



**AIB**

الصرف العربي الدولي  
ARAB INTERNATIONAL BANK

# ANNUAL REPORT 2024

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**Hisham Ramez**

Chief Executive Officer - Managing Director

## Message from The Chief Executive Office - Managing Director

Dear Shareholders,

On behalf of myself and the members of the board of directors of the Arab International Bank, I am pleased to present to you - through the 2024 Annual Report - our key achievements during the year, along with the audited financial information for the fiscal year which has ended on December 31, 2024.

The year 2024 witnessed significant economic developments, both globally and domestically. Despite the continued inflationary pressures and rising interest rates on one hand, and the ongoing governmental efforts to rationalize spending and control public debt on the other, the bank succeeded in delivering strong financial performance, as reflected in its financial statements. The following data highlights the bank's key performance indicators for the fiscal year which has ended on December 31, 2024:

The separate and consolidated financial statements of the bank have been prepared and presented. As of December 31, 2024, total assets in the separate financial statements amounted to USD 4.626 billion, compared to USD 4.440 billion as of December 31, 2023, representing an increase of USD 186 million and a growth rate of 4.2%. It is worth noting that the depreciation of the Egyptian Pound against the US Dollar during 2024 negatively impacted total assets, resulting in a decline equivalent to USD 728 million.

Net profit in the separate financial statements amounted to USD 77.4 million at the end of 2024, compared to USD 68.6 million at the end of 2023, reflecting an increase of USD 8.8 million and a growth rate of 12.8%. The depreciation of the Egyptian Pound against the US Dollar during 2024 negatively impacted net profit, resulting in a reduction of approximately USD 15 million.

It is worth noting that net profit in the separate financial statements does not include the bank's share of profits from subsidiaries and associates, as the bank prepares consolidated financial statements. The bank's share of such profits is recognized in the separate financial statements only upon actual cash distribution. Had the bank's share of profits from subsidiaries and associates through December 31, 2024 been taken into account, net profit would have amounted to USD 129 million, compared to USD 114.6 million at the end of 2023, as reflected in the consolidated financial statements.

Total customer deposits amounted to the equivalent of USD 3608 million at the end

of 2024, compared to the equivalent of USD 3275 million at the end of 2023. It is worth noting that customer deposits in Egyptian Pounds increased by 90% by the end of the year, while customer deposits in foreign currencies increased by 4.4% compared to the previous year-end. However, this overall growth was not fully reflected in total customer deposits due to the depreciation of the Egyptian Pound against the US Dollar during 2024.

During this period, the bank focused on updating its systems and operational procedures, strengthening the internal control environment, and acquiring new computer systems. The executive management also placed special emphasis on improving the quality of the credit portfolio and supporting its provisions, following a comprehensive review of the existing portfolio, along with the restructuring and close monitoring of facilities granted to customers.

The bank continued to maintain a strong capital adequacy ratio, calculated on a consolidated banking group basis in accordance with the directives of the Central Bank of Egypt, reaching 24.12% as of December 31, 2024, while the minimum requirement, including the capital conservation buffer, stood at 12.50%, as per the Central Bank of Egypt's instructions.

Significant steps have also been taken to expand retail banking services through digital transformation, the introduction of new products, and carefully planned geographic expansion. This approach stems from our commitment to providing the highest levels of convenience and ensuring easy access to our core services for customers wherever they are, while remaining attuned to their growing needs. The number of the bank's branches increased from 9 in 2016 to 21 by the end of 2024, with two additional branches opened during the first quarter of 2025, bringing the total to 23. Preparations are also nearing completion for the opening of three more branches later this year, alongside the establishment and outfitting of the bank's new headquarters in the New Administrative Capital.

All these initiatives and more reflect our strong commitment to delivering innovative banking solutions, as we continued to apply a customer-centricity approach.

In conclusion, I would like to express my sincere thanks and appreciation to the esteemed members of the bank's board of directors for their continued efforts and guidance. I also extend my gratitude to the executive management and all bank employees for their dedication and tireless work, which have been instrumental in achieving key milestones and maintaining Arab International Bank's strong position in the Egyptian market. We look forward to a year of continued success and further progress for our bank.

I would also like to extend our heartfelt thanks and appreciation to our valued clients and all those who deal with the bank for their trust and ongoing support. We reaffirm our unwavering commitment to meeting your expectations and delivering the highest standards of distinguished banking services.





**Mr. Amr Mohamed Kamel**  
**Non-Executive Chairman**

## Message from The Non-Executive Chairman

Dear Shareholders,

Good governance represents a fundamental pillar of the Arab International Bank's strategy and operational activities. Acknowledging the importance of continuous adaptation to international best practices, the board of directors proactively seeks to develop the bank's internal governance frameworks and practices, while taking into consideration the bank's founding agreement, articles of association, and the distinctive nature of the bank.

The bank continuously endeavors to strengthen its positive reputation through the application of sound governance practices. It remains committed to its responsibility to safeguard the interests of all stakeholders - including shareholders, clients, and

employees - with the aim of ensuring a stable and fair working environment. Moreover, AIB holds a firm belief in Corporate Social Responsibility, particularly in contributing to the improvement of the community's social and economic conditions, promoting the transition toward a green economy, and addressing environmental and social risks.

I would like to extend my deepest gratitude and appreciation to the members of the board of directors and the executive management team for their dedicated efforts. Their constructive collaboration and complementary roles have laid a solid foundation for upholding the principles of effective oversight and sound management, reflecting the highest standards of mature institutional practices and reinforcing confidence in the robust governance to which we collectively aspire in pursuit of the bank's strategic objectives.

Looking ahead, we reaffirm our commitment to strengthening the Arab International Bank's position and establishing it as one of the leading financial institutions in the Egyptian banking sector.



## About AIB

The Arab International Bank was established in 1974 by virtue of an international treaty concluded by the governments of the Arab Republic of Egypt, Libya, Sultanate of Oman, the State of Qatar and the United Arab Emirates. The legal domicile of the Bank is located in Cairo, Egypt. The purpose of this Bank is to carry out all the banking, financial and commercial activities related to the projects of economic development and foreign trade, especially for the interest of the member states, in addition to other Arab and non-Arab countries. The mentioned activities include but are not limited to:

- Accepting time deposits or call deposits and opening accounts for the governments of the Arab countries, non-Arab countries, the organizations, institutions, banks, companies and individuals from Arab and non-Arab countries.
- Financing the foreign trade operations of the Arab countries through providing credit facilities for the importers, granting finance to the exporters and providing insurance or securing the facilities required for such operations.
- Organizing the participation in the projects and investment programs that are related to the economic development, particularly those of common nature among a number of the Arab countries.
- Providing long and medium-term loans for the purposes of development.
- Establishing or acquiring companies or participating in any manner with the banks, Arab and foreign companies practicing similar activities and assisting the Bank in achieving its purposes in the Arab or foreign countries.

Within the framework of the endeavors exerted by the Bank to expand its activities and the establishment of new branches, in addition to providing all the services to its customers in a manner according to which the Bank can carry out transactions in all currencies including the Egyptian Pound along with maintaining all the privileges granted by virtue of the Bank Establishment Treaty, whether to the shareholders or the customers, the Extraordinary General Assembly meeting of the Arab International Bank held on March 22, 2012 approved the amendment of some articles of the Bank Establishment Treaty and its statutes. The following are the most significant amendments of which:

- All transactions undertaken by the Bank shall be conducted in all currencies as specified by the Board of Directors.
- The Bank and its branches are not subject to the laws regulating general organizations or organizations of public utility, public sector companies and joint stock companies in Member States where the Bank or its branches operate.

- In a manner that is not in conflict with the above mentioned and with the rest of Bank Establishment Treaty, this Bank is subjected to the supervision of the Central Bank according to the law of Central Bank, the law of Banking and Monetary System in the headquarters hosting country. Furthermore, AIB branches in other member states are subjected to the supervision of the Central Banks, according to the applicable laws regulating banks and credit facilities in these member states.

It has been taken to activate this amendment procedures as of April 2015.



The Shareholders



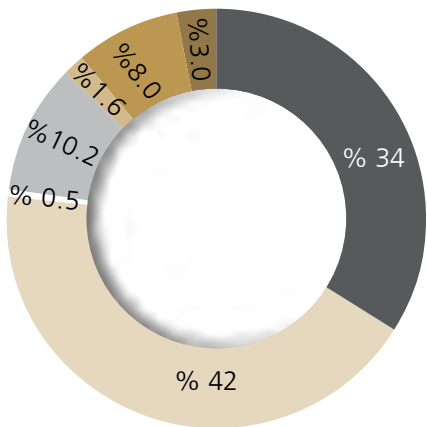
Members of the Board of Directors 2024

- Mr. Amr Mohamed Kamel  
Non-Executive Chairman
- Mr. Hisham Ramez Abdel Hafez  
Chief Executive Officer – Managing Director
- Dr. Mostafa Kamal Madbouly  
Member of the Board of Directors
- Mr. Mohamed Abdel-Hamid Aboumoussa  
Member of the Board of Directors
- Mrs. May Sherif Abouelnaga  
Member of the Board of Directors
- Mr. Ashraf Mohamed Bahie Eldin  
Member of the Board of Directors
- Mr. Ali Salem El Hebry  
Member of the Board of Directors
- Mr. Khaled Amr E. Algonsel  
Member of the Board of Directors
- Mr. Ali Mahmoud Hassan  
Member of the Board of Directors
- Mr. Adel Gomaa Amer  
Member of the Board of Directors
- Mr. Khaled Mohamed Al Khajeh  
Member of the Board of Directors
- Mr. Hamad Rashed Al Noeimy  
Member of the Board of Directors
- Mr. Abdulla Ali M. A. Al-Kuwari  
Member of the Board of Directors

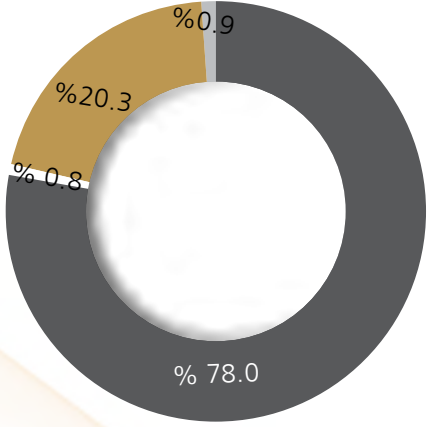


# The Most Significant Financial Information & Indications

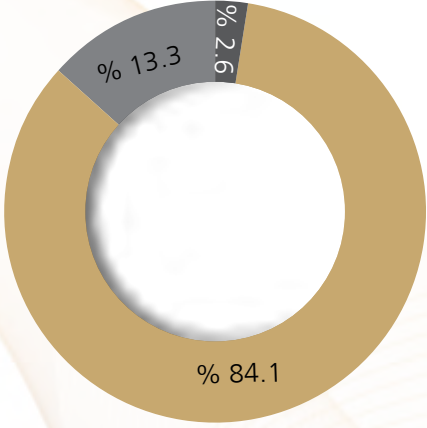
	2024	2023
<b>Income Statement Items</b>		(US\$ Thousands)
Total operating income	139 599	138 682
Total operating expenses	( 67 950)	( 65 444)
Profit before provisions	71 649	73 238
Net profit	77 435	68 636
<b>Financial Position Items</b>		(US\$ Million)
Total Assets	4 626	4 440
Cash & Placement with banks	1 573	1 661
Net loans and advances	470	494
Treasury bills	1 980	1 677
Investments at fair value through other comprehensive income	23	25
Financial investments at amortized cost	74	97
Investments in subsidiaries & associates	368	368
Customers' deposits	3 608	3 275
Shareholders' equity	938	909
<b>Ratio (%)</b>	<b>%</b>	<b>%</b>
<b>Assets Quality</b>		
Total assets growth rate	4.20	3.84
Loans provision to gross loans	29.85	31.09
Loans provision to non-performing loans	110.14	114.67
<b>Capital Adequacy</b>		
Total equity growth rate	3.17	5.61
Total equity to total assets	20.3	20.5
<b>Liquidity</b>		
Net loans to total deposits	12.89	14.18
Net loans to total customers' deposits	13.03	15.08
Total customers' deposits to total deposits	98.93	94.04
Liquid assets to total assets ratio	71.12	68.21
<b>Profitability</b>		
Operating income on average assets	1.71	1.57
Return to average equity	8.38	7.75
Return to paid in capital	12.91	11.44



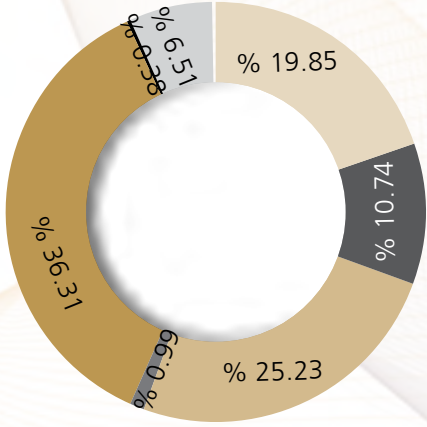
(US\$ Thousands)		
%	Assets Breakdown	31-Dec-2024
34.0	Cash & Cash at Banks	1 573 457
42.8	Treasury Bills	1 979 684
0.5	Investments at fair value through OCI	23 406
10.2	Loans & Facilities	470 108
1.6	Investments at amortized cost	73 508
8.0	Investments in Associates	367 917
3.0	Others	138 346
100		4 626 426



(US\$ Thousands)		
%	Resources Breakdown	31-Dec-2024
78.0	Customers' Deposits	3 608 015
0.8	Banks' deposits	39 069
20.3	Shareholders' equity	937 980
0.9	Others	41 362
100		4 626 426

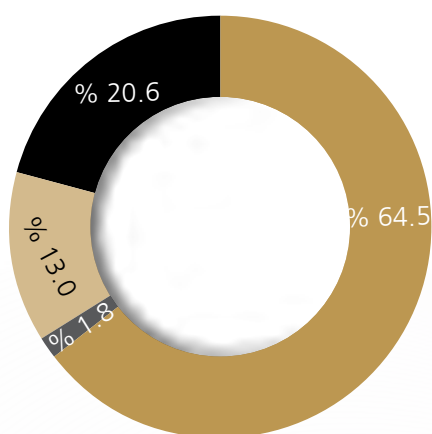


(US\$ Thousands)		
%	Gross Loans and Facilities by Type	31-Dec-2024
2.6	Individuals	17 457
84.1	Corporates	563 872
13.3	Banks	88 813
100		670 142
	Provisions	( 200 034)



(US\$ Thousands)		
%	Distribution of Loans According to Sectors	31-Dec-2024
19.85	Financials	132 999
10.74	Industrial	71 961
25.23	Petroleum & Gas	169 082
0.99	Commercial	6 611
36.31	Tourism	243 318
0.38	Construction	2 535
6.51	Others	43 636
100	Total	670 142



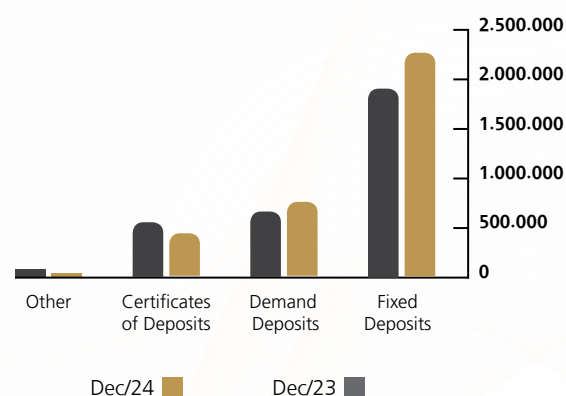
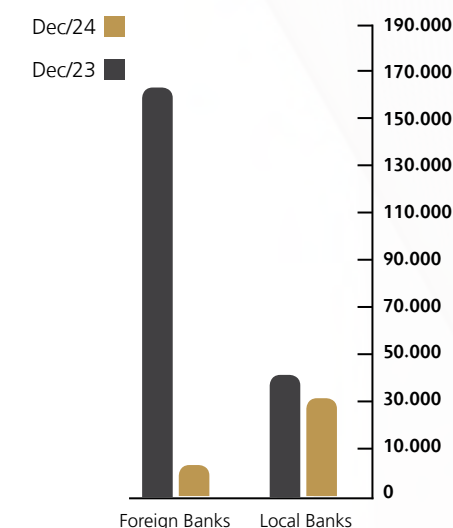


(US\$ Thousands)

%	Associates by Sectors	31-Dec-2024
64.5	Financial institutions	237 397
1.8	Tourism	6 800
13.0	Commercials & Industrial	48 000
20.6	Technology & Education	75 720
100	<b>Total</b>	<b>367 917</b>

(US\$ Thousands)

Distribution of Interbanks Deposits by Region	31-Dec-2024	31-Dec-2023
Local Banks	30 162	40 375
Foreign Banks	8 907	167 124
<b>Total</b>	<b>39 069</b>	<b>207 499</b>

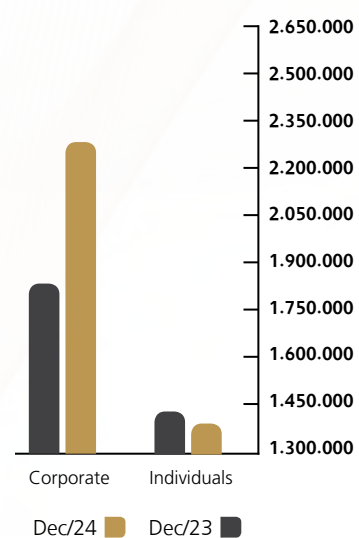
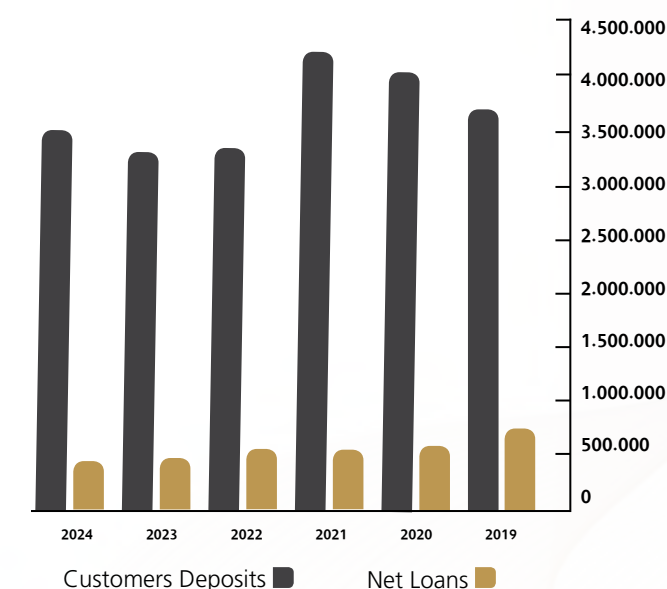


(US\$ Thousands)

Customers Deposits	31-Dec-2024	31-Dec-2023
Fixed Deposits	2 307 496	1 910 009
Demand Deposits	779 720	746 069
Certificates of Deposits	486 140	575 308
Other	34 659	43 377
<b>Total</b>	<b>3 608 015</b>	<b>3 274 763</b>

(US\$ Thousands)

Net Loans Versus Customers Deposits	Net Loans	Customers Deposits
2019	608 167	3 786 645
2020	595 029	4 030 604
2021	557 080	4 212 211
2022	568 044	3 314 756
2023	493 884	3 274 763
2024	470 108	3 608 015

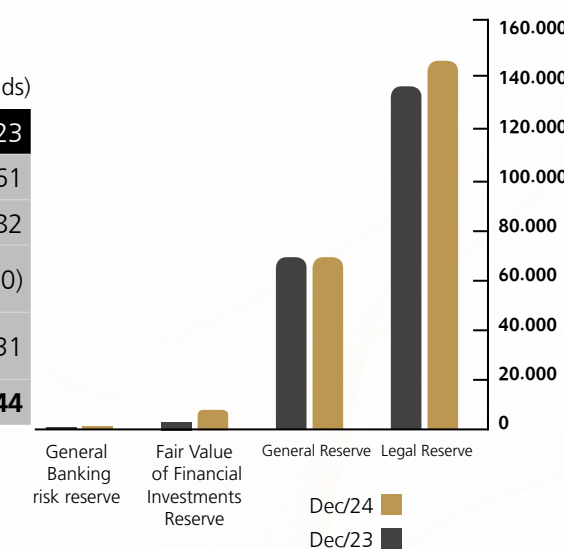


(US\$ Thousands)

Distribution of Customers Deposits by Client Type	31-Dec-2024	31-Dec-2023
Individuals	1 358 936	1 410 354
Corporate	2 249 079	1 864 409
<b>Total</b>	<b>3 608 015</b>	<b>3 274 763</b>

(US\$ Thousands)

Reserves Distribution	31-Dec-2024	31-Dec-2023
Legal Reserve	146 625	139 761
General Reserve	73 582	73 582
Fair Value of Financial Investments Reserve	( 7 367)	( 3 030)
General Banking risk reserve	42	31
<b>Total</b>	<b>212 882</b>	<b>210 344</b>





# Board of Directors' Report

22 Financial Position  
26 Income Statement



# The Board of Directors' Report on the Bank's activities as at December 31, 2024

## Executive Summary

The total assets in the financial statements as at December 31, 2024 amounted to \$ 4.626 billion, compared to \$ 4.440 billion as at December 31, 2023, with an increase amounted to 186 million US\$ that represents a percentage of increase amounted to 4.2%. The main reason for the increase in total assets this year compared to the previous year is the increase of EGP assets amounted to 49 billion EGP, this was offset by the decrease of FCY assets amounted to 61.2 million US\$ and a decrease in the price of the exchange of the Egyptian pound against the US dollar (50.84 at the end of December 2024 compared to 30.89 at the end of December 2023), as this affected the decrease in the equivalent in US dollars of the total assets in the Egyptian pound, equivalent to an amount of 728 million US dollars.

