the change of accounting policy for valuation of available for sale investments.

E. Fair value reserve

Represents recognition of the effect of the fair value of the financial instruments classified under "financial investments through OCI" after tax deduction. No profits or losses are recognized in the statement of income, unless the debt instruments are sold, and the equity instruments are recognized directly in the retained earnings.

F. General Banking Risk Reserve

Represents the difference between the provision for loan impairment losses calculated on the basis of determining the creditworthiness, formation of the provisions issued by the CBE under IFRS 9, and the value of the ECL provision charged on the financial statements, after the initial recognition at the beginning of the first period of the adoption of the changes in the accounting policies.

General Banking Risk Reserve is formed by approximately 10 % annually from the value of assets reverted to the Bank and will not be disposed during the determined period of time in accordance with the provisions of law.

G. General Risk Reserve

Based on the CBE's instructions issued on 26 February 2019 to adopt IFRS 9, as of 1 January 2019, the special reserve - credit and general banking risk reserve - credit and IFRS 9 risk reserve are combined into one reserve under the name of the general risk reserve, on condition that the difference between the provisions required based on the aforementioned instructions is deducted from the general risk reserve.

The general risk reserve is set out below:

· Transferred from the special reserve	31,083,607
· Transferred from general banking risk reserve	141,045,251
· Transferred from IFRS 9 risk reserve	112,627,355
· Difference between the provisions required under IFRS 9	(280,513,949)
Balance at the end of the year	**4,242,264**

24. Cash and cash equivalents

For the purposes of the statement of cash flow presentation, cash and cash equivalents comprise the following balances with less than three months' maturity from the date of acquisition.

	31-December-2024	31-December-2023
Cash (Under Note 7)	646,258,999	616,096,539
Bank current accounts (Under Note 8)	1,068,938,074	393,838,624
Treasury bills	-	13,940,219,500
	1,715,197,073	**14,950,154,663**

25. Contingent liabilities and commitments

1.Judicial claims

There are number of legal cases filed against the Bank for which required provisions were built up to cover the expected losses from these cases.

2.Loan and advances commitment

The Bank commitments related to loan commitment and guarantee are as follows:

	31-December-2024	31-December-2023
Commitment over irrevocable loans and other liabilities related to credit	969,195,546	369,406,591
Acceptances papers	357,398,918	163,063,819
Letters of guarantee	8,822,966,134	6,233,913,309
Letters of credit	1,351,348,009	114,924,224
	11,500,908,607	**6,881,307,943**

26. Net interest income

	31-December-2024	31-December-2023
Interest on loans and similar income:		
Loans and advances and due from Banks:		
- Banks	4,372,599,913	1,195,548,536
- Customers	14,092,052,188	7,229,087,414
	18,464,652,101	**8,424,635,950**
Investment in Financial instrument through PL	8,208,122	5,875,473
Investment in Financial instrument at amortized cost	1,152,946,257	817,735,629
Investment in Financial instrument through OCI	2,529,926,394	2,594,861,931
	3,691,080,773	**3,418,473,033**
	22,155,732,874	**11,843,108,983**
Interest on deposits and similar charges		
Deposits and current accounts and due to Banks:		
- Banks	(191,559,658)	(118,161,857)
- Customers	(15,465,429,112)	(7,635,815,752)
- Financial instruments sold under agreements to repurchase	(674,205)	(1,426,345)
	(15,657,662,975)	**(7,755,403,954)**
Net	**6,498,069,899**	**4,087,705,029**

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27. Net fees and commission income

	31-December-2024	31-December-2023
Fee and commission income:		
Fees and commissions related to credit	514,817,151	415,579,432
Custodian fees	2,800,513	2,309,329
Other fees	1,699,571,897	1,214,440,982
	2,217,189,561	**1,632,329,743**
Fee and commission expense:		
Other fees paid	(703,177,573)	(407,944,573)
	(703,177,573)	**(407,944,573)**
Net	**1,514,011,988**	**1,224,385,170**

28. Dividends

	31-December-2024	31-December-2023
Securities at OCI	59,604,113	47,221,713
	59,604,113	**47,221,713**

29.Net trading income

	31-December-2024	31-December-2023
Gain from foreign currencies transactions	318,267,391	120,339,787
Gain from valuation of forward foreign exchange contracts	434,561	70,194
Gain from revaluation of debt instruments at fair value through profit or loss	3,813,510	497
Debt Instrument for trading	64,398,268	28,894,953
	386,913,730	**149,305,431**

30. Impairment on loan losses

	31-December-2024	31-December-2023
Loans and advances to customers	(1,061,086,729)	(557,821,699)
Loans and advances to Banks	44,305,626	(34,834,308)
Balances with Banks	27,959,712	(20,142,638)
Debt Instruments at OCI	9,041,218	(32,728,328)
Debt Instruments at amortized cost	8,192,189	(29,431,679)
Other Assets	1,241,950	(2,333,362)
	(970,346,034)	**(677,292,014)**