The following is a statement of the impact of the decrease in the exchange rate of the Egyptian pound against the US dollar on assets and liabilities on December 31, 2024:

### Liabilities & Equity

Description	31-Dec-24		31-Dec-23		Change +/-		Per Million US\$ The impact of decrease in exchange rate of the Egyptian pound value
	value	%	value	%	value	%	
Equity	938	20.3	909	20.5	29	3	( 20)
Customers' deposits	3 608	78.0	3 275	73.7	333	10	( 700)
Due to banks	39	0.8	207	4.7	( 168)	( 81)	-
Other liabilities & provisions	41	0.9	49	1.1	( 8)	( 16)	( 8)
<b>Total</b>	<b>4 626</b>	<b>100.0</b>	<b>4 440</b>	<b>100</b>	<b>186</b>	<b>4</b>	<b>( 728)</b>

### Assets

Description	31-Dec-24		31-Dec-23		Change +/-		Per Million US\$ The impact of decrease in exchange rate of the Egyptian pound value
	value	%	value	%	value	%	
Cash balances & due from banks	1 573	34.0	1 661	37.4	( 88)	( 5)	( 161)
Financial investments	2 077	44.9	1 798	40.5	278	15	( 498)
Loans to customers & banks (net)	470	10.2	494	11.1	( 24)	( 5)	( 41)
Investments in associates	368	8.0	368	8.3	-	-	-
Other assets	138	3.0	119	2.7	19	16	( 29)
<b>Total</b>	<b>4 626</b>	<b>100.0</b>	<b>4 440</b>	<b>100</b>	<b>186</b>	<b>4</b>	<b>( 728)</b>

The net profit as at December 31, 2024 amounted to US\$ 77.4 million, compared to US\$ 68.6 million as at December 31, 2023, with an increase of US\$ 8.8 million that represents an increase of 12.8%. The reason for the increase in net profit for the Bank this year compared to the previous year is the reverse of US\$ 5.8 million in Expected credit losses ECL provisions this year and the increase in net trading income with an amount of US\$ 0.7 million over the previous year, this was offset by an increase of US\$ 2.5 million in other administrative expenses, a decrease of US\$ 0.5 million in net income from fees and commissions and an increase of US\$ 0.6 million in other net operating "income/expenses".

Suspense Interest amounted to US\$ 55.7 million this year compared to US\$ 50.4 million during the previous year.

It is worth noting that, the following items affected the net profit by a decrease of US\$ 28.4 million as per the separate financial statements for the year 2024:

- Revaluation of profits in Egyptian pounds against US dollars that caused a decrease in net profit with an amount equivalent to US\$ 15 million.

- Increasing the mandatory reserve in Egyptian pounds from 14% to 18% that caused a decrease in net profit with an amount equivalent to US\$ 13.4 million.

It is also worth noting that, the separate net profit as at December 31, 2024 did not include the Bank's share in the profits of the associate companies due to the fact that Bank's preparation of the consolidated financial statements, as the Bank's share in the profits of the subsidiaries and associate companies is not recognized except when cash distribution is made only. when assuming that the Bank's share in the profits of subsidiaries and associate companies is taken into consideration until December 31, 2024, the net profit will reach US\$ 128.2 million as appear in the consolidated financial statements excluding of the effect of the previously mentioned decrease of US\$ 28.4 million.



# The Detailed Report

## Introduction

The separate and consolidated financial statements of the Bank were prepared in accordance with rules issued on 16 December 2008 by the Central Bank of Egypt with respect to the preparation and presentation of the financial statements of banks in addition to the instructions of preparation and presentation of the financial statements of banks issued on 26 February 2019 by the Central Bank of Egypt with respect to the requirements of IFRS (9) "Financial Instruments".

The said separate and consolidated financial statements were audited by external auditors in accordance with the rules and instructions mentioned above and they issued an unqualified opinion (a clean opinion report) to the effect that the financial statements present fairly, in all material respects, the financial position of Arab International Bank as at December 31, 2024, its financial performance and its cash flows for the year then ended.

The Board of Directors of the Arab International Bank is honored to introduce the results of the Bank's activities and its performance according to the financial statements for the year ended as at December 31, 2024:

## First: Financial Position:

### 1.Liabilities and owners' equity:

The total amount of liabilities and owners' equity as at December 31, 2024 amounted to US\$ 4 626 million corresponding to US\$ 4 440 million as at December 31, 2023 with an increase of US\$ 186 million (despite the decrease in the exchange rate of the Egyptian pound against the US dollar on EGP liabilities and equity on December 31, 2024 equivalent to an amount of US\$ 728 million) as showed in the following table:

(Per Million US\$)

Description	31-Dec-24		31-Dec-23		Change (-) / +	
	Value	%	Value	%	Value	%
Shareholders' equity	938	20.3	909	20.5	29	3
Customers' deposits	3 608	78.0	3 275	73.8	333	10
Balances due to banks	39	0.8	207	4.7	(168)	(81)
Other liabilities & provisions	41	0.9	49	1.1	(7)	(15)
<b>Total</b>	<b>4 626</b>	<b>100</b>	<b>4 440</b>	<b>100</b>	<b>186</b>	<b>4</b>

## A- Shareholders' Equity

The total shareholders' equity as at December 31, 2024 amounted to US\$ 938 million corresponding to US\$ 909 million, as at December 31, 2023 with an increase amounting to US\$ 29 million. Hereunder is an analysis of the shareholder's equity items as at December 31, 2024 & December 31, 2023:

### A/1 Capital

The issued and paid-in capital of the Bank as at December 31, 2024 amounts to US\$ 600 million, distributed over 30,000 ordinary shares, the value of each share is US\$ 20 thousand.

The issued & paid in capital is as follows:

	No. of shares	Value of issued shares (per thousand US\$)	%
Arab Republic of Egypt	11 628	232 560	38.76
State of Libya	11 628	232 560	38.76
Abu Dhabi Investment Authority	3 751	75 020	12.503
State of Qatar	1 495	29 900	4.984
Sultanate of Oman – Oman Investment Authority	747	14 940	2.49
International Capital Trading Company	751	15 020	2.503
<b>Total</b>	<b>30 000</b>	<b>600 000</b>	<b>100</b>

- The capital adequacy ratio reached 24.12 % as of December 31, 2024 (as a banking group) after the provisional exemption granted to banks by the Central Bank of Egypt from calculating the risks of concentration of the credit portfolio with the largest 50 clients and related parties, while the minimum requirements of the Central Bank of Egypt, including the conservation buffer until that date is 12.5%.

## A/2 Capital Financial investments fair value reserve through other comprehensive income

Financial investments fair value reserve through other comprehensive income is represented in the losses from revaluation of outstanding financial investments through other comprehensive income amounting to US\$ 7.37 million (decrease) as at December 31, 2024 against the amount of US\$ 3.03 million (decrease) as of December 31, 2023, with a decrease of US\$ 4.34 million, this decrease is due to a decrease of US\$ 10.4 million in the fair value of Hydrocarbon company and a decrease in equity instruments at fair value through other comprehensive income ("Arab International Company for Hotels and Tourism", "International Company for Various Investments" and "Egyptian Takaful") amounted to US\$ 1.5 million, this was offset by an increase in investments in treasury bills at fair value through other comprehensive income amounted to US\$ 7.5 million.

## A/3 Retained Earnings

The retained earnings including the net profit of the year as at December 31, 2024 amounted to US\$ 125.1 million corresponding to US\$ 98.8 million as at December 31, 2023 with an increase of US\$ 26.3 million.

## B- Deposits

### B/1 Customers' Deposits

The customers' deposits & certificates of deposits as at December 31, 2024 amounted to US\$ 3 608 million corresponding to US\$ 3 275 million as at December 31, 2023 with an increase of US\$ 333 million at a rate of increase of 10.2 %, the reason of this increase is due to the increase in customers' deposits in foreign currencies amounting to US\$ 65.6 million and an increase in customers' deposits in Egyptian pounds amounting to L.E 49 188 million this was offset by a decrease due to differences of currency revaluation in customers' deposits in Egyptian pound that reached an amount equivalent to US\$ 728 million.

The interest paid in return for customers' deposits as at 31 December 2024 amounted to US\$ 312.5 million corresponding to US\$ 246.1 million as at 31 December 2023 at an average interest rate that reached 22.7% for the Egyptian pound and 2.8% for foreign currencies during the current financial year corresponding to 15.9 % for the Egyptian pound and 2.4 % for foreign currencies during the comparative year.

### B/2 Placements from Banks

The Placements from Banks as at December 31, 2024 amounted to US\$ 39.1 million corresponding to US\$ 207.5 million as at December 31, 2023 with a decrease amounting to US\$ 168.4 million at a rate of decrease of 81.2 % when compared to last year.





The interest paid on Placements from Banks as at December 31, 2024 amounted to US\$ 5.5 million at an average interest rate that amounted to 26.8 % for the Egyptian pound and 4.5 % for foreign currencies corresponding to US\$ 5.8 million as at December 31, 2023 at an average interest rate of 16.5 % for the Egyptian pound and 4.9 % for foreign currencies during the comparative year.

C- Other Liabilities

The Total amount of other liabilities as at December 31, 2024 amounted to US\$ 39.7 million corresponding to US\$ 46.7 million by a decrease amounted to US\$ 7 million. The said decrease is due to the decrease in the interest income due to customers with an amount of US\$ 9 million and a decrease in staff pension fund with an amount of US\$ 0.7 million, this was offset by a decrease amounted to US\$ 2.9 in the balances of employees’ alternative pension scheme.

D- Other Provisions

The total other provisions as at December 31, 2024 amounted to US\$ 1.7 million corresponding to the amount of US\$ 1.9 million as at December 31, 2023.

2.Assets

The total assets as at December 31, 2024 amounted to US\$ 4 626 million corresponding to US\$ 4 440 million as at December 31, 2023 with an increase amounted to US\$ 186 million (despite the decrease in the exchange rate of the Egyptian pound against the US dollar on EGP Assets on December 31, 2024 equivalent to an amount of US\$ 728 million), as follows:

Per Million US\$

Description	31-Dec-24		31-Dec-23		Change (-)/ +	
	Value	%	Value	%	Value	%
Cash balances, balances with CBE and deposits due from banks	1 573	34.0	1 661	37.4	(88)	(5)
Financial investments	2 077	44.9	1 798	40.5	279	15
Loans to customers and banks (net)	470	10.2	494	11.1	(24)	(5)
Investments in associates	368	8.0	368	8.3		
Fixed assets, intangibles & other assets	138	3.0	119	2.7	19	16
Total	4 626	100	4 440	100	186	4

A- Cash Balances, Balances with the Central Bank of Egypt &Deposits Due from Banks

Cash Balances, Balances with the Central Bank of Egypt & Deposits Due From Banks as at December 31, 2024 amounted to US\$ 1 573 million corresponding to US\$ 1 661 million as at December 31, 2023 with a decrease of US\$ 88 million at a decrease rate of 5.3 % (despite the decrease in the exchange rate of the Egyptian pound against the US dollar on EGP cash balances, balances with the Central Bank of Egypt & deposits due from banks equivalent to an amount of US\$ 161 million), the said decrease represents a decrease in local banks’ deposits by US\$ 886.4 million and decrease in the balances with the Central Bank within the mandatory reserve percentage in Egyptian pound, that is equivalent to US\$ 46.7 million and decrease in cash balance by US\$ 3.2 million and decrease in foreign banks’ current accounts that amounted to US\$ 6.7 million and a decrease in local banks’ current accounts that amounted to US\$ 0.3 million, this was offset by an increase in foreign banks’ deposits amounting to US\$ 855.7 million. The percentage of those balances as at December 31, 2024, amounted to about 43.6% of the volume of customers’ deposits, compared to 50.7% as at December 31, 2023.

B- Financial Investments

The balances of financial investments at fair value through other comprehensive income, financial investments at amortized cost and treasury bills as at December 31, 2024 amounted to US\$ 2 077 million corresponding to US\$ 1 798 million as at December 31, 2023 with an increase of US\$ 279 million (despite the decrease in the exchange rate of the Egyptian pound against the US dollar on EGP financial investments equivalent to an amount of US\$ 498 million). The value of such investments represents 44.9 % of the total assets as at December 31, 2024 corresponding to 40.5 % as at December 31, 2023.

Financial investments are evaluated through other comprehensive income at their fair value, and the valuation differences are recorded in equity under the item of fair value reserve for financial investments through other comprehensive income.

C- Loans to Customers and Banks (Net):

The net loans and facilities portfolio (after deducting the Expected Credit Losses ECL provisions) amounted to US\$ 470.1 million as at December 31, 2024 corresponding to US\$ 493.9 million as at December 31, 2023 with a decrease amounting to US\$ 23.8 million the reason of this decrease is due to the decrease in net loans and facilities portfolio in foreign currencies amounting to US\$ 22.3 million and a decrease due to differences of currency revaluation in net loans and facilities portfolio in Egyptian pound that reached an amount equivalent to US\$ 40.8 million, this was offset by an increase in net loans and facilities portfolio in Egyptian pounds amounting to L.E 2 billion.

The non-performing loans portfolio (stage 3) after excluding suspense interests and the fair value of collaterals amounted to US\$ 181.6 million on December 31, 2024, corresponding to US\$ 194.3 million during the previous year. The coverage ratio of Expected Credit Losses ECL provisions to the net loans and advances portfolio (excluding suspense interests) was 29.8 % on December 31, 2024 corresponding to 31.1 % as at December 31, 2023 while the coverage ratio of the non-performing loans Expected Credit Losses ECL provisions (stage 3) to the net non-performing loans portfolio (stage 3) was 66.8 % as at December 31, 2024 corresponding to 67.7 % as at December 31, 2023.

The total amount of the interest income from loans and facilities portfolio amounted to US\$ 61.9 million at an average interest rate of 29.2 % for the Egyptian pound and 8 % for foreign currencies as at December 31, 2024 corresponding to US\$ 52 million at an average interest rate of 20.6 % for the Egyptian pound and 6.3 % for foreign currencies as at December 31, 2023.

D- Investments in Subsidiaries & Associates:

The volume of direct participation in the capital of the subsidiaries and associates companies as at December 31, 2024 and December 31, 2023 reached the amount of US\$ 367.9 million. The following is an analytical statement of such participations:

Per thousand US\$

Description of Companies	Business Activity	Participation Percentage	31-Dec-2024	31-Dec-2023	Change (-)/ +	
					Value	%
Investments in Subsidiaries & Associates						
Participation Percentage 20% and More						
<b>A-Subsidiaries</b>						
Société Arabe Internationale de Banque (SAIB)	Banking	51.020	83 065	83 065	-	-
<b>B-Associates</b>						
World Trade Center Company (WTC)	Housing – Administrative	50	48 000	48 000	-	-
Suez Canal Bank	Banking	41.5	154 332	154 332	-	-
Suez Canal Company for Technology	Educational Institutions	24.08	75 720	75 720	-	-
International Company for Tourist Investments (ICTI)	Housing – Hotels	20	6 800	6 800	-	-
<b>Total Investments in Subsidiaries and Associates</b>			<b>367 917</b>	<b>367 917</b>	<b>-</b>	<b>-</b>





## E- Other Assets:

On 31 December 2024, the other assets amounted to US\$ 71.7 million corresponding to US\$ 53.1 million as at December 31, 2023 with an increase of US\$ 18.6 million. The said increase is due to an increase of payments in advance under the account of fixed assets purchase, with the amount of US\$ 11.2 million and an increase in accrued interests with the amount of US\$ 2.8 million and an increase in the acquired assets with the amount of US\$ 3.2 million, this was offset by a decrease in the other assets with the amount of US\$ 1.5 million (decrease in bonds' taxes under settlement due to differences of currency revaluation that reached an amount equivalent to US\$ 1.2 million).

## F- Fixed Assets:

The net value of the fixed assets after depreciation as at December 31, 2024 reached the amount of US\$ 62.2 million corresponding to US\$ 62.8 million as at December 31, 2023 with a decrease that amounted to US\$ 0.6 million.

## G- Intangible Assets:

The net intangible assets after amortization amounted to US\$ 4.5 million as at December 31, 2024, that are represented in computer software, corresponding to US\$ 3.2 million as at December 31, 2023 with an increase amounted to US\$ 1.3 million.

## H- Contingent Liabilities and Commitments:

The net total amount of contingent liabilities and commitments after deducting the cash collaterals as at December 31, 2024 reached US\$ 43.5 million corresponding to US\$ 91.3 million as at December 31, 2023.

The total contingent liabilities provision that represents an obligation on the Bank as at December 31, 2024 amounted to US\$ 0.5 million corresponding to US\$ 1 million as at December 31, 2023 (the net revenues from fees and commissions of letters of credit & letters of guarantee as at December 31, 2024 amounted to US\$ 2.9 million corresponding to US\$ 2.8 million as at December 31, 2023).

## Second: Income Statement:

The net profit as at December 31, 2024 amounted to US\$ 77.4 million, compared to US\$ 68.6 million as at December 31, 2023, with an increase of US\$ 8.8 million that represents an increase of 12.8%. The reason for the increase in net profit for the Bank this year compared to the previous year is the reverse of US\$ 5.8 million in Expected credit losses ECL provisions this year and the increase in net trading income with an amount of US\$ 0.7 million over the previous year, this was offset by an increase of US\$ 2.5 million in other administrative expenses, a decrease of US\$ 0.5 million in net income from fees and commissions and an increase of US\$ 0.6 million in other net operating "income/expenses". Moreover, the currency revaluation differences affected the net profit during the year 2024, by a decrease equivalent to US\$ 15 million. The following is a detailed statement of the revenues and expenses items as at December 31, 2024 & 2023:

Per thousand US\$

Description	31-Dec-2024	31-Dec-2023	Change (-) / +	
			Value	%
Operating income	457 628	390 515	67 113	17
Operating expenses	( 318 029)	( 251 833)	( 66 196)	26
Total operating income	139 599	138 682	917	1
Administrative & general expenses	( 67 950)	( 65 444)	( 2 506)	4
Net profits before provisions	71 649	73 238	( 1 589)	( 2)
Charge of impairment for credit losses	5 786	( 4 602)	10 388	( 226)
<b>Net profit</b>	<b>77 435</b>	<b>68 636</b>	<b>8 799</b>	<b>13</b>

## 1. Revenues:

The Bank achieved total operating income as at December 31, 2024 that amounted to US\$ 457.6 million corresponding to US\$ 390.5 million as at December 31, 2023 according to the following:

Per thousand US\$

Description	31-Dec-24		31-Dec-23		Change (-) / +	
	Value	%	Value	%	Value	%
Interest income & similar revenues	435 401	95.1	376 448	96.4	58 953	15.66
Net income from fees & commissions	5 467	1.2	5 974	1.5	( 507)	( 8)
Dividends	15 528	3.4	6 934	1.8	8 594	124
Net trading income	2 147	0.5	1 438	0.4	709	49
Financial investments profits (losses)	15	0.0	37	0.0	( 22)	( 58)
Other operating income (expenses)	( 930)	-0.2	( 316)	-0.1	( 614)	194
<b>Total</b>	<b>457 628</b>	<b>100</b>	<b>390 515</b>	<b>100</b>	<b>67 113</b>	<b>17</b>

## A- Interest Income from loans & Similar Revenues

The interest income from loans and similar revenues represents 95.1 % of the total revenues as at December 31, 2024 compared to 96.4 % as at December 31, 2023.

The following is a detailed statement of the interest received as at December 31, 2024/2023:

Per thousand US\$

Description	31-Dec-24		31-Dec-23		Change (-) / +	
	Value	%	Value	%	Value	%
From cash balances and deposits with banks (A)	123 284	28	64 351	17	58 933	92
From loans to customers & banks (B)	61 851	14	51 974	14	9 877	19
From investments portfolio (C)	250 266	57	260 123	69	( 9 857)	( 4)
<b>Total</b>	<b>435 401</b>	<b>100</b>	<b>376 448</b>	<b>100</b>	<b>58 953</b>	<b>15.66</b>

- A- The increase this year is due to the increase in the average balances of cash balances and deposits with banks in Egyptian pound and foreign currencies in addition to the increase in the average rate of interest on deposits with banks in foreign currencies and the increase in the average rate of interest on deposits with banks in Egyptian pound.
- B- The increase this year is due to the increase in the average balances of loans and facilities in Egyptian pound, in addition to the increase in the average rate of interest on loans and facilities in Egyptian pound.
- C- The decrease this year is due to the decrease as a result of the currency revaluation differences of the returns of the investment portfolio in Egyptian pound by the equivalent of US\$ 105.4 million, this was offset by the increase in the return of the investment portfolio in Egyptian pound due to the increase in the average balances of the investment portfolio in Egyptian pound and the increase in the return of the investment portfolio in foreign currencies.

## B- Net Income from Fees & Commissions

The net income from fees & commissions amounted to US\$ 5.5 million as at December 31, 2024 corresponding to US\$ 6 million as at December 31, 2023.

## C- Dividends Income

The dividends income amounted to US\$ 15.5 million as at December 31, 2024 compared to 6.9 million as at December 31, 2023.

US\$



D- Net Trading Income

The net trading income as at December 31, 2024 amounted to US\$ 2.1 million compared to US\$ 1.4 million on December 31, 2023.

E- Financial investments profits (losses)

The financial investments profits amounted to US\$ 15 thousand as at December 31, 2024 compared to US\$ 37 thousand as at December 31, 2023.

F- Other Operating Income (Expenses)

The other operating income (expenses) amounted to US\$ 930 thousand (Expenses) as at December 31, 2024 compared to US\$ 316 thousand (Expenses) as at December 31, 2023 and the following table presents a detailed description of the other operating income (expenses):

thousand US\$

Description	31-Dec-2024	31-Dec-2023	Change (-) / +	
			Value	%
Gains (losses) from revaluation of assets & liabilities balances other than trading or the originally classified at fair value through profit & loss	825	443	382	86
Other revenues	592	1 262	( 670)	( 53)
Other provisions charge / reverse	( 486)	( 301)	( 185)	61
Other expenses	( 1 861)	( 1 720)	( 141)	8
Net other operating income (expenses)	( 930)	( 316)	( 614)	194

Expenses:

A- Interests Paid :

The interests paid as at December 31, 2024 amounted to US\$ 318 million compared to US\$ 251.8 million on December 31, 2023 and the following table presents a detailed description of the paid interests:

thousand US\$

Interests Paid	31-Dec-24		31-Dec-23		Change (-) / +	
	Value	%	Value	%	Value	%
Customers’ deposits (A)	312 482	98	246 083	98	66 399	27
Banks’ deposits	5 547	2	5 750	2	( 203)	( 4)
Total	318 029	100	251 833	100	66 196	26

(A) The increase this year is due to the increase in the average balances of the customers’ deposits in Egyptian pound and foreign currencies in addition to the increase in average rate of interest paid on customers’ deposits in foreign currencies and the increase of the average rate of interest paid on customers’ deposits in Egyptian pound.

B- Administrative and General Expenses:

The administrative and general expenses as at December 31, 2024 reached the amount of US\$ 67.95 million corresponding to US\$ 65.44 million as at December 31, 2023, with an increase of US\$ 2.5 million, and an increase rate of 4%.

C- Expected Credit losses ECL

The income statement included reversal of expected credit losses ECL during the year 2024 by an amount of US\$ 5.8 million against the charge of expected credit losses ECL that amounted to US\$ 4.6 million during the year 2023, and the table hereunder presents their description as follows:

Per thousand US\$

Description	31-Dec-2024	31-Dec-2023	Change (-) / +	
			Value	%
Loans & facilities to customers	6 596	( 5 550)	12 146	219
Loans & facilities to Banks	( 253)	136	( 389)	( 286)
Deposits due from banks	( 70)	( 5)	( 65)	1 300
Treasury bills	( 136)	14	( 150)	1 071
Equity instruments at amortized cost	( 351)	803	( 1 154)	( 144)
Total	5 786	( 4 602)	10 388	( 226)





# Governance

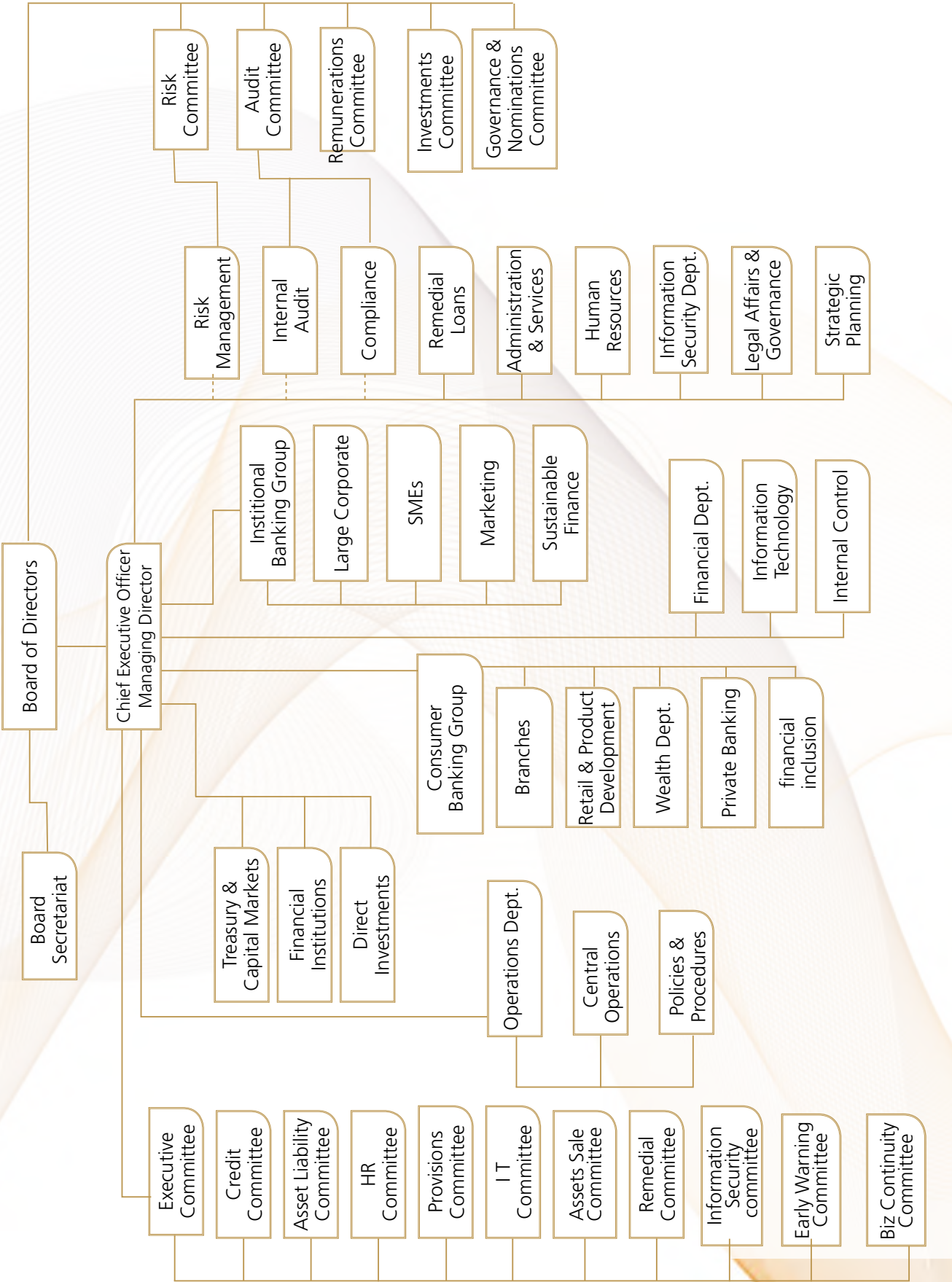
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03



The Main Organizational Structure Of The Arab International Bank



Board Committees

The board committees play an important role in the decision-making process, assisting and supporting the board in fulfilling its responsibilities. These specialized committees facilitate the board’s work by enabling focused participation by members and providing them the opportunity to closely monitor the bank’s activities and operations. Due to their specialized nature, the committees are able to conduct studies on technical matters and are empowered to make recommendations to the board of directors for final approval.

The board of directors of the Arab International Bank has established five committees, most of which are chaired by non-executive board members. The board always reviews and approves the composition and mandates governing these committees. Each committee meets periodically in accordance with the formation resolution issued by the board, in order to carry out its duties and allow sufficient time for discussion of the reports submitted by the relevant departments and for submitting recommendations thereon to the board of directors for approval.

Board Committees				
Risk Committee	Audit Committee	Remuneration Committee	Investment Committee	Governance Committee

Governance Framework at the Arab International Bank

The board of directors of the Arab International Bank and its committees operate within a robust governance framework. The board holds the broadest authority to direct and oversee the bank in accordance with its founding agreement. Accordingly, the board periodically adopts charters and policies to ensure the board’s continued optimal functioning and to support the effective regulation of the bank’s operations and activities. This governance framework also provides all employees with a clear understanding of governance processes and decision-making. The bank engages in a range of banking activities, including retail banking, services for small and medium-sized enterprises (SMEs), wealth management, and corporate banking.

The bank’s governance framework incorporates a strong Code of Conduct, which outlines the standards of professional behavior required by the executive management and all employees in their day-to-day functions. It also sets forth the laws, regulations, and internal standards that employees must understand and comply with in the performance of their daily duties. The Code further serves as a key component in the evaluation of employee performance.

Board Governance

The Arab International Bank has a set of policies and operating procedures designed with effective control measures to help ensure sound management in compliance with the governance instructions issued by the Central Bank of Egypt and international best practices. The board of directors holds the broadest authority to manage the Bank, except for matters explicitly reserved to the General Assembly, in accordance with Article 27 of the bank’s articles of incorporation.

The Board of Directors of the Arab International Bank consists of 14 members and features a clear separation of duties and responsibilities between the non-executive Chairman and the Chief Executive Officer/Managing Director. This separation distinguishes the Board’s oversight and supervisory role from the executive responsibilities related to day-to-day operations, which are carried out by the CEO and Managing Director. The Board, composed of the non-executive Chairman, the CEO/Managing Director, and twelve non-executive members, AIB’s Board is characterized by a diverse range of expertise and competencies drawn from the member states of its founding agreement, resulting in a unique and diverse composition.

Internal Control Systems

The presence of strong internal controls is a clear indicator of the robustness of the governance framework within an institution. At the bank, we have established a comprehensive structure suitable for a well-regulated international financial institution.





Accordingly, the board of directors is responsible for approving and overseeing the Bank's risk management strategy and internal control systems. These systems are specifically designed to enhance the effectiveness and efficiency of the bank's operations and performance, ensure the quality and integrity of internal and external reporting, maintain compliance with applicable laws and regulations, and identify the nature of risks along with the bank's risk tolerance, all aimed at achieving its objectives. Board members and senior management place significant emphasis on maintaining a strong control framework as the foundation for effective risk management, compliance, and internal audit. The board members also fulfill their responsibilities by monitoring and reviewing the performance and effectiveness of the bank's internal control systems.

A key component of the internal control structure at the Arab International Bank is the clear determination of responsibilities and the independence of control departments, which functionally report to the board of directors through its committees and administratively to the Chief Executive Officer and Managing Director. The bank adopts the Four Lines of Defense model, a globally recognized framework widely used by banks and financial institutions to support effective risk management and clarify the roles and responsibilities of control functions. This model consists of the following lines:

### First Line of Defense:

Which is the executive departments (including, but not limited to: corporate and institutional banking; retail Banking, SMEs financing; Investment Management, etc.). These departments are responsible for complying with approved policies in order to mitigate risks related to their activities and for continuously identifying any potential risks.

### Second Line of Defense:

This includes the risk management and compliance departments, supported by other enabling functions within the bank (including, but not limited to: legal, information technology, human resources, information security, finance, etc.). The Risk Management Department is responsible for identifying, assessing, and monitoring risks at the bank-wide level, while the compliance department ensures that the bank adheres to all legal and regulatory requirements. These departments must remain independent from executive departments and report directly to the relevant board committees.

### Third Line of Defense:

This is represented by the Internal Audit Department, which conducts independent and comprehensive reviews to ensure that appropriate policies and procedures are in place and consistently followed across all areas of the bank to ensure the effectiveness of these functions. This also includes assessing the effectiveness of both the first and second lines of defense. The Internal Audit Department operates independently from all other units within the bank.

### Fourth Line of Defense:

This includes the external auditors and the Central Bank, both of whom provide an additional layer of independent oversight to ensure the Bank's compliance with all legal and regulatory requirements.

For more information on the governance system of the Arab International Bank, please refer to the annual Governance Report available at the following link:

[AIB Governance Report 2024.](#)







# Separate Financial Statements

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04



# Auditors' Report

## To The Shareholders of Arab International Bank

### Report on the Separate Financial Statements

We have audited the accompanying separate Financial statements of Arab International Bank (the "Bank"), which comprise the separate statement of financial position as at 31 December 2024 and the related separate statements of income, comprehensive income, changes in equity', and cash flows for the 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 separate financial statements in accordance with the rules, pertaining to the preparation and presentation of the banks' financial statements and measurement and recognition bases approved by the Board of Directors of Central Bank of Egypt on 16 December 2008 as amended by the regulations issued on 26 February 2019 and in the light of the prevailing Egyptian laws and regulations. Management's 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's 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 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 separate 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 auditor's 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 Bank'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 Bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the 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 Arab International Bank as at 31 December 2024. and its separate financial performance and its separate cash flows for the year then ended, in accordance with the rules, pertaining to the preparation and presentation of the banks' financial statements and measurement and recognition bases approved by the Board of Directors of Central Bank of Egypt on 16 December 2008 as amended by the regulations issued on 26 February 2019 and in the light of the prevailing Egyptian laws and regulations related to the preparation of these separate financial statements.

## Report on Legal and Other Regulatory Requirements

During the financial year ended December 31, 2024 no – substantial - contraventions for the Central Bank, banking sector law No. 194 of 2020 that have significant effect on these financial statements were noted.

The Bank maintains proper financial records, which include all that is required by the law and the Bank's statutes, and the accompanying separate financial statements are in agreement therewith.

The financial information included in the Board of Directors' report is in agreement with the Bank's accounting records, within the limits that such information recorded therein.



Abdel Hadi Ibrahim

Abdel Hadi Ibrahim  
Financial Regulatory Authority No. 395  
Central Bank of Egypt Register No. 577  
KPMG Hazem Hassan  
Public Accountants & Consultants

Auditors



Kareem T. Khaled  
Central Bank of Egypt Register No. 580  
RAA No. 28800  
BDO Khaled & Co.  
Public Accountants & Advisers

Cairo, 19 May 2025



# Separate Statement of Financial Position

For The Financial Year Ended December 31, 2024

(All amounts are presented in thousand USD)

	Note No.	31-12-2024	31-12-2023
<b>Assets</b>			
Cash and due from Central Bank	(16)	291 255	341 070
Due from banks	(17)	1 282 202	1 319 897
Treasury bills	(18),(21)	1 979 684	1 676 790
Loans and facilities to banks	(19)	88 136	56 371
Loans and facilities to customers	(20)	381 972	437 513
Financial investments			
At fair value through other comprehensive income -	(21)	23 406	24 865
At amortized cost -	(21)	73 508	96 610
Investments in associates & subsidiaries	(22)	367 917	367 917
Intangible assets	(23)	4 490	3 192
Other assets	(24)	71 693	53 060
Fixed assets	(25)	62 163	62 810
<b>Total assets</b>		<b>4 626 426</b>	<b>4 440 095</b>
<b>Liabilities &amp; Equity Liabilities</b>			
Due to Banks	(26)	39 069	207 499
Customers' deposits	(27)	3 608 015	3 274 763
Other liabilities	(28)	39 700	46 698
Other provisions	(29)	1 662	1 945
<b>Total liabilities</b>		<b>3 688 446</b>	<b>3 530 905</b>
<b>Equity</b>			
Paid-up & issued capital	(30-A)	600 000	600 000
Reserves	(30-B)	212 882	210 344
Net profit for the year & retained earnings	(30-C)	125 098	98 846
<b>Total equity</b>		<b>937 980</b>	<b>909 190</b>
<b>Total liabilities and equity</b>		<b>4 626 426</b>	<b>4 440 095</b>

The accompanying notes from (1) to (34) are an integral part of these financial statements and to be read therewith.

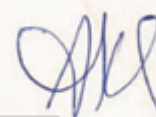
- Audit report attached



**Gamal Zaghloul**  
CFO



**Hisham Ramez**  
Chief Executive Officer  
Managing Director



**Amr Mohamed Kamel**  
Non-Executive  
Chairman

# Separate Statement Of Income

For The Financial Year Ended December 31, 2024

(All amounts are presented in thousand USD)

	Note No.	31-12-2024	31-12-2023
Interest from loans and similar income	(6)	435 401	376 448
Interest on deposits and similar expenses	(6)	( 318 029)	( 251 833)
<b>Net Interest Income</b>		<b>117 372</b>	<b>124 615</b>
Fees and commissions income	(7)	5 622	6 044
Fees and commissions expenses	(7)	( 155)	( 70)
<b>Net Income from Fees and commissions</b>		<b>5 467</b>	<b>5 974</b>
<b>Net Income from revenues, Fees and Com-missions</b>		<b>122 839</b>	<b>130 589</b>
Dividends income	(8)	15 528	6 934
Net trading income	(9)	2 147	1 438
Profits ( losses)from financial investments	(10)	15	37
Credit impairment / charged	(13)	5 786	( 4 602)
Administrative expenses	(11)	( 67 950)	( 65 444)
Other operating revenues ( expenses )	(12)	( 930)	( 316)
<b>Net Profit For The Year</b>		<b>77 435</b>	<b>68 636</b>
<b>Earning per share (US\$/Share)</b>	<b>(14)</b>	<b>2050.90</b>	<b>1779.57</b>

The accompanying notes from (1) to (34) are an integral part of these financial statements and to be read therewith.



**Gamal Zaghloul**  
CFO



**Hisham Ramez**  
Chief Executive Officer  
Managing Director



**Amr Mohamed Kamel**  
Non-Executive  
Chairman



# Separate Statement Of Other Comprehensive Income

For The Financial Year Ended December 31, 2024

	31-12-2024	31-12-2023
<b>Net profit for the year</b>	<b>77 435</b>	<b>68 636</b>
Items that will not be reclassified in the Profit or Loss:		
Net change in fair value of investments in equity instruments measured at fair value through other comprehensive income	( 11 832)	( 922)
<b>Items that will be reclassified in the Profit or Loss:</b>		
Net change in fair value of investments measured at fair value through other comprehensive income (treasury bills)	7 495	( 6 079)
<b>Total items of other comprehensive income for the year</b>	<b>( 4 337)</b>	<b>( 7 001)</b>
<b>Total other comprehensive income for the year</b>	<b>73 098</b>	<b>61 635</b>

The accompanying notes from (1) to (34) are an integral part of these financial statements and to be read therewith.

# Separate Statement Of Changes In Shareholders' Equity

For the Financial Year Ended December 31, 2024

	Issued & Paid in Capital	Legal reserve	General reserve	Fair value reserve for investments through other comprehensive income	General banking risk reserve	Retained earnings	Total
31 December, 2023							
<b>Balance as at 1 January 2023</b>	<b>600 000</b>	<b>136 983</b>	<b>73 582</b>	<b>3 971</b>	<b>204</b>	<b>46 189</b>	<b>860 929</b>
Transferred to general banking risk reserve	-	-	-	-	199	( 199)	-
Transferred to legal reserve	-	2 778	-	-	-	( 2 778)	-
Dividends distributions	-	-	-	-	-	( 13 374)	( 13 374)
Net change in other comprehensive income items	-	-	-	( 7 001)	-	-	( 7 001)
Reverse / Charge of General banking risk reserve	-	-	-	-	( 372)	372	-
Net profit of the year	-	-	-	-	-	68 636	68 636
<b>Balance as at 31 December, 2023</b>	<b>600 000</b>	<b>139 761</b>	<b>73 582</b>	<b>( 3 030)</b>	<b>31</b>	<b>98 846</b>	<b>909 190</b>
31 December, 2024							
<b>Balance as at 1 January 2024</b>	<b>600 000</b>	<b>139 761</b>	<b>73 582</b>	<b>( 3 030)</b>	<b>31</b>	<b>98 846</b>	<b>909 190</b>
<b>Transferred to general banking risk reserve</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11</b>	<b>( 11)</b>	<b>-</b>
Transferred to legal reserve	-	6 864	-	-	-	( 6 864)	-
Dividends distributions	-	-	-	-	-	( 45 249)	( 45 249)
Net change in other comprehensive income items	-	-	-	( 4 337)	-	-	( 4 337)
Reverse / Charge of General banking risk reserve	-	-	-	-	-	941	941
Net profit of the year	-	-	-	-	-	77 435	77 435
<b>Balance as at 31 December, 2024</b>	<b>600 000</b>	<b>146 625</b>	<b>73 582</b>	<b>( 7 367)</b>	<b>42</b>	<b>125 098</b>	<b>937 980</b>

The accompanying notes from (1) to (34) are an integral part of these financial statements and to be read therewith.