31. General and administrative expense

	31-December-2024	31-December-2023
Staff costs		
Wages and salaries	(848,637,968)	(658,928,436)
Social insurance	(38,655,727)	(29,645,401)
Retirement costs		
Defined contribution plan	(36,499,768)	(28,981,451)
Pension benefit (Note 22)	(6,888,848)	(7,722,172)
Other administrative expenses	(1,046,625,200)	(718,514,897)
	(1,977,307,511)	**(1,443,792,357)**

32. Other operating income (expenses)

	31-December-2024	31-December-2023
Gain from valuation of balances of monetary assets and liabilities in foreign currencies	2,826,773,414	759,326,814
Gain from sale of fixed assets	467,120	6,706,009
Gain from selling assets reverted to the bank	2,496,551	3,132,950
Software cost	(217,037,250)	(118,241,677)
Operating lease	(46,230,295)	(39,107,820)
Charge of other provision	(210,632,940)	(249,741,113)
others	90,106,425	4,216,746
	2,445,943,025	**366,291,909**

33. Earnings per share

	31-December-2024	31-December-2023
Profit for the year	6,643,360,982	(1,443,792,357)
Remuneration for the Board Members	(153,600,000)	366,291,909
Staff profit share	(330,000,000)	3,759,439,136
Profit available to shareholders	**6,159,760,982**	**2,681,938,688**
Weighted average number of ordinary shares	309,604,478	309,604,478
Earnings Per Share	**19.90**	**8.12**

34. Interest rates adopted during the financial year

The average interest rates on the interest-bearing assets and liabilities are 20.08% and 16.57% respectively.

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35. Tax Situation

First: Corporate income taxes

The tax exemption of the Bank has been expired on 31 December 1985, the tax settlement was done till the end of 2004 as the Bank has paid due taxes for this period.

In accordance with the tax Law No. 91 of 2005 and its executive regulations, the Bank has submitted the tax declarations for the period 2005. The tax declaration reflected tax losses. These tax declarations have been approved for period 2005; according to circular No. (3) Of 2011 and this period is finished.

The Bank has finalized tax inspection for the periods 2006 to 2012 and paid .

The Bank has finalized tax inspection for the periods 2013 to 2017 and paid.

The Bank has finalized tax inspection for the periods 2018 to 2019 .

The Bank has submitted the tax declarations for the periods from 2020- 2023 in accordance to the tax Law No. 91 of 2005 in the legal due dates and not examined yet .

Second: Salaries and wages taxes

The inspection of salaries and wages taxes of the bank staff for the period from the beginning of the activity till the end of 2015 have been finalized and taxes due liabilities were paid. Currently, there is no differences due from this tax till 31 December 2015.

Years 2016-2020 : The Bank has finalized tax inspection for the periods 2016 to 2020 and paid .

Years 2021/2022 : The Bank preparing required documents to be delivered to Tax authority.

Year 2023 : No date has been set with the tax center for the major financiers to start the inspection work.

Third: Stamp duty taxes

The periods from 1 August 2006 till 30 September 2015 were inspected and all taxes due were paid for this period.

The periods from 1 October 2015 till 31 December 2017 under discussions and dispute with Tax Authority .

The periods from 1 January 2018 till 31 December 2020 The Bank has finalized tax inspection for the periods and paid all due tax liabilities.

The periods from 1 January 2021 till 31 December 2022 The Bank preparing required documents to be delivered to Tax authority

The periods from 1 January 2023 till 31 December 2023 was paid in accordance to Law on the legal due dates and no inspection has done yet

36. Income Tax

	31-December-2024	31-December-2023
Current tax	(1,308,487,747)	(976,541,990)
Deferred tax (note 15)	(8,554,029)	19,931,541
	(1,317,041,776)	**(956,610,449)**

Current taxes are represented in the taxes relating to the treasury bills and bonds of which the income was recognized during the period in addition to other taxable items.

36. Income Tax (continued)

Additional information on deferred income tax has been presented Note 15 taxes at statement of income differs from those calculated based on prevailing tax rate on Bank Net profit according to income statement as follows:

	31-December-2024	31-December-2023
Accounting profit before income tax	**7,960,402,758**	**3,759,439,136**
Tax rate	22.5%	22.5%
Accounting income tax	**1,791,090,621**	**845,873,806**
Add / (less) :		
Taxable income not recognized in statement of income	(1,994,184,108)	(1,144,030,880)
Amounts not recognized taxably	1,511,581,234	1,274,699,064
Deferred tax liability / asset for the year	8,554,029	(19,931,541)
Total income tax	**1,317,041,776**	**956,610,449**

37. Related party transactions

The Bank's parent company is Al Ahli Bank of Kuwait which holds 98.69% of ordinary shares and the other 1.31% is held by other shareholders.