# Separate Statement Of Cash Flows

For the Financial Year Ended December 31, 2024

(All amounts are presented in thousand USD)

	Note No.	31-12-2024	31-12-2023
<b>Cash flows from operating activities</b>			
Net Profit for the year		77 435	68 636
<b>Adjustments to reconcile net profit to net cash flows provided from operating activities</b>			
Fixed assets depreciation	(25)	3 057	3 479
Intangible assets amortization	(23)	1 785	633
Impairment charges for expected credit losses	(13)	( 5 786)	4 602
Charges / reverse of other provisions	(29)	( 187)	343
Foreign currencies translation differences / other provisions	(29)	( 79)	( 53)
Foreign currencies translation differences at amortized cost in other currencies	(21)	19 085	9 749
Amortization of issuance premium / discount	(21)	( 1 566)	1 599
Profits ( losses ) from financial investments at fair value through other comprehensive income	(10)	( 15)	( 37)
Gain / loss from sale of fixed assets		( 81)	11
Amounts used from other provisions	(29)	( 16)	-
Dividends	(8)	( 15 528)	( 6 934)
<b>Operating profits before changes in assets &amp; liabilities provided from operating activities</b>		<b>78 104</b>	<b>82 028</b>
<b>Net change in assets &amp; liabilities</b>			
Due from Banks and CBE		17 986	( 18 518)
Treasury bills of more than three months maturity		( 350 505)	( 996 622)
Loans and facilities to customers and banks		30 119	60 262
Other assets		( 14 866)	6 432
Due to Banks		( 168 430)	147 644
Customers' deposits		333 252	( 39 993)
Other liabilities		( 6 999)	10 450
(Net cash flows provided from (used in) operating activities (1		<b>( 81 339)</b>	<b>( 748 317)</b>
<b>Cash flows from investing Activities</b>			
Payments for fixed assets purchasing		( 2 411)	( 1 899)
Gain / loss from sale of fixed assets		81	1
Payments for intangible assets purchasing		( 3 082)	( 3 291)
Payments / proceeds from Financial investments at amortized cost	(21)	5 236	88 567
Increase in associates' capital		-	( 371)
Gained profits from dividends appropriations		11 761	6 934
(Net cash flows (used in) provided from investing activities (2		<b>11 585</b>	<b>89 941</b>
<b>Cash flows from Financing Activities</b>			
Dividends paid		( 44 307)	( 13 374)
(Net cash flows (used in) Financing activities (3		<b>( 44 307)</b>	<b>( 13 374)</b>
(Net decrease/increase of cash & cash equivalents during the year (1)+(2)+(3		<b>( 114 061)</b>	<b>( 671 750)</b>
Cash & cash equivalents at the beginning of the year		<b>1 567 450</b>	<b>2 239 200</b>
Cash & cash equivalents at the end of the year		<b>1 453 389</b>	<b>1 567 450</b>
<b>:Cash &amp; cash equivalents are represented as</b>			
Cash and due from the Central Bank	(16)	291 255	341 070
Due from Banks	(17)	1 282 432	1 319 897
Treasury bills	(18)	1 979 684	1 676 790
Due from the Central Bank within the required reserve ratio		( 262 675)	( 309 327)
Treasury bills of more than three months maturity		( 40 000)	( 14 297)
		(1 797 307)	(1 446 683)
<b>Cash &amp; cash equivalents at the end of the year</b>	<b>(31)</b>	<b>1 453 389</b>	<b>1 567 450</b>
The accompanying notes from (1) to (34) are an integral part of these financial statements and to be read therewith.			

# Separate Statement Of Proposed Dividends

For the Financial Year Ended December 31, 2024

	Note No.	31-12-2024	31-12-2023
<b>Net profit for the year (as per income statement)</b>		<b>77 435</b>	<b>68 636</b>
<b>Less: general banking risk reserve</b>		<b>( 10)</b>	<b>( 11)</b>
<b>Add : Items transferred to R.E</b>		<b>-</b>	<b>372</b>
<b>Net distributable profits for the year</b>		<b>77 425</b>	<b>68 997</b>
Add: Surplus in Employees' profit share from previous years	(30-C)	-	941
Add : Retained earnings		47 663	29 838
<b>Total</b>		<b>125 088</b>	<b>99 776</b>
To be distributed as follows :			
Legal Reserve (10%)		7 744	6 864
Shareholders' dividends ( primary share doesn't exceed 5% of the nominal value of the share )		30 000	30 000
Board of Directors remunerations		1 936	1 716
Employee's profit share		13 198	12 843
The Banking System Support and Development Fund		774	690
Retained earnings at the end of the year		71 436	47 663
<b>Total</b>		<b>125 088</b>	<b>99 776</b>

\*According to Article No. 178 of the Central Bank of Egypt and the Banking System Law No. 194 of 2020 with respect to a deduction of an amount equivalent to a percentage not exceeding %1 of the annual net distributable profits for the benefit of the Banking System Support and Development Fund.

This statement is under the approval of the ordinary general assembly of the Bank



# Notes to The Separate Financial Statements

For The Year Ended 31, December 2024

(All amounts in notes are presented in thousand US\$ unless otherwise is stated).

## 1- Background

Arab International Bank was established in 1974 by virtue of an International Treaty. The head office of ("The Bank") is located at 35 Abdel Khalek Tharwat Street, Cairo, Egypt and the Bank carries out its business activities through its network of branches in the Arab Republic of Egypt that is composed of 21 branches. By virtue of the Treaty, the Bank enjoys certain privileges and immunities in the territories of the Member States (shareholders). The following are examples of the most prominent privileges and immunities based on the Establishment Treaty and the resolution taken by the Bank General Assembly meeting that was held on 22 March 2012 and become effective as of 14 April 2015:

- The laws regulating the exercise of control over the public institutions, public interest entities, public sector companies and the joint stock companies of the Members States in which the Arab International Bank or its branches carry out business activities are not applicable to the Bank or its branches.
- Immunity from all forms of nationalization, seizure or sequestration of the shares of shareholders or their deposits with the Bank.
- The Bank's documents, records and files are inviolable and immune from judicial, administrative or accounting control and inspection rules and laws.
- Confidentiality of customers' accounts with the Bank are not subject to judicial or administrative attachment orders prior to final judgment issuance.
- Exemption from charges, stamps or taxes of any kind on its funds, profits, dividends and all its various activities and transactions.
- Exemption from taxation and any obligations for the payment, withholding or collection of any tax, stamp or duty, which may be imposed on its customers.
- In this respect the Bank practices its activities in a manner that is not in conflict with the aforementioned and the rest of the articles included in Establishment Treaty and in this context:
  - The Bank is subjected to the oversight of the Central Bank of Egypt according to the provisions of the applicable law of the Central Bank of Egypt and the law of Banking and Monetary System of the hosting state, in addition, the Bank branches in the other Member States are subjected to the oversight of their own Central Banks in accordance with the provisions of laws governing their Banks and credit facilities.
  - All the transactions of the Bank are carried out in all currencies determined by the Board of Directors

The necessary actions have been taken to activate these amendments starting from 1, April, 2015.

The number of persons employed by the Bank as of December 31, 2024 was 1 205 employees and workers, compared with 1 177 as of December 31, 2023.

These financial statements for the financial year ended at 31 December 2024 were approved by the Board of Directors as at 19 May 2025.

## (2)- Summary of Significant Accounting Policies Applied

The following are the significant accounting policies adopted in the preparation of these separate financial statements, these policies have been consistently applied to all the years presented, unless otherwise stated.

## A- Basis of separate financial statements preparation

These separate financial statements are prepared in accordance with the instructions issued by the Central Bank of Egypt and approved by its Board of Directors on 16 December 2008, in addition to the instructions of preparation and presentation of the financial statements of banks issued on 26 February 2019 by the Central Bank of Egypt in accordance with the requirements of IFRS (9) "Financial Instruments"

The consolidated financial statements of the Bank and its subsidiaries are prepared in accordance with the instructions issued by the Central Bank of Egypt and approved by its Board of Directors on 16 December 2008 and the amendments thereof issued on 26 February 2019. The subsidiary companies are entirely included in the consolidated financial statements by using the full consolidation method and these companies are the companies that the Bank - directly or indirectly has more than half of the voting rights or has the ability to control the financial and operating policies, regardless of the type of activity. The consolidated financial statements can be obtained from the Bank management. In addition, the investments in subsidiary and associate companies are presented in the separate financial statements of the Bank and their accounting treatment is made at cost less impairment losses.

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

## B - Accounting for investments in subsidiaries and associates

Investments in subsidiaries and associates are presented in the attached separate financial statements based on the cost which represents the bank's direct share in ownership and not on the basis of the operating income and net assets of the investee companies. The consolidated financial statements provide more comprehensive understanding of the consolidated financial position, operating income and consolidated cash flows of the bank and its subsidiaries (the group), in addition to the Bank's share in the net asset of its associate companies.

### (B/1) Investments in subsidiaries

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

### (B/2) Investments in associates

Associates are companies in which bank has a direct or indirect influence, but does not reach the extent of control or joint control, as the Bank owns ownership stakes ranging from 20% to 50% of the voting rights of associate companies.

Accounting for acquisition of subsidiary companies by the Bank is carried out according to the purchase method. The recognition of acquisition of companies by the Bank is measured at fair value or the value of assets given by the Bank in return for the purchase of companies and / or issued equity instruments and / or any other costs incurred by the Bank and / or any liabilities accepted by the Bank on behalf of the acquired company on the date of the asset exchange in addition to any costs directly attributed to the acquisition process. In business combination where the control transition over the entity is achieved in stages, and business combination is achieved through more than one transaction, then every transaction of such transactions is separately dealt with on the basis of the acquisition consideration and fair value information at the date of each transaction until the date when such control is achieved. The net assets including the acquired determinable contingent liabilities are measured at fair value on the date of acquisition regardless of the existence of any minority interest. If the increase in acquisition cost is above the fair value of the Bank's share in net assets, such acquisition cost shall be considered as goodwill and if the acquisition cost is less than the fair value of aforementioned net assets, then the difference is directly recorded in the income statement under the item of other operating revenues (expenses). Accounting for the subsidiaries and associates is recorded in the separate financial statements according to the cost method. According to this method, investments are recorded at acquisition cost including any goodwill less any impairment loss in value. The dividends are recorded in the income statement upon the approval of such profit's appropriations and the recognition of the Bank's right to collect its share in such dividends.



## C- Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is a segment which provides products or services within an economic environment that is subject to risks and returns different from those of segments operating in other economic environments.

## D- Functional currency, presentation, transactions and balances in foreign currencies

- The financial statements of the Bank are presented in US Dollar while transactions are recorded in the books during the year according to the currency in which the transactions were carried out. For the purposes of presenting the financial statements of the Bank in US Dollar, all assets and liabilities of monetary nature and recorded at the end of the reporting period in various currencies (other than US Dollar) are translated into US Dollar based on the prevailing exchange rates on that date. Gains and losses resulting from the settlement and translation of such transactions and balances are recognized in the income statement and reported according to the differences resulting therefrom.
- As for investments in equity instruments at fair value through other comprehensive income (of a non-monetary nature), exchange rate differences are recognized in other comprehensive income in equity.
- Changes in the fair value of financial instruments of monetary nature that are denominated in foreign currencies and classified as debt instruments at fair value through other comprehensive income (FVOCI) are analyzed into differences resulting from changes in the amortized cost of the instrument, differences resulting from changes in the applicable exchange rates and differences resulting from changes in the fair value of the instrument. Differences resulting from changes in the amortized cost are recognized and reported in the income statement under the item of "Interest on loans and similar income" whereas Differences resulting from changes in foreign exchange rates are recognized and reported in "Other operating revenues (expenses)". The remaining differences resulting from changes in fair value are recognized in other comprehensive income items of equity under the item of "fair value of financial investments reserve at fair value through other comprehensive income (FVOCI)".

Valuation differences arising from the measurement of non-monetary items at fair value include gains or losses resulting from changes in foreign currency exchange rates used to translate those items. Total valuation differences of fair value changes arising from the measurement of equity instruments classified as fair value through profit or loss are recognized in the income statement, while total valuation differences of fair value changes arising from the measurement of equity instruments at fair value through other comprehensive income (FVOCI) are recognized among the items of other comprehensive income in equity under the item of "fair value of financial investments reserve at fair value through other comprehensive income (FVOCI)".

## E- Financial assets

The Bank classifies its financial assets within the following groups: financial assets measured at amortized cost, financial assets at fair value through other comprehensive income (FVOCI) and financial assets at fair value through profit or loss. In general, the classification is based on the business model according to which the financial assets and their contractual cash flows are managed.

### (E/1) Financial assets at amortized cost:

The financial asset is retained in the business model of financial assets held for collecting contractual cash flows.

The purpose of the business model is holding the financial asset to collect contractual cash flows represented in the principal amount of investment and returns.

Sale is an exceptional contingent event with respect to the purpose of this business model according to the conditions stipulated in the Standard and represented in:

- Existence of deterioration in the creditworthiness of the issuer of the financial instrument.
- Lowest sales in terms of turnover and value.
- The Bank makes clear and reliable documentation of the justifications for each sale transaction and the extent of its compliance with the requirements of the Standard.

### (E/2) Financial assets at fair value through other comprehensive income (FVOCI):

Business model of financial assets held to collect contractual cash flows and sales.

Both the collection of contractual cash flows and sales are complementary to the objective of the business model.

High sales in terms of turnover and value when compared to the business model retained for the collection of contractual cash flows.

### (E/3) Financial assets at fair value through profit or loss:

The financial asset is retained among other business models that include trading, management of financial assets at fair value, maximizing cash flows by selling.

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

Collecting contractual cash flows is a contingent event for the business model objective.

**The characteristics of the business model are represented in the following:**

- Structuring a group of activities designed to extract defined outputs.
- A business model that represents a complete framework of defined activity (inputs – activities – outputs).
- The single business model may include sub-business models.

## F- Off setting financial instruments:

Financial assets and liabilities can be offset when, there is a currently enforceable legal right to off-set the recognized amounts and there is an intention to settle based on a net basis, or to receive the asset and settle the liability simultaneously.

Treasury bills purchase - reverse repo agreements and treasury bills sale – repo agreements are netted, and presented on the balance sheet under the item treasury bills and other government notes.

## G- Interest income and expense

- Interest income and expense related to the financial instruments are recognized under the item of loans interest income and similar income or deposits interest expense and similar charges using the effective interest method for all the financial instruments charged with interest.
- The effective interest method is a method of calculating the amortized cost of a financial asset or liability and allocating the interest income or interest expense over the expected life of the related financial instrument. The effective interest rate is the rate that discounts estimated future cash flows or receipts over the expected life of the financial instrument or a shorter period when appropriate, to accurately reach the net carrying amount of the financial asset or liability upon initial recognition. When calculating the effective interest rate, the Bank estimates cash flows considering all contractual terms of the financial instrument (for example, early payment options) but does not consider future credit losses. The calculation method includes all fees paid or received between parties of the contract that is considered part of the effective interest rate and the transaction costs shall include any other premiums or discounts. Loans interest income is recorded based on the accrual basis, except for interest income revenues of non-performing loans, which ceases to be recognized as an income when interest recovery or the principle is in doubt.



The Bank ceases recognition of interest income of the non-performing or impaired loans or debts (Stage 3) in the income statement and they are carried, off balance sheet in marginalized records and are recognized under revenues according to cash basis as per the following:

- When collected and after recovery of all arrears for consumer loans, mortgage loans for personal housing, and small loans for economic activities.
- As for the loans granted to institutions, the cash basis of accounting is to be applied also where the interest income that is subsequently calculated according to the terms of the loan scheduling contract, they are recognized when 25% of the loan installments are paid with a regular performing period of at least one year. In case the customer keeps paying the installments on regular performing basis, the calculated interest income of the outstanding loans balance shall be recorded in revenues (interest income from regular scheduling balance) without the suspense interest before scheduling that is not recorded in revenues unless the entire loan balance is paid in full in the balance sheet prior to scheduling.

## H- Fees and commissions income:

Fees and commissions related to loan or facility – measured at amortized cost - are recognized as income when the service is rendered. Fees and commission income related to non-performing or impaired loans or debts (Stage 3) are suspended and carried off balance sheet in statistical records and are recognized under income according to the cash basis when interest income is recognized. As for fees and commissions, which represent a complementary part of the financial asset effective rate they are recognized as adjustment to the effective interest rate.

Commitment fees of loans are deferred when there is probability that these loans will be used by the customer, as commitment fees represent compensation for the continuing interference to acquire the financial instrument. Subsequently, they are recognized as adjustments to the effective interest rate of the loan. If the commitment period passes without issuing the loan by the Bank, commitment fees are recognized as income at the end of the commitment period.

Fees and commissions related to debt instruments measured at fair value are recognized as income at initial recognition. Fees and commission related to marketing of syndicated loan are recognized as income when the marketing is completed, and the loan is fully used or the Bank did not keep any share of the syndicated loan, or kept a share of effective interest rate that is available for the other participants.

Fees and commissions arising from negotiation or participating in a negotiation in favor of a third party as in share acquisition arrangements, purchase of other financial instruments or purchase or sale of entities are recognized in the income statement when the defined transaction is completed. Fees and commissions related to management advisory and other services are recognized as income, usually on a relative time-appropriation basis over the financial period of rendering the service. The fees of financial planning and safe custody services provided over a long period of time are recognized over the period in which the service is provided.

## I- Dividend income

Dividends from the Bank's investments in equity instruments and their equivalents are recognized in the income statement when the Bank's right to receive these dividends is established.

## J-Purchase - Reverse Repo (+) Agreements & Sale – Repo (-) Agreements

Financial instruments sold under agreements to repurchase them are presented within the assets deducted from the balances of treasury bills in the statement of financial position, and the commitment (purchase and resale agreements) is presented in addition to the balances of treasury bills in the statement of the financial position, and the difference between the sale price and the repurchase price is recognized as a return due over the course of agreements using the method of effective rate of return.

## K- Impairment of financial assets

The Bank reviews all its financial assets except for the financial assets measured at fair value through profit or loss to estimate the extent of impairment existence in value as indicated below.

The financial assets are classified on the date of the financial statements within three stages as follows:

- The first stage: includes the financial assets where there has been no significant increase in credit risk loss since initial recognition date where the expected credit risk is calculated for 12 months.
- The second stage: includes the financial assets where there has been significant increase in credit risk loss since initial recognition or the date of recognizing their functions where the expected credit risk is calculated over the lifetime of the asset.
- The third stage: the financial assets where there has been impairment in their value which requires calculating their expected credit risk over the lifetime of the asset based on the difference between the book value of the instrument and the present value of the expected future cash flows.

The credit loss and the impairment loss in value related to the financial instruments are measured as follows:

- The low risk financial instrument is classified at initial recognition in the first stage and the credit risk shall be continuously monitored by the credit risk department of the Bank.
- If there is significant increase in credit risk since initial recognition, the financial instrument is to be transferred to the second stage as it shall not be considered as impaired financial instrument yet in this stage.
- In case of indicators of impairment in the value of the financial instrument, it shall be transferred to the third stage.
- The financial assets established or acquired by the Bank and include a higher rate of credit risk than the rates of the Bank for low risk financial assets at initial recognition, shall be directly classified in the second stage. Accordingly, their credit loss shall be measured based on the expected credit risk over the lifetime of the asset.

### (K/1) Significant increase in credit risk (SICR)

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

### (K/2) Quantitative criteria

Quantitative criteria are applied when the probability of default (PD) increases over the remaining lifetime of the instrument starting from the date of the balance sheet, compared to the residual Lifetime PD expected at initial recognition according to the structure of credit risk levels accepted by the Bank.

### (K/3) Qualitative criteria:

#### For banking retail loans, small and micro finance enterprise

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

- The borrower requests to change short-term payment to long -term payment as a result of negative effects related to the cash flows of the borrower.
- Extending the grace period of payment upon a request provided by the borrower.
- Previous reiterated arrears within the last [12] months.
- Adverse future economic changes which affects the borrower's future cash flows.

#### Loans granted to institutions and medium enterprises



If the borrower is on the watchlist and/or the instrument meets one or more of the following events:

- Significant increase of interest of the financial asset as a result of increase in credit risk
- Significant adverse changes in business activity, financial and/or economic conditions in which the borrower operates
- Request of debt rescheduling as a result of difficulties encountering the borrower.
- Significant adverse change in actual or expected operating results or cash flows of the borrower
- Adverse future economic changes which affect the borrower's future cash flows.
- Early signs of cash flow/liquidity problems such as delay in servicing of creditors/ trade loan
- Cancellation of one of the direct facilities on the part of the Bank due to an increase in credit risk of the borrower

**Payment default**

Starting from January 1, 2022, loans and facilities granted to institutions, Small, Medium and Micro Enterprise (SMME) and retail banking are recorded under the second stage if the non-payment is more than (30) days at most and less than (90) days,

**Upgrade and Transfer Between the Three Categories – (Stage 1, 2 and 3)**

**Upgrade and Transfer from the Second Stage to the First Stage:**

The financial asset shall not be transferred from the second stage to the first stage unless all elements of quantitative and qualitative criteria of the first stage have been met and the entire arrears of the financial asset and interests are paid in addition to the lapse of three months of regular payment and satisfying the conditions of the first stage.

**Upgrade and Transfer from the Third Stage to the Second Stage:**

The financial asset shall not be transferred from the third stage to the second stage unless all following conditions are met:

- All quantitative and qualitative elements of the second stage are met.
- Paying 25% of the financial asset due balances including due suspense/ marginalized interests.
- Regular payment for a period of at least 12 months.

**L - Investment Property**

Investment property is represented in lands and buildings owned by the Bank for obtaining rental income or capital increase and subsequently it does not include the real estate assets in which the Bank practices its business activity or the assets ownership reverted to the Bank in settlement of debts. The initial recognition of the investment property is carried out at cost and includes the transaction cost. The accounting of the investment property is implemented in the same manner applied to the accounting of the fixed assets.

**M- Intangible assets (computers software)**

The expenses related to the development or maintenance of computers are recognized as an expense charged to income statement when incurred and it is recognized as an intangible asset with respect to the expenses directly related to specific software under the control of the Bank when it is expected to generate economic benefits thereof that exceeds its cost for more than one year.

The direct expenses include the cost of employees working in the software development team in addition to a reasonable share of the general expenses relevant thereto.

The expenses that lead to the increase or expansion in the performance of the computers software when compared with the original specifications thereof is recognized as development cost and it is added to the original software cost.

The computers software cost recognized as an asset is amortized over the years expected to benefit from them provided that they shall not exceed three years.

**N- Fixed assets**

Fixed Assets mainly represent land and buildings related to the premises of the head office, Bank branches and offices. All fixed assets are reported at historical cost less depreciation and impairment losses. The historical cost includes all costs directly related to the acquisition of the fixed assets items.

Subsequent costs are included in the asset's carrying amount or are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Bank and the cost of the asset can be reliably measured. Maintenance and repair expenses are charged to other operating expenses during the financial period in which they are incurred.

The Bank does not consider the residual value of its fixed assets to be of relative importance or having a significant impact on the depreciable value, and therefore the depreciation value of those fixed assets is calculated without deducting the residual value of the asset.

Land is not depreciated. Depreciation of other assets is calculated using the straight-line method to allocate their cost until it reaches the residual values over their estimated useful lives, as follows:

Buildings*	30:50 years
Furniture	10 years
Computers	5 years
Fixtures and fittings	5 years
Tools & equipment	5 years
Means of transport	5 years

\*Depreciation is calculated for buildings and constructions over a period of 50 years, with the exception of the Abdul Khaleq Tharwat Building, whose depreciation is calculated over a period of 30 years.

The residual value and useful lives of fixed assets are reviewed at the end of each financial year and adjusted whenever necessary.

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is reduced immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The redeemable value is represented in the net selling value of the asset or the use value of the asset whichever higher. Gains or losses on disposals are determined by comparing net proceeds with asset carrying amount. These gains and losses are included in other operating income (expenses) in the income statement.

**O- Other assets**

- This item includes the other assets that are not classified as defined assets in the balance sheet where accrued revenues, prepaid expenses, advance payments under the account of fixed assets purchase, deferred balance of the first day losses that is not amortized yet, current assets and noncurrent assets that their ownership reverted to the Bank in settlement of debts (after deduction of the impairment loss provision), deposits and imprests, gold bullions, commemorative coins, debit suspense accounts and balances that are not classified under any defined asset, are examples of which.



- Most of the elements of other assets are measured at cost. If there is an objective evidence for impairment loss in the value of the said assets, then the loss is separately measured for each asset based on the difference between its carrying amount and its net selling value or the present value of the estimated expected future cash flows discounted at the current market rate of similar financial assets, whichever is higher.

The book value of the asset is directly reduced, and the loss is recognized in the income statement under the item of other operating revenues (expenses).

If the impairment loss is reduced in any subsequent period and such reduction can be objectively related to an event that occurred after the recognition of the impairment loss, then the impairment loss previously recognized is reversed to the income statement provided that such cancellation does not establish an asset book value, on the date of reversing the impairment loss, that exceeds the value of the asset which may be reached if the recognition of such impairment loss has not been recognized.

**With reference to the asset's ownership reverted to the bank in settlement of debts, the following has to be taken into consideration:**

- In accordance with the provisions of Article No. (87) of the Central Bank Law and the law of Banking and Monetary System issued by virtue of law No. 194 of the year 2020, it is prohibited for banks to deal in movables or real estate whether by purchasing, selling or exchange, except for the real estate allocated for running the business of the Bank, used for entertainment purposes of the employees of the Bank, movables or real estate reverted to the bank in settlement of debts due from third parties when the recognition thereof started from the date of conveyance of ownership (the date of debt reduction) and such real state is included in assets reverted to the bank in settlement of debts, provided that the Bank shall dispose thereof according to the following:
  - Within one year from the date of conveyance of ownership with respect to movables.
  - Within five years from the date of conveyance of ownership with respect to real estate.
- The Board of Directors of the Central Bank of Egypt may approve the extension of the period whenever the circumstances deem necessary, in addition, the Board of Directors of the Central Bank of Egypt has the right to exempt some banks from such restriction based on the banks' nature of activity.
- The assets reverted to the bank in settlement of debts are recorded at the value in which the said assets reverted to the Bank and represented in the value of debts which the Bank's management decided to assign in return for such assets. If there is an objective evidence for impairment loss in the value of the said assets in the subsequent date of conveyance of ownership, then the loss is separately measured for each asset based on the difference between its carrying amount and its net selling value or the present value of the estimated expected future cash flows discounted at the current market rate of similar financial assets, whichever is higher. The book value of the asset is reduced through the impairment account and the loss value is recognized in the income statement under the item of other operating revenues (expenses).
- If the impairment loss is reduced in any subsequent period and such reduction can be objectively related to an event that occurred after the recognition of the impairment loss, then the impairment loss previously recognized is reversed to the income statement provided that such cancellation does not establish an asset book value, on the date of reversing the impairment loss, that exceeds the value of the asset which may be reached if the recognition of such impairment loss has not been recognized.

- In the light of the nature of the movables or real estate which their ownership reverted to the Bank pursuant to the provisions of the aforementioned article, the movables or real estate are classified in accordance with the plan of the Bank, the nature of expected benefits thereof among the fixed assets, investment property, shares, bonds or other assets available for sale, as the case may be. Accordingly, the bases relevant to the measurement of fixed assets, investment property, shares or bonds are applied to the assets reverted to the Bank in settlement of debts and classified under any item of these items.

As for the other assets, that are not included in any of these classifications and considered as other assets available for sale, they are measured at cost or fair value defined by the accredited experts of the Bank - less the selling costs - whichever is lower. The differences resulting from the valuation of these assets are recognized in the income statement under the item of other operating revenues (expenses) provided that such assets are to be disposed of within the period prescribed by virtue of law.

- If the said assets are not disposed of, within the period prescribed by virtue of law in accordance with the provisions of Article No. (87) of Law No. 194 of 2020, the banking risk reserve is to be supported by the equivalent of 10% of the value of the said assets on annual basis. The net revenues and expenses of assets reverted to the Bank in settlement of debts during the period of their acquisition by the Bank are recorded in the income statement under the item of other operating revenues (expenses).

## P- The impairment of non-financial assets

The financial assets that have no specific useful life are not depreciated – except for the goodwill – and their impairment is examined on annual basis. The impairment of assets that has been depreciated are to be considered, whenever there are events or changes in the circumstances indicating that the book value may not be redeemable.

The impairment loss is to be recognized and the asset value shall be reduced with the amount by which the book value of the asset has been increased above the redeemable value. The redeemable value is represented in the net selling value of the asset or the use value of the asset, based on whichever is higher. For the purpose of assessing the impairment, and when it is not possible to assess the redeemable value of a separate asset, the asset is to be attached to the smallest possible cash-generating unit that includes the asset. The non-financial assets that have impairment are to be reviewed to examine whether there is a reverse of impairment to the income statement or not, on the date of preparing every financial statement.

## Q- Lease Contracts

All lease contracts concluded with the Bank are operating lease contracts.

### (p/1) Lessee

The payments settled under the account of operating lease less any discounts obtained from the lessor under the item of expenses are recognized in the income statement based on the straight-line method over the term of contract.

### (p/2) Lessor

The assets leased out on operating lease basis that are included in the fixed assets in the balance sheet and depreciated over the expected useful life of the asset using the same manner applied to the similar assets. The rent income is recorded less any discounts granted to the lessee based on the straight-line method over the term of contract.

## R- Cash and cash equivalents

For the purposes of the cash flows statement, cash and cash equivalents include balances due within three months from date of acquisition. Cash and cash equivalents include balances due from the Central Banks other than the mandatory reserve, balances with banks, treasury bills and other government notes.



## S- Other provisions

Provisions for restructuring costs and legal claims are recognized when the Bank has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of the Bank resources will be required to settle these obligations and their amount can be reliably estimated.

Where there is a number of similar obligations, the likelihood that an outflow is required to settle an obligation is determined taking into consideration the group of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any obligation in this group is minimal.

Provisions no longer required totally or partially are reversed in other operating income (expenses).

Provisions are measured at the present value of the expected required expenditures to settle obligations after one year from balance sheet date using the appropriate rate in accordance with the terms of settlement which reflects the time value of money. If the settlement term is less than one year, the estimated value of the obligation is to be calculated unless it has a significant effect, then it shall be calculated using the present value.

## T- Employees' Benefits:

### - Employees Share in Profits:

The Bank pays a percentage of cash profits expected to be distributed as the employees share in profits and recognizes that share as part of the dividends appropriation in equity and as liabilities when approved by the shareholders general assembly of the Bank and no liabilities shall be recorded in the undistributed employees share in profits.

### - Employees' Pension Fund & End of Service Compensations

The Bank adopted special benefits plan until 17/4/2008. The Bank's contributory defined pension plan covers the permanent employees' pensions and other end of service benefits. The Bank's contribution to this fund is computed at a certain percentage of the employees' annual salaries, in addition to amounts required to the fund as decided by the Actuary to continue providing its services and maintain the minimum return on its invested funds. As for the employees appointed in the Bank after 17/4/2008, the Bank adopted special benefit plan with respect to the end of service compensation only without pensions and the Bank participates in such compensations by a percentage of the employees' wages who are working under the umbrella of this benefit plan on annual basis.

## U- Dividends

Dividends are recognized and deducted from equity in the period when approval thereof is declared by the Shareholders General Assembly. Those dividends include employees' share in the profits and the Board of Directors' remuneration as prescribed by the articles of association of the Bank.

## V- Comparative figures

The comparative figures shall be re-classified, whenever necessary, to be in conformity with the changes in the presentation used in the current year.

## X- Trust/Fiduciary Activities

The Bank practices fiduciary activities that entail the acquisition or management of assets on behalf of individuals, trusts, post-employment benefit funds and other institutions. These assets and the profits resulting from them are not recognized in the Bank's Separate Financial Statements as they are neither assets nor profits belonging to the Bank.

## 3- Financial Risk Management

The Bank, as a result of the activities it exercises, is exposed to various financial risks; since acceptance of risks is a basis in the financial activities. Some risks or group of risks are analyzed, assessed and managed together. The Bank objective is to balance between the risk and return and to reduce the possible negative effects on the Bank's financial performance.

The most important types of risks are credit risk, market risk, liquidity risk and other operating risks. The market risk comprises foreign currency exchange rates, interest rate risk and other pricing risks.

The risk management policies have been set to determine and analyze the risks, set limits to the risk and control them through reliable methods and updated information systems. The Bank regularly reviews the risk management policies and systems and amends them to reflect the changes in markets, products and services and the best updated applications.

Risks are managed by the Risk Management Department in the light of the policies approved by the Board of Directors. Risk Management Department identify, assess, and cover financial risks in close cooperation with other operating units in the Bank. Within framework of the principles of governance and the sound Banking practices related to Banking risks management, the Board of Directors provides an integrated supervisory structure of higher committees originated therefrom. The Risk Management Department is in charge of the regular review of risk management and the control environment in an independent manner.

## A- Credit risk

The Bank is exposed to credit risk, which is the risk resulting from failure of one party to meet its obligations. Credit risk is considered the most significant risk for the Bank; therefore, the management is conservative and prudent in managing this risk exposure. Credit risks results mainly from lending activities that result in loans and facilities and from investment activities which results in having such debt instruments included in the Bank's assets. Credit risk is also included in off balance sheet financial instruments, such as loan commitments. Managing and monitoring process of credit risk is represented in credit risk management team of the Risk Management Department that provide reports presented to the Board of Directors, Top Management and Heads of operating units on regular basis.

### (A/1) Credit risk measurement

#### Loans and facilities to banks and customers.

- To measure credit risk on the loans and facilities to Banks and customers, the Bank considers the following three components:
- Probability of default by the client or third parties to fulfill its contractual obligations.
- The current position and its probable future development from which the Bank conclude the balance exposed to risk. (Exposure at default)
- Loss given default

The daily management of the Bank's activities involves measures of credit risk based on the Expected Loss Model required by the Basel Committee on Banking Supervision. Those operational measures could be inconsistent with the impairment loss burden according to EAS 26, which adopts the realized losses model and not the expected losses (Note A / 3) on the date of the financial statements.

The Bank assesses the default risk for each customer using internal evaluation methods to determine the rating for the different customers' categories. These methods were internally improved taking into consideration statistical analysis and the professional judgment of the credit officers to reach the appropriate rating. The customers are classified into four ratings. Rating scale (shown in the following table) reflects the possibility of defaults for each rating category, in which the credit positions may transfer from one rating to another depending on the change in the degree of possible risk. The customers' rating and the rating process are reviewed and improved when necessary.

The Bank periodically evaluates the performance of the credit rating methods and their ability in expecting the customers' defaults.



Bank’s internal ratings scale

Rating description	Rating
Performing loans	1
Regular watching	2
Watch list	3
Non-performing loans	4

The Position exposed to default depends on the outstanding balances expected at the time when a default occurs, for example, for the loans , the position is the nominal value while for commitments, the Bank includes all actual withdrawals in addition to any other expected withdrawals till the date of the late payment if any.

The expected loss or specific loss represent the Bank’s expectation of loss as of the date when the settlement is due, which is loan loss percentage that certainly differs according to the type of debtor, priority of claim, the availability of guarantees and any other means of credit cover.

- Debt instruments, treasury bills and other bills

For debt instruments and bills, the Bank is using the external classifications such as Standard & Poor’s or equivalent institutions to manage credit risk, in case such ratings are not available, methods similar to those applied to credit customers are used. Investments in securities and treasury bills are regarded as a way to get better credit quality and at the same time provides a source available to meet finance requirements.

(A/2) Limiting and avoiding risks policies

The Bank manages limits and controls credit risk concentrations on the levels of borrowers, groups, industries and countries.

The Bank manages the credit risk it undertakes by placing limits on the amount of risk accepted in relation to every single borrower, or groups of borrowers, and on the levels of economic activities and geographic segments. Such risks are monitored on regular basis and subjected to annual or more frequent reviews, whenever necessary. The Board of Directors reviews on quarterly basis the levels of credit risk on the levels of the borrower, group of borrowers, product and industry segments and country credit concentration.

The lines of credit are divided for any borrower including Banks, into sub limits based on amounts in and off-balance sheet, the daily limit risk on trading items such as forward foreign exchange contracts where the actual amounts are compared with the limit every day.

Exposure to credit risk is also managed through regular analysis of the existing and potential borrowers’ ability to meet their obligations and through changing the lending limits whenever appropriate.

The following are other controls used by the Bank to limit the credit risk.

Collaterals

The Bank use different methods to limit its credit risk. One of these methods is accepting collaterals against loans and facilities granted by the Bank. The Bank implements guidelines for collaterals to be accepted. The major types of collateral against loans and facilities are:

- Real estate mortgage
- Business assets mortgage such as machines and goods.
- Financial instruments mortgage such as debt and equity instruments.

The long-term finance and loans to corporate entities are generally guaranteed while individual credit facilities are unsecured. In addition, to minimize the credit loss, the Bank will seek additional collaterals from all the concerned parties as soon as impairment indicators are noticed for a loan or facility.

The Bank determines the type of collaterals held by the Bank as security for financial assets other than loans and facilities according to the nature of the instrument, generally, debt securities and treasury bills are unsecured, except for Asset-Backed Securities and similar instruments secured by a financial instrument portfolio.

Credit-related commitments

The primary purpose of these commitments is to ensure that funds are available to customer when required. Guarantees and standby letters of credit are of the same credit risks as loans, documentary and commercial letters of credit – which are issued by the Bank on behalf of the customer by which authorizing a third party to draw within a certain limit in accordance to specific terms and conditions and guaranteed by the goods under shipment are of lower risk than a direct loan. Credit related commitments represent the unused portion of credit limit of loans, guarantees or letters of credit. With respect to credit risk related to credit commitments, the Bank is exposed to probable loss of amount equal to the total unused limit. However, the probable amount of loss is less than the unused limit commitments, as most commitments represent commitments to customers maintaining certain credit standards. The Bank monitors the maturity term of the credit commitments because long-term commitments are usually of high credit risk than short-term commitments.

(A/3) Impairment and provisioning policies (Measurement of expected credit loss)

The policies of the Bank requires determining three stages to classify the financial assets measured at amortized cost, loan commitments, financial guarantees and debt instruments at fair value through other comprehensive income based on the changes of credit quality since the initial recognition and measurement of impairment loss (expected credit loss) in value related to these instruments as follows:

The financial asset that is not impaired at initial recognition is classified in the first stage and the credit risk shall be continuously monitored by the Credit Risk Department of the Bank.

In case there is a significant increase in credit risk since initial recognition, the financial asset is to be transferred to the second stage and it shall not be considered as impaired financial asset in this stage (the expected credit loss over lifetime under lack of impairment in credit value).

In case of indicators of impairment in the value of the financial asset, it shall be transferred to the third stage. The indicators used by the Bank to determine whether there are objective evidences indicating the following:

- Significant increase of interest of the financial asset as a result of increase in credit risk
- Significant adverse changes in business activity, financial and/or economic conditions in which the borrower operates
- Request of debt rescheduling as a result of difficulties encountering the borrower.
- Significant adverse change in actual or expected operating results or cash flows of the borrower.
- Adverse future economic changes which affects the borrower’s future cash flows.
- Early signs of cash flow/liquidity problems such as delay in servicing of creditors/ trade loan.
- Cancellation of one of the direct facilities on the part of the Bank due to an increase in credit risk of the borrower.

The impairment loss provision appeared in the balance sheet at the end of the year is derived from the four internal rating grades. However, most of the impairment provision comes from the last two ratings of classification. The table below shows the relative distribution percentage of in-balance sheet items relating to loans, facilities and the related impairment for each category of the internal rating of the Bank:





Ratings of The Bank	31 December 2024		31 December 2023	
	Loans &Facilities	Impairment provision	Loans &Facilities	Impairment provision
	%	%	%	%
Performing loans	6.80	0.01	10.40	0.02
Regular watching	59.18	39.15	46.57	30.31
Watch list	-	-	9.50	10.51
Non-performing loans	34.02	60.84	33.53	59.16
Total	100	100	100	100

The internal evaluation instruments help the management to determine whether there are objective evidences of impairment according to the Egyptian Accounting Standard No. 47 and based on the following indicators specified by the Bank:

- Severe financial insolvency encountered by the borrower or the debtor.
- Violation of loan agreement such as default of payment.
- Expecting the Bankruptcy of the borrower, entering into liquidation case or restructuring the finance granted to him.
- Deterioration in the competitive status of the borrower.
- Granting concessions or privileges to the borrower due to economic, legal or financial insolvency encountered by the borrower which may not be given by the Bank in normal circumstances.
- Impairment of guarantee value.
- Deterioration of the creditworthiness.

The policies adopted by the Bank require reviewing all the financial assets exceeding specific relative significance at least once a year or more when the circumstances necessitate to do so.

The impairment charge shall be determined on the accounts that are evaluated on case by case basis through the evaluation of the loss realized on the date of the balance sheet. Such policies are expected to be implemented on all accounts attributed by relative significance on case by case basis. The evaluation usually includes the outstanding guarantee that embraces the reassurance of the implementation on the guarantee and expected collections from the said accounts. The impairment losses provision is formed based on a group of assets of similar kind using the historical empirical experience available, personal judgment and statistical methods.

#### (A/4) Banking general risk measurement model

In addition to the four categories of the Bank's internal credit rating indicated in Note (3- A/1), management classifies loans and advances based on more detailed subgroups in accordance with the CBE requirements. Assets exposed to credit risk in these categories are classified according to detailed conditions and terms depending heavily on information related to the customer, his activities, financial position and commitment to the payment schedules.

The Bank calculates required provisions for impairment of assets exposed to credit risk, including commitments relating to credit on the basis of rates determined by CBE. In case of having required increment in impairment losses provision according to the rules of the Central Bank of Egypt that exceeds the amount required by using the expected credit loss, the General Banking Risk Reserve shall be set aside in equity and deducted from the retained earnings with an amount equivalent to such increment. The said reserve shall be amended on regular basis as an increase or decrease in a manner that is always equivalent to the amount of increase when comparing the two provisions. The said reserve shall not be distributable.