The Bank has entered into several transactions with the related parties (with the parent company) on the ordinarily course of business. Transactions and balances of related parties at the end of the financial year are as follows:

The Bank's parent company and subsidiaries:

	31-December-2024	31-December-2023
Balances with Banks	1,329,267,946	24,305,006
Due to Banks	17,180,812	22,164,728
Contingent liability (LGs / LCs)	226,593,727	33,439,557
Accounts receivable	44,228,674	10,303,990
Accounts payable	7,112,843	4,322,246
Interest on loans and similar income	8,079,245	1,476,696
Commissions	1,912,592	-

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37. Related party transactions (continued)

A) Loans and Advances to related parties

	Board of directors and close family members		Subsidiaries and Associates	
	31-December-2024	31-December-2023	31-December-2024	31-December-2023
Loans outstanding at the beginning of the year	**15,901,865**	**8,029,853**	**540,840,863**	**296,086,344**
Loans movement during the year	8,409,808	7,872,012	(49,128,019)	244,754,519
Loans at the end of the year	**24,311,673**	**15,901,865**	**491,712,844**	**540,840,863**
Loans interest and similar income	**2,375,401**	**1,390,317**	**145,321,896**	**73,850,812**

B)Deposits from related parties

	Board of directors and close family members		Subsidiaries and Associates	
	31-December-2024	31-December-2023	31-December-2024	31-December-2023
Deposits at the beginning of the year	**15,942,345**	**17,341,260**	**19,609,716**	**24,129,494**
Deposits movement during the year	5,509,692	(1,398,915)	(1,909,659)	(4,519,778)
Deposits at the end of the year	**21,452,037**	**15,942,345**	**17,700,057**	**19,609,716**
Deposits cost and similar costs	**8,591,143**	**1,248,088**	**446,520**	**19,530**

C)Other related parties

The total rental expenses of the subsidiaries of Al Ahli Bank of Kuwait - EGYPT at 31 December 2024 and 31 December 2023 amounted to EGP 87,000 and EGP 12,000

The total fees and commissions collected from subsidiaries at 31 December 2024 and 31 December 2023 amounted to EGP 48,460 and EGP 55,976 respectively

D)Board of Directors compensation

	31-December-2024	31-December-2023
Board of director's allowances	465,000	385,000
	465,000	**385,000**

37. Related party transactions (Continued)

E) Board of Directors and top management benefits

	31-December-2024	31-December-2023
Salaries	68,260,682	49,366,364
End of service (Pension)	5,175,822	4,007,967

The monthly average of the remuneration for the highest twenty employees in the Bank from January to 31 December 2024 amounted to EGP 7,373,819 and from January to 31 December 2023 EGP 5,624,784 respectively

38. Al Ahli Bank of Kuwait Egypt mutual fund – with periodic cumulative income

One of the licensed activities of the Bank in accordance with the Capital Market Authority No.95 of 1992 and its executive regulations, the fund is managed by Sigma Company for mutual funds and securities portfolios management, the number of fund certificates has reached 1 million certificates amounting to EGP 100 million, 50 thousands certificates were allocated to the Bank with face value of EGP 100 for following up the fund's activity and the redeemable value for the certificate amounted to EGP 239.66 per certificate on the balance sheet date.

According to the fund management contract and the subscription prospectus, there are fees and commissions paid to Al Ahli Bank of Kuwait-Egypt for the fund supervision and other managerial services provided which amounted to EGP 62,412 for the year ended 31 December 2024 recorded at fees and commissions item in the statement of income.

Al Ahli Bank Of Kuwait mutual fund – with periodic cumulative dividends

One of the licensed activities of the Bank in accordance with the Capital Market Authority No.95 of 1992 and its executive regulations, the fund is managed by Sigma Company for mutual funds and securities portfolios management; with face value amounting to EGP 10 per certificate.

The Bank had purchased 1 million certificates amounted to EGP 10 million, redeemable value for the certificate amounted to EGP 53.5291 per certificate on the balance sheet date.

According to the fund management contract and the subscription prospectus, there are fees and commissions paid to Al Ahli Bank of Kuwait-Egypt for the fund supervision and other managerial services provided which amounted to EGP 895,511 for the year ended 31 December 2024 recorded at fees and commissions item in the statement of income.