The following are the categories of credit ratings for the institutions in accordance with the four internal rating grades compared to the bases of the CBE assessment and provisions percentage required for the impairment of assets exposed to credit risk:

Rating indications	Provision percentage required %	Internal Ratings	Internal Ratings Granting
Low risk	Zero	1	Performing loans
Moderate risk	1	1	Performing loans
Satisfactory risk	1	1	Performing loans
Appropriate risk	2	1	Performing loans
Acceptable risk	2	1	Performing loans
Marginally Acceptable risk	3	2	Regular watching
Watch list	5	3	Watch list
Substandard	20	4	Non-performing loans
Doubtful	50	4	Non-performing loans
Bad debt	100	4	Non-performing loans

#### (A/5) Maximum limits for credit risk before collaterals

Balance sheet items exposed to credit risks	31/12/2024	31/12/2023
Treasury bills and government notes	2 053 192	1 773 400
Due from Banks	1 282 202	1 319 897
Loans to Banks	88 136	56 371
<b>Loans and facilities to customers:</b>		
<b>Retail loans:</b>		
Debit current accounts	960	1 986
Credit cards	2 058	1 841
Personal loans	14 429	16 641
<b>Corporate loans:</b>		
Debit current accounts	2 747	8 630
Syndicated loans	131 092	134 441
Direct loans	230 686	273 974
Other assets	13 305	10 460
<b>Total</b>	<b>3 818 807</b>	<b>3 597 641</b>
<b>Off-balance sheet items exposed to credit risk</b>		
Letters of credit	852	492
Letters of guarantee	41 128	81 115
Companies loans commitments	323	9 707
Money Market papers for facilities to suppliers	1 172	-
<b>Total</b>	<b>43 475</b>	<b>91 314</b>

- The above table represents the Bank maximum exposure to credit risk on December 31, 2024 – December 31, 2023 before taking into consideration any held collaterals. For assets recognized in the balance sheet, the exposures set out above are based on total carrying amounts as reported in the balance sheet.

- As shown above 12.31% of the total maximum exposure is derived from loans and facilities to Banks and customers as at December 31, 2024, compared to 13.73 % as at December 31, 2023.



- Management is confident in its ability to continue to control and sustain minimal exposure of credit risk resulting from both its loans and facilities portfolio and debt instruments based on the following:
- On December 31, 2024, 65.98% of the loans and facilities portfolio to Banks and customers are concentrated in the top two grades of the internal credit risk rating system compared to 56.97% on December 31, 2023.
- On December 31, 2024, 64.82 % of loans and facilities portfolio to Banks and customers are neither past due nor impaired compared to 64.06% on December 31, 2023.
- Loans and facilities assessed individually amounted to US\$ 197 794 thousand on December 31, 2024 compared to US\$ 221 228 thousand on December 31, 2023.
- The Bank has implemented more prudent processes when granting loans and facilities during the financial year ended on December 31, 2024.
- On December 31, 2024 and on December 31, 2023, 100% of the investments in debt instruments and treasury bills represent debt instruments on the part of the Egyptian Government.

The following tables indicates information about the financial asset's quality during the financial period:

Due from banks	31/12/2024			
	First stage 12 months	Second stage Over lifetime	Third stage Over lifetime	Total
Credit rating				
Performing loans	529 169	336 698	-	865 867
Regular watching	6 707	409 859	-	416 566
Watch list	-	-	-	-
Non-performing loans	-	-	-	-
	535 876	746 557	-	1 282 433
Less impairment loss provision	(9)	(222)	-	(231)
<b>Book value</b>	<b>535 867</b>	<b>746 335</b>	-	<b>1 282 202</b>

Due from banks	31/12/2023			
	First stage 12 months	Second stage Over lifetime	Third stage Over lifetime	Total
Credit rating				
Performing loans	16 780	-	-	16 780
Regular watching	2 793	1 300 485	-	1 303 278
Watch list	-	-	-	-
Non-performing loans	-	-	-	-
	19 573	1 300 485	-	1 320 058
Less impairment loss provision	-	(161)	-	(161)
<b>Book value</b>	<b>19 573</b>	<b>1 300 324</b>	-	<b>1 319 897</b>

Treasury bills	31/12/2024			
	First stage 12 months	Second stage Over lifetime	Third stage Over lifetime	Total
Credit rating				
Performing loans	445 477	-	-	445 477
Regular watching	-	-	-	-
Watch list	-	-	-	-
Non-performing loans	-	-	-	-
	445 477	-	-	445 477
Less impairment loss provision	(1 752)	-	-	(1 752)
<b>Book value</b>	<b>443 725</b>	-	-	<b>443 725</b>

Treasury bills	31/12/2023			
	First stage 12 months	Second stage Over lifetime	Third stage Over lifetime	Total
Credit rating				
Performing loans	465 592	-	-	465 592
Regular watching	-	-	-	-
Watch list	-	-	-	-
Non-performing loans	-	-	-	-
	465 592	-	-	465 592
Less impairment loss provision	(1 633)	-	-	(1 633)
<b>Book value</b>	<b>463 959</b>	-	-	<b>463 959</b>

Loans and credit facilities to Banks	31/12/2024			
	First stage 12 months	Second stage Over lifetime	Third stage Over lifetime	Total
Credit rating				
Performing loans				
Regular watching	30 000	58 813	-	88 813
Watch list	-	-	-	-
Non-performing loans	-	-	-	-
	30 000	58 813	-	88 813
Less impairment loss provision	(361)	(316)	-	(677)
<b>Book value</b>	<b>29 639</b>	<b>58 497</b>	-	<b>88 136</b>

Loans and credit facilities to Banks	31/12/2023			
	First stage 12 months	Second stage Over lifetime	Third stage Over lifetime	Total
Credit rating				
Performing loans	-	-	-	-
Regular watching	40 000	16 832	-	56 832
Watch list	-	-	-	-
Non-performing loans	-	-	-	-
	40 000	16 832	-	56 832
Less impairment loss provision	(399)	(62)	-	(461)
<b>Book value</b>	<b>39 601</b>	<b>16 770</b>	-	<b>56 371</b>



	31/12/2024			
Loans and credit facilities to individuals	First stage 12 months	Second stage Over lifetime	Third stage Over lifetime	Total
Credit rating				
Performing loans	17 447	-	-	17 447
Regular watching	-	-	-	-
Watch list	-	-	-	-
Non-performing loans	-	-	10	10
	17 447	-	10	17 457
Less impairment loss provision	-	-	(10)	(10)
<b>Book value</b>	<b>17 447</b>	<b>-</b>	<b>-</b>	<b>17 447</b>

	31/12/2023			
Loans and credit facilities to individuals	First stage 12 months	Second stage Over lifetime	Third stage Over lifetime	Total
Credit rating				
Performing loans	20 468	-	-	20 468
Regular watching	-	-	-	-
Watch list	-	-	-	-
Non-performing loans	-	-	56	56
	20 468	-	56	20 524
Less impairment loss provision	-	-	(56)	(56)
<b>Book value</b>	<b>20 468</b>	<b>-</b>	<b>-</b>	<b>20 468</b>

	31/12/2024			
Loans & credit facilities to corporate	First stage 12 months	Second stage Over lifetime	Third stage Over lifetime	Total
Credit rating				
Performing loans	21 407	675	-	22 082
Regular watching	16 448	327 558	-	344 006
Watch list	-	-	-	-
Non-performing loans	-	-	197 784	197 784
	37 855	328 233	197 784	563 872
Less impairment loss provision	(56)	(78 006)	(121 285)	(199 347)
<b>Book value</b>	<b>37 799</b>	<b>250 227</b>	<b>76 499</b>	<b>364 525</b>

	31/12/2023			
Loans & credit facilities to corporate	First stage 12 months	Second stage Over lifetime	Third stage Over lifetime	Total
Credit rating				
Performing loans	48 178	-	-	48 178
Regular watching	18 861	288 421	-	307 282
Watch list	-	62 691	-	62 691
Non-performing loans	-	-	221 172	221 172
	67 039	351 112	221 172	639 323
Less impairment loss provision	(84)	(90 703)	(131 491)	(222 278)
<b>Book value</b>	<b>66 955</b>	<b>260 409</b>	<b>89 681</b>	<b>417 045</b>

	31/12/2024			
Debt instruments at amortized cost	First stage 12 months	Second stage Over lifetime	Third stage Over lifetime	Total
Credit rating				
Performing loans	74 228	-	-	74 228
Regular watching	-	-	-	-
Watch list	-	-	-	-
Non-performing loans	-	-	-	-
	74 228	-	-	74 228
Less impairment loss provision	(720)	-	-	(720)
<b>Book value</b>	<b>73 508</b>	<b>-</b>	<b>-</b>	<b>73 508</b>

	31/12/2023			
Debt instruments at amortized cost	First stage 12 months	Second stage Over lifetime	Third stage Over lifetime	Total
Credit rating				
Performing loans	96 983	-	-	96 983
Regular watching	-	-	-	-
Watch list	-	-	-	-
Non-performing loans	-	-	-	-
	96 983	-	-	96 983
Less impairment loss provision	(373)	-	-	(373)
<b>Book value</b>	<b>96 610</b>	<b>-</b>	<b>-</b>	<b>96 610</b>

The following tables indicates changes in expected credit loss (ECL) between the beginning and end of the period due to these results:

	31/12/2024			
Due from Banks	First stage 12 months	Second stage Over lifetime	Third stage Over lifetime	Total
Credit loss provision as at 1 January 2024	-	161	-	161
Net impairment charge/reverse through the year	9	61	-	70
Written off during the year	-	-	-	-
Foreign exchange differences	-	-	-	-
<b>Balance at the end of the year</b>	<b>9</b>	<b>222</b>	<b>-</b>	<b>231</b>

	31/12/2023			
Due from Banks	First stage 12 months	Second stage Over lifetime	Third stage Over lifetime	Total
Credit loss provision as at 1 January 2023	-	156	-	156
Net impairment charge/reverse through the year	-	5	-	5
Written off during the year	-	-	-	-
Foreign exchange differences	-	-	-	-
<b>Balance at the end of the year</b>	<b>-</b>	<b>161</b>	<b>-</b>	<b>161</b>



Treasury bills	31/12/2024			Total
	First stage 12 months	Second stage Over lifetime	Third stage Over lifetime	
Credit loss provision as at 1 January 2024	1 633	-	-	1 633
Net impairment charge/reverse through the year	136	-	-	136
Written off during the year	-	-	-	-
Foreign exchange differences	(17)	-	-	(17)
<b>Balance at the end of the year</b>	<b>1 752</b>	<b>-</b>	<b>-</b>	<b>1 752</b>

Treasury bills	31/12/2023			Total
	First stage 12 months	Second stage Over lifetime	Third stage Over lifetime	
Credit loss provision as at 1 January 2023	1 634	-	-	1 634
Net impairment charge/reverse through the year	(14)	-	-	(14)
Written off during the year	-	-	-	-
Foreign exchange differences	13	-	-	13
<b>Balance at the end of the year</b>	<b>1 633</b>	<b>-</b>	<b>-</b>	<b>1 633</b>

Loans and credit facilities to Banks	31/12/2024			Total
	First stage 12 months	Second stage Over lifetime	Third stage Over lifetime	
Credit loss provision as at 1 January 2024	399	62	-	461
Net impairment charge/reverse through the year	(38)	291	-	253
Written off during the year	-	-	-	-
Foreign exchange differences	-	(37)	-	(37)
<b>Balance at the end of the year</b>	<b>361</b>	<b>316</b>	<b>-</b>	<b>677</b>

Loans and credit facilities to Banks	31/12/2023			Total
	First stage 12 months	Second stage Over lifetime	Third stage Over lifetime	
Credit loss provision as at 1 January 2023	499	122	-	621
Net impairment charge/reverse through the year	(100)	(36)	-	(136)
Written off during the year	-	-	-	-
Foreign exchange differences	-	(24)	-	(24)
<b>Balance at the end of the year</b>	<b>399</b>	<b>62</b>	<b>-</b>	<b>461</b>

Loans and credit facilities to individuals	31/12/2024			Total
	First stage 12 months	Second stage Over lifetime	Third stage Over lifetime	
Credit loss provision as at 1 January 2024	-	-	56	56
Net impairment charge/reverse through the year	-	-	(14)	(14)
Written off during the year	-	-	(32)	(32)
Proceeds from loans previously written off	-	-	-	-
Foreign exchange differences	-	-	-	-
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>	<b>10</b>	<b>10</b>

Loans and credit facilities to individuals	31/12/2023			Total
	First stage 12 months	Second stage Over lifetime	Third stage Over lifetime	
Credit loss provision as at 1 January 2023	-	-	66	66
Net impairment charge/reverse through the year	-	-	(3)	(3)
Written off during the year	-	-	(7)	(7)
Proceeds from loans previously written off	-	-	-	-
Foreign exchange differences	-	-	-	-
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>	<b>56</b>	<b>56</b>

Loans & credit facilities to corporate	31/12/2024			Total
	First stage 12 months	Second stage Over lifetime	Third stage Over lifetime	
Credit loss provision as at 1 January 2024	84	90 703	131 491	222 278
Net impairment charge/reverse through the year	1	(10 497)	3 914	(6 582)
Transfers from loans provision	-	-	349	349
Written off during the year	-	-	(13 520)	(13 520)
Foreign exchange differences	(29)	(2 200)	(949)	(3 178)
<b>Balance at the end of the year</b>	<b>56</b>	<b>78 006</b>	<b>121 285</b>	<b>199 347</b>

Loans & credit facilities to corporate	31/12/2023			Total
	First stage 12 months	Second stage Over lifetime	Third stage Over lifetime	
Credit loss provision as at 1 January 2023	218	87 629	164 898	252 745
Net impairment charge/reverse through the year	(108)	4 717	944	5 553
Transfers from loans provision	-	-	2 300	2 300
Written off during the year	-	-	(36 109)	(36 109)
Foreign exchange differences	(26)	(1 643)	(542)	(2 211)
<b>Balance at the end of the year</b>	<b>84</b>	<b>90 703</b>	<b>131 491</b>	<b>222 278</b>



Debt instruments at amortized cost	31/12/2024			Total
	First stage 12 months	Second stage Over lifetime	Third stage Over lifetime	
Credit loss provision as at 1 January 2024	373	-	-	373
Net impairment charge/reverse through the year	351	-	-	351
Written off during the year	-	-	-	-
Foreign exchange differences	(4)	-	-	(4)
<b>Balance at the end of the year</b>	<b>720</b>	<b>-</b>	<b>-</b>	<b>720</b>

Debt instruments at amortized cost	31/12/2023			Total
	First stage 12 months	Second stage Over lifetime	Third stage Over lifetime	
Credit loss provision as at 1 January 2023	1 175	-	-	1 175
Net impairment charge/reverse through the year	(803)	-	-	(803)
Written off during the year	-	-	-	-
Foreign exchange differences	1	-	-	1
<b>Balance at the end of the year</b>	<b>373</b>	<b>-</b>	<b>-</b>	<b>373</b>

#### (A/6) Loans and facilities

The following table indicates the distribution of Loans and facilities balances based on credit rating:

	31 December 2024		31 December 2023	
	Loans & facilities to customers	Loans & facilities to Banks	Loans & facilities to customers	Loans & facilities to Banks
Neither past due nor impaired	345 544	88 813	402 237	56 832
Past due but not impaired	37 991	-	36 382	-
Impaired	197 794	-	221 228	-
<b>Total</b>	<b>581 329</b>	<b>88 813</b>	<b>659 847</b>	<b>56 832</b>
Less: Impairment loss provision	(199 357)	(677)	(222 334)	(461)
<b>Net</b>	<b>381 972</b>	<b>88 136</b>	<b>437 513</b>	<b>56 371</b>

Total impairment provision for loans and facilities reached US\$ 199 357 thousand at the end of the current financial period compared to US\$ 222 334 thousand at the end of the comparative year that included US\$ 121 295 thousand that represents loans impairment provision of loans individually valued (the third stage) compared to US\$ 131 547 thousand at the end of the comparative year. The rest of the loans portfolio which amounted to US\$ 78 062 thousand represent the loans impairment provision formed for the first and second stage of the credit portfolio compared to US\$ 90 787 thousand at the end of the comparative year.

Loans and facilities neither past due nor impaired:

The credit quality for the loans and facilities portfolio (neither past due nor impaired) valued upon the internal valuation used by the Bank.

31/12/2024	Individuals			
	Debit current accounts	Credit cards	Personal loans	Total
1-Performing loans	960	2 033	14 429	17 422
2-Regular watching	-	-	-	-
3-Watch list	-	-	-	-
<b>Total</b>	<b>960</b>	<b>2 033</b>	<b>14 429</b>	<b>17 422</b>

31/12/2024	Corporate			
	Debit current accounts	Direct loans	Syndicated loans and facilities	Total
1-Performing loans	83	21 999	-	22 082
2-Regular watching	1 577	149 471	154 992	306 040
3-Watch list	-	-	-	-
<b>Total</b>	<b>1 660</b>	<b>171 470</b>	<b>154 992</b>	<b>328 122</b>

The Non-performing loans category secured by cash guarantees were not considered as impaired after taking into consideration that such guarantees can be collected

#### Loans and facilities to customers

31/12/2023	Individuals			
	Debit current accounts	Credit cards	Personal loans	Total
1-Performing loans	1 986	1 795	16 641	20 422
2-Regular watching	-	-	-	-
3-Watch list	-	-	-	-
<b>Total</b>	<b>1 986</b>	<b>1 795</b>	<b>16 641</b>	<b>20 422</b>

#### Loans and facilities to customers

31/12/2023	Corporate			
	Debit current accounts	Direct loans	Syndicated loans and facilities	Total
1-Performing loans	3 118	40 649	-	43 767
2-Regular watching	5 680	118 927	150 750	275 357
3-Watch list	15	62 676	-	62 691
<b>Total</b>	<b>8 813</b>	<b>222 252</b>	<b>150 750</b>	<b>381 815</b>

The Non-performing loans category secured by cash guarantees were not considered as impaired after taking into consideration that such guarantees can be collected.



Past due loans and facilities but not impaired

They are loans and facilities having past due but not considered impaired, unless there is information to the contrary. The loans and facilities to customers having past due and not subject to impairment are represented in the following:

Individuals				
31/12/2024	Debit current accounts	Credit cards	Personal loans	Total
Past due up to 30 days	-	25	-	25
Past due more than 30 to 60 days	-	-	-	-
Past due more than 60 to 90 days	-	-	-	-
Total	-	25	-	25

Corporate				
31/12/2024	Debit current accounts	Credit cards	Syndicated loans and facilities	Total
Past due up to 30 days	-	37 966	-	37 966
Past due more than 30 to 60 days	-	-	-	-
Past due more than 60 to 90 days	-	-	-	-
Total	-	37 966	-	37 966

Individuals				
31/12/2023	Debit current accounts	Credit cards	Personal loans	Total
Past due up to 30 days	-	46	-	46
Past due more than 30 to 60 days	-	-	-	-
Past due more than 60 to 90 days	-	-	-	-
Total	-	46	-	46

Corporate				
31/12/2023	Debit current accounts	Direct loans	Syndicated Loans and facilities	Total
Past due up to 30 days	-	5 373	-	5 373
Past due more than 30 to 60 days	-	-	-	-
Past due more than 60 to 90 days	-	30 963	-	30 963
Total	-	36 336	-	36 336

Past due loans and facilities represent the amounts that entirely or partially fall due and were not paid on the dates contractually agreed upon and they include past due amounts for periods that exceed one day.

Accordingly, the amounts presented in the Note represent the total balance of the loan or facility and not only the past due portion while the rest of the loans balances and other facilities granted to the customer are not included as long as the customer has not been entirely or partially in default.

On the date of initial recognition for the loans & facilities, the presented collaterals fair value is estimated if any - as per the valuation methods usually used in valuation of similar assets provided that they shall not be recognized in the financial statement of the Bank as they do not represent assets of the Bank on that date. In subsequent periods, the fair value of such collaterals will be adjusted as per the price or the market prices of the similar assets.

- Loans and facilities individually subject to impairment

Loans and facilities to customers

The balance of Loans and facilities individually subject to impairment (the third stage) at the end of the current financial period before taking into consideration cash flows from guarantees amounted to US\$ 197 794 thousand compared to US\$ 221 228 thousand at the end of the comparative year. The following tables include a breakdown of the total loans and facilities individually subject to impairment and the fair value of collaterals taken into consideration when provisions are calculated.

Individuals				
31/12/2024	Debit current accounts	Credit cards	Personal loans	Total
Loans individually subject to impairment	10	-	-	10
Fair value of collaterals	-	-	-	-

Corporate				
31/12/2024	Debit current accounts	Direct loans	Syndicated Loans and facilities	Total
Loans individually subject to impairment	5 993	150 055	41 736	197 784
Fair value of collaterals	119	7 169	8 896	16 184

Individuals				
31/12/2023	Debit current accounts	Credit cards	Personal loans	Total
Loans individually subject to impairment	56	-	-	56
Fair value of collaterals	-	-	-	-

Corporate				
31/12/2023	Debit current accounts	Direct loans	Syndicated Loans and facilities	Total
Loans individually subject to impairment	2 809	171 795	46 568	221 172
Fair value of collaterals	-	18 034	8 896	26 930





## Restructured loans and facilities

Restructuring activities include extending periods of payment arrangements, implementing compulsory management programs, amending and deferring settlement of payments. The policies of implementing the restructuring depend on indicators or criteria which indicate that there is a high probability of continued payment, based on the personal judgment of the management. These policies are subject to continuous review. Restructuring of long-term loans is commonly applied, especially to customers' financing loans. The renegotiated loans amounted to US\$ 400 705 thousand, compared to US\$ 277 744 thousand at the end of the comparative year.

	31 December 2024	31 December 2023
Loans & Facilities to Customers		
Institutions		
- Debit current accounts	28 774	20 589
- Direct loans	371 931	257 155
<b>Total</b>	<b>400 705</b>	<b>277 744</b>

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

The table below shows an analysis of debt instruments, treasury bills and other government notes (before deducting any impairment allowances) according to the rating agency of Standard & Poor's or its equivalent at the end of the financial year.

	Rating	31 December 2024	31 December 2023
Egyptian treasury bills			
At fair value through other comprehensive income	(B-)	1 535 959	1 212 831
At amortized cost	(B-)	445 477	465 592
Egyptian treasury bonds			
At amortized cost	(B-)	74 228	96 983
<b>Total</b>		<b>2 055 664</b>	<b>1 775 406</b>

## (A/8) Acquisition of Collaterals

- The Bank has not acquired assets based on the acquisition of collaterals during the current financial year.
- The assets acquired by the Bank are classified under the item of other assets in the balance sheet and these assets are to be sold whenever applicable.

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

### Geographical sectors

The following table represents an analysis of the most significant credit risk limits of the Bank at book value and their distribution according to the geographical sectors at the end of the current financial year. When we prepared this table, we distributed the risks over the geographical sectors based on the areas related to the customers of the Bank.

	Greater Cairo	Alexandria	Port Said	Sharm EL Sheikh	Total
Treasury bills & other government notes	2 055 664	-	-	-	2 055 664
Loans & facilities to Banks	88 813	-	-	-	88 813
<b>Loans and facilities to customers:</b>					
- Loans to individuals:					
- Debit current accounts	895	-	-	75	970
- Credit cards	1 897	128	27	6	2 058
- Personal loans	13 627	653	128	21	14 429
<b>- Loans to Corporate:</b>					
- Debit current accounts	7 653	-	-	-	7 653
- Direct loans	345 648	13 842	-	1	359 491
- Syndicated loans	196 728	-	-	-	196 728
<b>Total as at 31 December 2024</b>	<b>2 710 925</b>	<b>14 623</b>	<b>155</b>	<b>103</b>	<b>2 725 806</b>
<b>Total as at 31 December 2023</b>	<b>2 479 612</b>	<b>12 265</b>	<b>161</b>	<b>47</b>	<b>2 492 085</b>

### - Activity Sectors

The following table represents an analysis of the most significant credit risk limits of the Bank at book value distributed according to the business activity practiced by the customers of the Bank.

	Financial Institutions	Industrial Institutions	Commercial	Mining & Petroleum Services	Real Estate Activities	Government Sector	Other Activities	Total
Treasury bills & other government notes	-	-	-	-	-	2 055 664	-	2 055 664
Loans & facilities to Banks	88 813	-	-	-	-	-	-	88 813
<b>Loans and facilities to customers:</b>								
<b>- Loans to individuals:</b>								
- Debit current accounts	-	-	-	-	-	-	970	970
- Credit cards	-	-	-	-	-	-	2 058	2 058
- Personal loans	-	-	-	-	-	-	14 429	14 429
<b>- Loans to Corporate:</b>								
- Debit current accounts	-	4 970	1 023	1 574	-	-	86	7 653
- Direct loans	21 519	47 921	5 588	123 108	180	-	161 175	359 491
- Syndicated loans	22 667	19 070	-	44 400	2 355	-	108 236	196 728
<b>Total as of 31 December 2024</b>	<b>132 999</b>	<b>71 961</b>	<b>6 611</b>	<b>169 082</b>	<b>2 535</b>	<b>2 055 664</b>	<b>286 954</b>	<b>2 725 806</b>
<b>Total as of 31 December 2023</b>	<b>105 142</b>	<b>111 048</b>	<b>11 449</b>	<b>185 820</b>	<b>3 589</b>	<b>1 775 406</b>	<b>299 631</b>	<b>2 492 085</b>

### B - Market risk

The Bank is exposed to market risk which is the risk that the fair value or future cash flow fluctuation resulting from changes in market prices. Market risk arises from open market related to interest rate, currency, and equity products of which each is exposed to general and specific market movements and changes in sensitivity levels of market rates or prices such as interest rates, foreign exchange rates and equity instrument prices. The Bank divides its exposure to market risk into trading and non-trading portfolios.



The market risk management resulting from trading and non-trading portfolios is concentrated in the risk department of the Bank and they are followed up by two separate teams. Interim reports on market risk are presented to the Board of Directors, Assets and Liabilities Committee (ALCO) and the heads of business activity units on regular basis.

Trading portfolios include transactions where the Bank deals directly with clients or with the market; non-trading portfolios primarily arise from managing assets and liabilities interest rate related to retail transactions and corporate. Non-trading portfolios also includes foreign exchange risk and equity instruments risks arising from the Bank's held-to-maturity and available for sale investments portfolios

(B/1) Market risk measurement techniques

As part of market risk management, the Bank undertakes various hedging strategies and enters into swaps to match the interest rate risk associated with the debt instruments and fixed-rate long-term loans if the fair value option has been applied. The major measurement techniques used to measure and control market risk are outlined below.

- Value at Risk (VaR)

The Bank applies a 'value at risk' methodology (VaR) for trading and non-trading portfolios to estimate the market risk of positions held and the maximum expected losses based on a number of assumptions for various changes in market conditions. The Board of Directors sets limits for the value of risk that may be accepted by the Bank for trading and non- trading portfolios on separate basis and they are daily monitored by the Market Risk Management Department in the Bank. Value at Risk (VaR) is a statistic expectation of the current portfolio potential losses resulting from the adverse movements of the market and the maximum loss that may be incurred by the Bank based on using a specific confidence coefficient (98%). Subsequently, there is a statistical probability at a ratio of (2%) that the effective loss is higher than the expected Value at Risk (VaR). VaR model assumes a defined holding period of (ten days) before closing the open positions. It also assumes that the market movements during the defined holding period of (ten days) shall follow the same market movements model which occurred during the previous ten days. The Bank estimates the previous movements based on the data of the last five years. The Bank also applies such historic changes of ratios, prices and indicators in a direct manner on the current positions. This method is known as historic simulation. The effective outputs are regularly monitored to measure the soundness of assumptions and coefficients used to measure Value at Risk (VaR). However, applying such method does not overcome the loss of such limits in case of having greater movements in the market.

- Stress Testing

Stress testing provides an indicator of the expected losses that may arise from sharp adverse circumstances. Stress testing is designed to match business using standard analysis for specific scenarios.

The stress testing carried out by the Risk Management Department of the Bank include, risk factor stress testing where sharp movements are applied to each risk category and test of emerging market stress, as emerging market portfolios are subject to sharp movements; and subject to special stress test including possible stress events to specific positions or regions - for example the stress outcome to a region due to applying a free foreign currency exchange rate. The results of the stress testing are reviewed by the Top Management and the Board of Directors

Summary of value exposed to risk

Total value exposed to risk according to each risk category:

Foreign Exchange Risk	31/12/2024			31/12/2023		
	Average	Higher	Lesser	Average	Higher	Lesser
	52 703	143 732	5	2 393	10 822	38

Total value exposed to risk according to each risk category (Non-trading):

Foreign Exchange Risk	31/12/2024			31/12/2023		
	Average	Higher	Lesser	Average	Higher	Lesser
	52 703	143 732	5	2 393	10 822	38

(B/2) Foreign exchange volatility risk

The Bank is exposed to foreign exchange rate volatility risk in terms of the financial position and cash flows. The Board of Directors set aggregate limits for foreign exchange for each position at the end of the day, and during the day which is controlled on timely basis. The following table summarizes the Bank exposure to foreign exchange volatility risk at the end of the financial year.

The table also includes the carrying amounts of the financial instruments in their currencies as follows:

31 December 2024	USD	Euro	GBP	L.E	Other	Total
<b>Financial assets</b>						
Cash and balances with the Central Bank	18 476	6 528	692	265 378	181	291 255
Due from Banks	1 058 883	54 348	47 987	118 756	2 228	1 282 202
Treasury bills	374 187	69 538	-	1 535 959	-	1 979 684
Loans and facilities to customers	337 119	838	-	44 015	-	381 972
Loans and facilities to banks	29 639	-	-	58 497	-	88 136
<b>Financial investments:</b>						
- Available for sale at fair value through other comprehensive income	23 406	-	-	-	-	23 406
- At amortized cost	55 371	9 865	-	8 272	-	73 508
Investments in subsidiaries and associates	137 865	-	-	230 052	-	367 917
Other assets	39 714	659	363	21 427	-	62 163
<b>Total financial assets</b>	<b>2 074 660</b>	<b>141 776</b>	<b>49 042</b>	<b>2 282 356</b>	<b>2 409</b>	<b>4 550 243</b>
<b>Financial liabilities</b>						
Due to Banks	37 708	1 248	64	-	49	39 069
Customers deposits & certificates of deposits	1 367 496	139 686	47 038	2 051 516	2 279	3 608 015
Other liabilities	29 047	87	36	10 530	-	39 700
<b>Total financial liabilities</b>	<b>1 434 251</b>	<b>141 021</b>	<b>47 138</b>	<b>2 062 046</b>	<b>2 328</b>	<b>3 686 784</b>
<b>Net financial position</b>	<b>640 409</b>	<b>755</b>	<b>1 904</b>	<b>220 310</b>	<b>81</b>	<b>863 459</b>





31 December 2023	USD	Euro	GBP	L.E	Other	Total
<b>Financial assets</b>						
Cash and balances with the Central Bank	19 323	6 987	1 009	313 348	403	341 070
Due from Banks	1 109 363	63 221	49 685	95 901	1 727	1 319 897
Treasury bills	374 523	73 598	-	1 228 669	-	1 676 790
Loans and facilities to customers	345 584	4 735	-	87 194	-	437 513
Loans and facilities to banks	39 601	-	-	16 770	-	56 371
<b>Financial investments:</b>						
- Available for sale at fair value through other comprehensive income	24 865	-	-	-	-	24 865
- At amortized cost	48 413	8 792	-	39 405	-	96 610
Investments in subsidiaries and associates	137 865	-	-	230 052	-	367 917
Other assets	36 543	442	36	16 039	-	53 060
<b>Total financial assets</b>	<b>2 136 080</b>	<b>157 775</b>	<b>50 730</b>	<b>2 027 378</b>	<b>2 130</b>	<b>4 374 093</b>
<b>Financial liabilities</b>						
Due to Banks	205 654	1 664	129	-	52	207 499
Customers deposits & certificates of deposits	1 288 512	151 647	48 602	1 783 777	2 225	3 274 763
Other liabilities	25 419	95	42	21 142	-	46 698
<b>Total financial liabilities</b>	<b>1 519 585</b>	<b>153 406</b>	<b>48 773</b>	<b>1 804 919</b>	<b>2 277</b>	<b>3 528 960</b>
<b>Net financial position</b>	<b>616 495</b>	<b>4 369</b>	<b>1 957</b>	<b>222 459</b>	<b>(147)</b>	<b>845 133</b>

### (B/3) Interest rate risk

The Bank is exposed to the effect of fluctuations in the prevailing levels of market interest rates. The interest rate risk is the cash flow interest rate risk that is represented in the fluctuation of the future cash flows of a financial instrument due to the changes in market interest rates of the instrument. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. Interest margins may increase as a result of such changes but the profit may decrease if unexpected movements arise. The Board of Directors of the Bank sets limits on the level of mismatch of interest rate re-pricing that may be undertaken by the Bank, the matter that is monitored on daily basis by the Bank's Risk Management Department.

The table below summarizes the Bank's exposure to interest rate risk fluctuation. It includes the financial instruments at carrying amounts categorized based on re-pricing or maturity dates, whichever earlier.

31 December 2024	Up to 1 month	More than 1 month to 3 Months	More than 3 months to 1 year	More than 1 year to 5 years	Over 5 years	Non-interest bearing	Total
<b>Financial Asset</b>							
Cash and balances with the Central Bank	-	-	-	-	-	291 255	291 255
Due from Banks	663 091	616 149	-	-	-	2 962	1 282 202
Treasury bills & government notes	54 006	1 179 819	745 859	-	-	-	1 979 684
Loans and facilities to customers	52 641	173 917	75 810	2 667	76 937	-	381 972
Loans and facilities to banks	-	-	-	88 136	-	-	88 136
<b>Financial investments:</b>							
- Financial investments at fair value through other comprehensive income	-	-	-	-	-	23 406	23 406
- At amortized cost	-	-	9 865	63 643	-	-	73 508
Investments in subsidiaries and associates	-	-	-	-	-	367 917	367 917
Other assets	-	-	-	-	-	71 693	71 693
<b>Total financial assets</b>	<b>769 738</b>	<b>1 969 885</b>	<b>831 534</b>	<b>154 446</b>	<b>76 937</b>	<b>757 233</b>	<b>4 559 773</b>
<b>Financial liabilities</b>							
Due to Banks	8 643	-	30 000	-	-	426	39 069
Customers' deposits & certificates of deposits	2 721 015	114 962	349 387	268 149	187	154 315	3 608 015
Other financial liabilities	-	-	-	-	-	39 700	39 700
<b>Total financial liabilities</b>	<b>2 729 658</b>	<b>114 962</b>	<b>379 387</b>	<b>268 149</b>	<b>187</b>	<b>194 441</b>	<b>3 686 784</b>
<b>Interest re-pricing gap</b>	<b>(1 959 920)</b>	<b>1 854 923</b>	<b>452 147</b>	<b>(113 703)</b>	<b>76 750</b>	<b>562 792</b>	<b>(872 989)</b>
31 December 2023	Up to 1 month	More than 1 month to 3 Months	More than 3 months to 1 year	More than 1 year to 5 years	Over 5 years	Non-interest bearing	Total
<b>Total financial assets</b>	<b>1 597 484</b>	<b>1 052 537</b>	<b>662 348</b>	<b>123 165</b>	<b>145 260</b>	<b>793 299</b>	<b>4 374 093</b>
<b>Total financial liabilities</b>	<b>2 460 375</b>	<b>187 039</b>	<b>198 899</b>	<b>506 524</b>	<b>-</b>	<b>176 123</b>	<b>3 528 960</b>
<b>Interest re-pricing gap</b>	<b>(862 891)</b>	<b>865 498</b>	<b>463 449</b>	<b>(383 359)</b>	<b>145 260</b>	<b>617 176</b>	<b>(845 133)</b>

### C- Liquidity risk

Liquidity risk represents difficulty encountering the Bank in meeting its financial commitments when they fall due and replace funds when they are withdrawn. This may result in failure in fulfilling the Bank obligation to repay to the depositors and fulfilling lending commitments.



Liquidity risk management

The Bank’s liquidity management control process is carried out by the Department of Risk Management that includes the following:

- Daily funding is managed by monitoring future cash flows to ensure that all requirements can be met when due, this includes availability of liquidity as they fall due or when lent to customers. To ensure that the Bank achieves this objective, the Bank maintains an active presence in global money markets.
- The Bank maintains a portfolio of highly marketable assets that can be easily liquidated in the event of an unforeseen interruption of cash flows.
- Monitoring liquidity ratios in relation with internal requirements of the Bank and the requirements of the Central Bank of Egypt.
- Managing loans concentration and making a statement of their dues.

For control and report preparation purposes, the cash flows of the day, week and next month are measured and expected as they represent the main period for liquidity management and the starting point to calculate these expectations to analyze the contractual dues of the financial liabilities and the expected dates of the financial assets’ collections.

The Department of Assets and Liabilities Management monitors the mismatch between medium term assets, the level and nature of unused loans commitments, debit current accounts utilizations, and the effect of contingent liabilities such as letters of guarantee and letters of credit.

Funding approach

Sources of liquidity are regularly reviewed by a separate team from the Department of Risk Management of the Bank to maintain a wide diversification by currency, geography, sources, products and terms.

Non-derivative cash flows

The following table represents the cash flows paid by the Bank based on the non-derivative financial liabilities method that are distributed over the remaining period of the contractual dues on the date of the balance sheet. The amounts included in the table represent undiscounted contractual cash flows while the Bank manages the liquidity risk based on the expected undiscounted cash flows not the contractual ones.

31 December 2024	Up to one month	More than one month & up to three months	More than three months & up to one year	More than one year & up to five years	More than five years	Non-interest bearing	Total
<b>Financial liabilities</b>							
Due to banks	8 643	-	30 000	-	-	426	39 069
Customers deposits & Certificates of deposits	2 721 015	114 962	349 387	268 149	187 154	315	3 608 015
Other financial liabilities	-	-	-	-	-	39 700	39 700
<b>Total financial liabilities based on the contractual maturity date</b>	<b>2 729 658</b>	<b>114 962</b>	<b>379 387</b>	<b>268 149</b>	<b>187 194</b>	<b>441</b>	<b>3 686 784</b>
<b>Total financial assets based on the contractual maturity date</b>	<b>769 738</b>	<b>1 969 885</b>	<b>831 534</b>	<b>154 446</b>	<b>76 937</b>	<b>757 233</b>	<b>4 559 773</b>

31 December 2023	Up to one month	More than one month & up to three months	More than three months & up to one year	More than one year & up to five years	More than five years	Non-interest bearing	Total
<b>Total financial liabilities based on the contractual maturity date</b>	<b>2 460 375</b>	<b>187 039</b>	<b>198 899</b>	<b>506 524</b>		<b>- 176 123</b>	<b>3 528 960</b>
<b>Total financial assets based on the contractual maturity date</b>	<b>1 597 484</b>	<b>1 052 537</b>	<b>662 348</b>	<b>123 165</b>	<b>145 260</b>	<b>793 299</b>	<b>4 374 093</b>

Assets available to meet all liabilities and cover loan commitments include cash, balances with the Central Bank of Egypt, balances due from banks, treasury bills and other government notes in addition to loans and facilities to banks and customers. Maturity term of a percentage of loans granted to customers that fall due within one year is extended through the normal course of business of the Bank.

Moreover, some debt instruments, treasury bills and other government notes are pledged to cover liabilities. The Bank has the ability to meet unexpected net cash flows through the sale of financial

securities, and finding other financing sources.

D- Operating risk:

The definition of operating risk comprises “the risk of a change in value caused by the fact that actual direct losses and / or indirect losses incurred due to inadequacy or failure of internal processes, systems, human factor or external events including legal risk or any operating events that impact negatively on the reputation of the Bank, the continuity of the business as a going concern and / or the market value of the Bank.”

The Framework of the Operating Risk Department

The operating risk department is considered as a significant part that supports the various activities of the Bank with respect to its role in identifying and assessing the relevant risks and the required controls to prevent and mitigate the operating losses in addition to participating in enhancing the competency and efficiency of utilizing the various resources of the Bank.

The policy of the operating risk department aims at laying out a general framework to consolidate its efficiency and providing support to the governance system through enlightenment and spreading the risk culture among all employees, providing complete awareness of the targets of the operating risk department, how to classify risks, the difference between the operating risk and the other kinds of risks, the duties and responsibilities of management and supervision, the methods and approaches used inside the Bank for determination, measurement, reporting and follow up to limit and mitigate the operating risks.

The Operating Risk Department is concentrating its attention on the spreading of risk culture and the awareness of the importance of identifying, reviewing, examining policies, procedures and work systems, making researches to enhance systems and their security methods, the efficiency of oversight controls to prevent and mitigate the operating risks. Meanwhile, the Operating Risk Department is taking the lead in cooperation with all the departments of the Bank to identify indications that give early warning concerning the events that may expose the Bank to any sort of possible risks.

The operating risk department started working on establishing operating events database along with their classification that is in conformity with the standards laid out by “Basel II” Accords and the classification of operating risks stated therein. The data collection process relies on the internal operating events reports in addition to all relevant external events. The said data is used in analyzing and monitoring the root causes of the operating risks, the frequency of events, evaluating the corrective measures and the controls adopted by the Bank to prevent and mitigate the operating risks.





## E- Fair value of financial assets and liabilities

Financial instruments not measured at fair value

The table below summarizes the current value and fair value for those financial assets and liabilities not presented on the Bank's balance sheet at their fair value:

	31 December 2024		31 December 2023	
	Carrying value	Fair value	Carrying value	Fair value
<b>Financial assets:</b>				
Due from banks	1 282 202	1 282 202	1 319 897	1 319 897
Loans and facilities to Banks	88 136	88 136	56 371	56 371
Loans and facilities to customers	381 972	381 972	437 513	437 513
<b>Financial investments:</b>				
At amortized cost	73 508	Not Identified	96 610	Not Identified
<b>Financial liabilities:</b>				
Due to banks	39 069	39 069	207 499	207 499
Customers deposits	3 608 015	Not Identified	3 274 763	Not Identified

### Loans and facilities to customers:

Loans and facilities to customers are presented as net amount after deducting the provision of impairment losses.