39. Important events

On 1 February 2024 the Monetary Policy Committee (MPC) decided to raise the Central Bank of Egypt's (CBE) overnight deposit rate, overnight lending rate, and the rate of the main operation by 200 basis points to 21.25 percent, 22.25 percent, and 21.75 percent, respectively. The discount rate was also raised by 2000 basis points to 21.75 percent

On 6 March 2024 the Monetary Policy Committee (MPC) decided to raise the Central Bank of Egypt's (CBE) overnight deposit rate, overnight lending rate, and the rate of the main operation by 600 basis points to 27.25 percent, 28.25 percent, and 27.75 percent, respectively. The discount rate was also raised by 600 basis points to 27.75 percent .The Central Bank also decided on the same date to liberalize the US dollar exchange rate and allow the exchange rate to be determined according to market mechanisms.

Al Ahli Bank of Kuwait - EGYPT (S.A.E)

Notes to the separate financial statements – For the year ended 31 December 2024

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

39. Important events (continued)

* On April 8, 2024 , Citadel Company signed debt settlement agreement with lending Egyptian banks

1-Transfer of the shares' ownerships

* Transferring of 239,120,667 shares of TAQA Arabia to the Egyptian Banks (on September 3,2024 No. of 26,074,983 shares were transferred to ABK-Egypt with amount of EGP 365,049,762). , taking into account the following contractual terms according to the settlement contract concluded:

* Banks are prohibited from disposing of the transferred shares for a period of 5 years from the date of transfer of ownership. Banks retain the right to be represented by a member of the Board of Directors of TAQA Arabia Company, taking into account the terms of the contract regarding representation and voting.

call option During the fifth year of the banning period, Citadel Company (or one of its affiliates) shall have the right for re-purchasing the TAQA shares (Call option) at the settlement rate plus an accumulated annual interest rate of 5.5% in addition to the average of the corridor rate declared by the Central Bank of Egypt ("re-purchasing rate")

put option after 5 years from the date of TAQA share transfer to the Egyptian banks, members of the Second Party) and in the event Citadel Company does not use the buy option, the Egyptian banks shall have the right – at any convenient time to them during the sixth year – to demand Citadel Company (or through one of its affiliates) to re-purchase TAQA shares within 30 working days at the purchasing/settlement rate (EGP 14 per share) in addition to an annual accumulative interest rate of 50% of the average corridor rate declared by the Central Bank ("Put option Rate")

*Due to fluctuations in trading on the Egyptian stock exchange and the lack of stability, the contracting parties have agreed to transfer the shares at a price of EGP 14 per share, with a review of the share price and the reduced debt value through an assessment of the fair value of the share by one of the valuation experts accredited by the Egyptian Financial Regulatory Authority, no later than March 2026.

In case the fair value of the share is lower than the selling price (EGP 14 per share), Citadel company shall deposit the difference between the fair value and the selling price into the Escrow account within 30 days from the date of the fair value assessment.

*After 6 months from the date of the agreement, the USD exchange rate against the Egyptian Pounds shall be reconsidered.
In case the USD exchange rate exceeded EGP 45, Citadel Company shall be committed to pay the difference between the exchange rate approved in this settlement and maximum EGP 50 multiplied by the total value of the principal debt that amounts to USD 86.4 Million in the escrow account within a month and the deposited amount turn to the banks in the fifth year.

Citadel Co.shall transfer the amount of EGP 120 Million annually for 5 years starting from 31st December 2024 and up to 31st December 2028 with a total value of Six Hundred Million Egyptian Pounds in the escrow account in compensation for the Egyptian banks(members of the Second Party).

Financial Recognition based on terms of conditions reflected on ABK-Egypt's financial statement as below :

The settlement agreement recognized as other Debt instrument at FVTPL

*According to the contractual embedded derivatives which is closely related/linked to a host contract since the settlement agreement includes both call and put options . The embedded derivative will not be separated from the host contract i.

• The settlement contract was valuated during Q4 2024 and the fair value of the contract amounted to EGP 368,911,166 with a commitment to re-evaluate on the date of preparing the financial positions.

• The compensation inculded in the contract terms & conditions was calculated duringQ4 2024 recngised at other operating income amounted to EGP 75,933,805

39. Important events (continued)

2-Transfer of the Land's ownership

*Transferring of asset/assets (Currently: Tebin land) which its value is not less than Six Hundred Million Pounds provided that the values of these assets shall be determined by three consultancy offices accredited in the Central Bank to be selected by the Egyptian banks and the borrowing company shall bear the expenses and fees of the evaluators.

*In case the asset valuation is less than Six Hundred Million Pounds the Company is committed (within a maximum of six months from the date of this settlement agreement) to complete the value of the real estate asset to bring the value to Six Hundred Million Egyptian Pounds or replacing it by depositing the difference of full value in cash in the escrow account.

On September 1,2024 Land ownership has transferred to Egyptian banks after taking the average of 3 valuations by registered valuators in Central bank of Egypt amounted to 233,497,967 EGP (based on license of basement and 4 floors)

Financial recognition

ABK share in land recognized in other assets amounted to 25,454,025 EGP till reaching the contractual value of the asset.