### Debt instruments at amortized cost:

The fair value of the debt instruments "Egyptian treasury bonds" is determined at amortized cost as per Bloomberg prices declared at the end of the financial period.

### Customers' deposits and due to other banks:

Represent the estimated fair value of demand deposits that includes the deposits of non-bearing interest for the amount paid on demand.

**It was not practically possible to measure the fair value of the remaining items of the financial assets at the end of the financial year.**

## F- Capital management

The Bank's objectives behind managing the capital include elements other than equity shown in the balance sheet and they are represented in the following:

- Compliance with the legal requirements of capital in The Arab Republic of Egypt.
- Protecting the Bank's ability to continue as a going concern and enabling it to generate yield for shareholders and other parties dealing with the Bank.
- Maintaining a strong capital base to enhance growth of activity. Capital adequacy and its uses are reviewed on a monthly basis according to the regulatory authority's requirements (CBE) by the Bank's management through models based on the instructions of Basel committee for banking control, these data are submitted to CBE on quarterly basis.

CBE requires the following from the Bank:

- Maintaining L.E 500 million as a minimum requirement for the issued and paid up capital.
- Maintaining a ratio between risk-weighted elements of capital and elements of assets, and contingent liabilities that are credit risk, market risk and operating risk weighted including a percentage of 12.50% as a conservation buffer.

**The numerator in capital adequacy comprises the following two tiers:**

### Tier 1:

It is the core capital comprising of paid up capital (after deducting the carrying amount of the treasury stocks) if any, retained earnings and reserves resulting from profit appropriations less any goodwill previously recognized, and any carried forward losses.

### Tier 2:

It is the supplementary capital (Tier 2 Capital) that is comprised of the equivalent of the general risk provision which is formed based on the Obligor Risk Rating and Provisioning Rules issued by the Central Bank of Egypt in a manner that does not exceed 1.25% of the total risk-weighted assets and contingent liabilities, subordinated loans / deposits of more than five-year-maturity period (while amortizing 20% of their value in each year of the last five years of their maturity period) in addition to 45% of the increase resulting from the difference between the fair value and the carrying value of both financial investments available for sale and investments held to maturity date in addition to investments in subsidiaries and associates.

When calculating the total numerator of the capital adequacy ratio it should be taken into consideration that the supplementary capital does not exceed in any way the core capital and that subordinated loans (deposits) do not exceed half of the core capital.

Assets are risk-weighted differently, and classified according to the nature of each asset of the debtor to reflect the credit risk associated with it and taking the cash collaterals into consideration. In addition, the same treatment is used for off-balance amounts after adjustments to reflect the contingent nature and the potential loss of those amounts. The Bank has been in compliance with the local capital requirements.

The following table summarizes the components of the core and supplementary capital in addition to the capital adequacy percentages as at 31 December 2024.



	31/12/2024	31/12/2023
<b>Core capital (Tier One)</b>		
Paid up capital	600 000	600 000
Reserves	246 480	237 897
Retained earnings	231 113	172 705
General risk reserve	-	-
Total balance of items of the accumulated other comprehensive income after regulatory amendments	(235 056)	(179 546)
Quarterly interim profits	113 684	100 844
Minority interest / Non-controlling interest	189 992	195 693
Difference between nominal value and current value of subordinated loans (deposit)	712	712
<b>Total Core capital</b>	<b>1 146 925</b>	<b>1 128 305</b>
<b>Less:</b>		
<b>Investments In Financial Institutions:</b>		
Amount exceeding 10% of the issued capital of the company for each separate investment (shares)	(84 155)	(79 515)
Amount exceeding 10% of the fund assets for each separate investment (mutual funds)	(913)	(1 140)
Subordinated loans	(58 813)	(16 832)
Intangible assets	(10 530)	(9 347)
Disregarded elements:		
Reserve balance of fair value for investments available for sale (if negative)	-	-
Reserve for foreign currencies translation differences (if negative)	-	-
<b>Total Tier 1 Capital</b>	<b>992 514</b>	<b>1 021 471</b>
<b>Tier 2 Capital (core capital)</b>		
Significant elements of required allowances for debt instruments, loans, credit facilities and contingent liabilities included in stage 1	18 467	29 383
45% of the specific reserve	32	32
45 % of the increase in fair value over the book value of financial investments in associates	321	-
<b>Total Tier 1 Capital</b>	<b>18 820</b>	<b>29 415</b>
<b>Total capital base (1)</b>	<b>1 011 334</b>	<b>1 050 886</b>
<b>Risk-weighted assets &amp; contingent liabilities</b>		
Credit risk for items in & off-balance sheet	3 860 276	4 420 955
Market risk – foreign exchange rates	131 734	34 781
Operating risk *	201 038	268 146
<b>Total Risk-weighted assets &amp; contingent liabilities (2)</b>	<b>4 193 048</b>	<b>4 723 882</b>
<b>Capital adequacy ratio (1) / (2)</b>	<b>%24.12</b>	<b>% 22.25</b>

Capital Adequacy Ratio was prepared for the balances of the consolidated financial statements of the Bank in compliance with the instructions of the Central Bank of Egypt issued on 24 December 2012.

The following table summarizes the financial leverage ratio

	31/12/2024	31/12/2023
<b>Tier 1 Capital after disposals (1)</b>	<b>992 514</b>	<b>1 021 471</b>
Cash and Due from Central Bank	863 716	1 982 041
Balances due from Banks	1 401 023	462 331
Loans and credit facilities to banks	102 679	48 766
Treasury bills & other government notes	2 462 680	2 384 318
Financial assets at fair value through other comprehensive income	108 608	164 587
Financial assets at amortized cost	348 392	355 477
Investments in subsidiaries & associates	211 973	206 538
Loans & credit facilities granted to customers	1 609 541	1 865 664
Fixed assets (after deducting impairment loss provision and accumulated depreciation)	102 994	100 762
Other assets	156 810	136 523
The amount of exposure deducted (after disposing the first tier of the capital base)	(418 584)	(391 076)
<b>Total banks' exposure of items in the balance sheet after deducting the disposals of the first tier</b>	<b>6 949 832</b>	<b>7 315 931</b>
Letters of credit – imports	5 850	819
Letters of credit – exports	18 527	11 081
Letters of guarantee	69 998	99 902
Letters of guarantee upon other Banks' request or by their warranty	6 585	8 853
Accepted bills	2 461	1 593
Rediscounted bills	-	-
<b>Total contingent liabilities</b>	<b>103 421</b>	<b>122 248</b>
Total commitments	79 866	70 452
<b>Total off- balance sheet exposure</b>	<b>183 287</b>	<b>192 700</b>
<b>Total in &amp; off- balance sheet exposure (2)</b>	<b>7 133 119</b>	<b>7 508 631</b>
<b>Financial leverage ratio (1/2)</b>	<b>%13.91</b>	<b>% 13.6</b>

#### 4- Significant accounting estimates and assumptions

The Bank makes estimates and assumptions that affect the reported amounts of assets and liabilities that shall be disclosed during the next financial year. Estimates and assumptions are continually evaluated based on historical experience and other factors including the expectations of future events that are believed to be reasonable in the light of available circumstances & information.

The implementation of the financial policies disclosed in Note No. (3) requires that management uses judgements, estimates and assumptions with respect to the carrying value of some assets and liabilities that other sources cannot provide. The said estimates and accompanied assumptions are based on historical experience in addition to other relevant factors. However, the actual results may differ from such estimates.

The assumptions and estimates are reviewed on regular basis and recognition of change in accounting estimates shall take place either in the period in which the change is occurring, in case its effect is confined to such period only, or in the period in which the change is occurring and the future periods, if the change in accounting estimates affects both of current period and the subsequent periods.



The following is a summary of the most prominent assumptions related the future and the sources of unconfirmed information at the end of the financial period that are attributed by high risk leading to a significant amendment introduced to the fair value of assets and liabilities during the following financial period.

#### (4/1) Impairment losses for loans and facilities (expected credit loss)

The Bank reviews the portfolio of loans and facilities on quarterly basis at least. The Bank uses personal judgment in determining whether it is necessary to recognize impairment charge in the income statement, to identify if there are reliable evidences indicating a decline that can be measured in the expected future cash flows from loan portfolio before identifying any decline on the level of each separate loan in the portfolio. These evidences include data indicating negative changes in borrowers' portfolio ability to repay the Bank, or local or economic circumstances related to default in the assets of the Bank. On rescheduling future cash flows, the management uses the previous experience with respect to assets loss of similar credit risk to determine the credit impairment loss for assets when there is objective evidence of impairment similar to that of the portfolio in question. The method and assumptions used in estimating both the amount and timing of the future cash flows are reviewed on a regular basis to minimize any discrepancy between the estimated loss and actual loss based on the management experience.

#### (4/2) Financial derivatives fair value

The fair value of financial derivatives that are not quoted in active markets are determined by using valuation techniques. When these valuation techniques are used (such as pricing models), they shall be examined and periodically reviewed by qualified personnel who are independent from the entity which prepared them.

All models are certified after trial and before they are used to ensure that the results reflect reliable data and prices which can be compared with those of the market. The said models use the data taken from the market only, whenever it is possible to be practically obtained.

However, some factors such as credit risk related to the Bank, counterparty, volatilities and correlations require that the management uses its personal judgement. Changes in assumptions of these factors may affect the disclosed fair value of the financial instruments.

#### (4/3) Debt instruments at amortized cost

The Bank classifies non-derivative financial assets with fixed determinable payments or fixed maturity as debt instruments at amortized cost included in "the business model of financial assets held to collect contractual cash flows".

In case the Bank ceases to classify debt instruments as debt instruments at amortized cost included in the portfolio, the carrying value of this type of investments will be increased at the end of the current financial period with the amount of US\$ 5 718 thousand to reach its fair value in return for recognition thereof in the fair value reserve of other comprehensive income statement.

## (5)- Segment Analysis

### A- Segment analysis of business activities as at

31 December 2024

Revenues and expenses according to economic activity	Large corporate	Medium enterprises	Investment	Retail Banking	Other activities	Total
Revenue of business segment activity	144 503	35 735	241 038	2 758	15 871	439 905
Expenses of business segment activity	( 11 771)	( 450)	-	(279 929)	-	(292 150)
<b>Segment operating income</b>	<b>132 732</b>	<b>35 285</b>	<b>241 038</b>	<b>(277 171)</b>	<b>15 871</b>	<b>147 755</b>
Unclassified expenses						(70 320)
Profit for the year						77 435
<b>Assets and liabilities of the segment activity</b>						
Segment activity assets	1 555 251	305 980	2 442 884	17 459	-	4 321 574
Unclassified assets						304 852
<b>Total assets</b>						<b>4 626 426</b>
Segment activity liabilities	2 219 849	68 366	-	1 365 593	-	3 653 808
Unclassified liabilities						34 637
<b>Total liabilities</b>						<b>3 688 445</b>

Comparative year as at 31 December 2023

Revenues and expenses according to economic activity	Large corporate	Medium enterprises	Investment	Retail Banking	Other activities	Total
Revenue of business segment activity	49 746	68 892	266 635	3 758	4 764	393 795
Expenses of business segment activity	(10 202)	(639)	-	(240 575)	-	(251 416)
<b>Segment operating income</b>	<b>39 544</b>	<b>68 253</b>	<b>266 635</b>	<b>(236 817)</b>	<b>4 764</b>	<b>142 379</b>
Unclassified expenses						(73 743)
<b>Profit for the year</b>						<b>68 636</b>
<b>Comparative year as at 31 December 2023</b>						
Assets and liabilities of the segment activity	1 513 875	441 965	2 407 874	20 527	-	4 384 241
Segment activity assets						55 854
Unclassified assets						
<b>Total assets</b>	<b>2 003 683</b>	<b>69 232</b>	<b>-</b>	<b>1 417 778</b>	<b>-</b>	<b>4 440 095</b>
Segment activity liabilities						3 490 693
Unclassified liabilities						40 212
<b>Total liabilities</b>						<b>3 530 905</b>



## B- Geographical Segments Analysis

31 December 2023

Revenues & expenses according to the geographical segments	Greater Cairo	Alexandria	Port said	Sharm EL Sheikh	Total
- Geographical segments revenues	456 483	3 196	46	53	459 778
- Geographical segments expenses	(373 879)	(6 400)	(1 294)	(770)	(382 343)
<b>Segment operating income</b>	<b>82 604</b>	<b>(3 204)</b>	<b>(1 248)</b>	<b>(717)</b>	<b>77 435</b>
<b>Profit (loss) for the year</b>	<b>82 604</b>	<b>(3 204)</b>	<b>(1 248)</b>	<b>(717)</b>	<b>77 435</b>
<b>Assets &amp; liabilities according to the geographical segments</b>					
- Geographical segments assets	4 603 722	20 176	1 320	1 208	4 626 426
<b>Total assets</b>	<b>4 603 722</b>	<b>20 176</b>	<b>1 320</b>	<b>1 208</b>	<b>4 626 426</b>
Geographical segments liabilities	3 501 648	141 342	29 783	15 672	3 688 445
<b>Total liabilities</b>	<b>3 501 648</b>	<b>141 342</b>	<b>29 783</b>	<b>15 672</b>	<b>3 688 445</b>

31 December 2023

Revenues & expenses according to the geographical segments	Greater Cairo	Alexandria	Port said	Sharm EL Sheikh	Total
- Geographical segments revenues	389 646	2 562	47	43	392 298
- Geographical segments expenses	(314 184)	(7 190)	(1 458)	(830)	(323 662)
<b>Segment operating income</b>	<b>75 462</b>	<b>(4 628)</b>	<b>(1 411)</b>	<b>(787)</b>	<b>68 636</b>
<b>Profit (loss) for the year</b>	<b>75 462</b>	<b>(4 628)</b>	<b>(1 411)</b>	<b>(787)</b>	<b>68 636</b>

31 December 2023

**Assets & liabilities according to the geographical segments**

- Geographical segments assets	4 422 780	15 337	995	983	4 440 095
<b>Total assets</b>	<b>4 422 780</b>	<b>15 337</b>	<b>995</b>	<b>983</b>	<b>4 440 095</b>
Geographical segments liabilities	3 368 420	122 878	29 402	10 205	3 530 905
<b>Total liabilities</b>	<b>3 368 420</b>	<b>122 878</b>	<b>29 402</b>	<b>10 205</b>	<b>3 530 905</b>

## 6- Net interest income

	31/12/2024	31/12/2023
<b>Interest from loans and similar revenues from loans and facilities:</b>		
- Banks	13 458	8 156
- Customers	48 393	43 818
	<b>61 851</b>	<b>51 974</b>
Bonds & treasury bills	250 266	260 122
Deposits with Banks	123 284	64 352
<b>Total</b>	<b>435 401</b>	<b>376 448</b>
<b>Costs of Deposits and similar costs:</b>		
<b>Deposits and current accounts:</b>		
- Banks	(5 547)	(5 750)
- Customers	(312 482)	(246 083)
<b>Total</b>	<b>(318 029)</b>	<b>(251 833)</b>
<b>Net</b>	<b>117 372</b>	<b>124 615</b>

## 7- Net income from fees and commissions

	31/12/2024	31/12/2023
<b>Fees and commission income:</b>		
Fees and commissions related to credit Institutions' finance services fees	4 488	4 895
Other fees	95	107
<b>Total</b>	<b>1 039</b>	<b>1 042</b>
<b>Fees and commission expenses:</b>		
Other fees paid	(155)	(70)
<b>Net</b>	<b>5 622</b>	<b>6 044</b>

## 8- Dividends income

	31/12/2024	31/12/2023
Equity instruments at fair value through other comprehensive income	315	396
Subsidiaries & associates	15 213	6 538
<b>Total</b>	<b>15 528</b>	<b>6 934</b>

## 9- Net trading income

	31/12/2024	31/12/2023
Forex gain	2 147	1 438
<b>Total</b>	<b>2 147</b>	<b>1 438</b>

## 10- Financial investments profits / losses

	31/12/2024	31/12/2023
Financial investments profits /losses	15	-
Financial investments profits through other comprehensive income – treasury bills	-	37
<b>Total</b>	<b>15</b>	<b>37</b>

## 11- Administrative expenses

	31/12/2024	31/12/2023
<b>Staff costs</b>		
Wages & salaries and their equivalents	48 651	47 511
The Bank contribution in employees fund	3 720	3 838
	<b>52 371</b>	<b>51 349</b>
Fixed assets depreciation	3 057	3 479
Software amortization	1 785	633
Other administrative expenses	10 737	9 983
<b>Total</b>	<b>67 950</b>	<b>65 444</b>

The average monthly salary of the twenty largest bonuses and salaries earned in the bank amounted to US\$ 447 131 for the year ended December 31, 2024 compared to US\$ 408 600 on December 31, 2023



## 12- Other operating revenues (expenses)

	31/12/2024	31/12/2023
Gain (loss) revaluation of assets & liabilities balances other than trading or originally classified at fair value through profit & loss	825	443
Loses/ profits from sale of fixed assets	81	(12)
Other revenues	511	1 262
Other provisions charge / reverse	(486)	(301)
Other expenses	(1 861)	(1 708)
<b>Total</b>	<b>(930)</b>	<b>(316)</b>

## 13- Credit impairment charge / reverse

	31/12/2024	31/12/2023
Loans and facilities to customers	6 596	(5 550)
Loans and facilities to banks	(253)	136
Balances with banks	(70)	(5)
Treasury bills	(136)	14
Debt instruments at amortized cost	(351)	803
<b>Total</b>	<b>5 786</b>	<b>(4 602)</b>

## 14- Earnings per share

	31/12/2024	31/12/2023
Net profit for the year	77 435	68 636
<b>Less:</b>		
Board of Directors' remunerations	1 936	1 716
Employees share in profit	13 198	12 843
The Banking System Support and Development Fund	774	690
<b>Net profit before distribution to the shareholders of the Bank</b>	<b>61 527</b>	<b>53 387</b>
Issued common shares	30 000	30 000
<b>Earnings per share (US\$ /share)</b>	<b>2 050.90</b>	<b>1 779.57</b>

## 15- Classification and measurement of financial assets & liabilities

The following table indicates total financial assets & liabilities (before deducting any impairment provisions) according to the classification of the business model:

31 December 2024	Amortized cost	Debt instruments at fair value through other comprehensive income	Equity instruments at fair value through other comprehensive income	Total carrying value
Cash and balances with CBE	291 255	-	-	291 255
Due from banks	1 282 433	-	-	1 282 433
Treasury bills	445 477	1 535 959	-	1 981 436
Loans and facilities to customers	581 329	-	-	581 329
Loans and facilities to banks	88 813	-	-	88 813
Financial investments at fair value through other comprehensive income	-	-	23 406	23 406
Financial investments at amortized cost	74 228	-	-	74 228
Other Financial assets	13 305	-	-	13 305
<b>Total financial assets</b>	<b>2 776 840</b>	<b>1 535 959</b>	<b>23 406</b>	<b>4 336 205</b>
Due to banks	39 069	-	-	39 069
Customers' deposits	3 608 015	-	-	3 608 015
Other financial liabilities	14 989	-	-	14 989
<b>Total financial liabilities</b>	<b>3 662 073</b>	<b>-</b>	<b>-</b>	<b>3 662 073</b>

31 December 2023	Amortized cost	Debt instruments at fair value through other comprehensive income	Equity instruments at fair value through other comprehensive income	Total carrying value
Cash and balances with CBE	341 070	-	-	341 070
Due from banks	1 320 058	-	-	1 320 058
Treasury bills	465 592	1 212 831	-	1 678 423
Loans and facilities to customers	659 847	-	-	659 847
Loans and facilities to banks	56 832	-	-	56 832
Financial investments at fair value through other comprehensive income	-	-	24 865	24 865
Financial investments at amortized cost	96 983	-	-	96 983
Financial investments at fair value through profit or loss	-	-	-	-
Other Financial assets	10 460	-	-	10 460
<b>Total financial assets</b>	<b>2 950 842</b>	<b>1 212 831</b>	<b>24 865</b>	<b>4 188 538</b>
Due to banks	207 499	-	-	207 499
Customers' deposits	3 274 763	-	-	3 274 763
Other financial liabilities	23 968	-	-	23 968
<b>Total financial liabilities</b>	<b>3 506 230</b>	<b>-</b>	<b>-</b>	<b>3 506 230</b>



## 16- Cash and Due from Central Bank

	31/12/2024	31/12/2023
Cash	28 580	31 743
Due from the Central Bank of Egypt (within the required reserve ratio in L.E)	262 675	309 327
<b>Balance</b>	<b>291 255</b>	<b>341 070</b>
Non-interest-bearing balances	291 255	341 070
<b>Balance</b>	<b>291 255</b>	<b>341 070</b>

## 17- Due from Banks

	31/12/2024	31/12/2023
Current accounts	14 693	21 684
Deposits	1 267 740	1 298 374
<b>Total</b>	<b>1 282 433</b>	<b>1 320 058</b>
Less: impairment loss provision	(231)	(161)
<b>Balance</b>	<b>1 282 202</b>	<b>1 319 897</b>
Due from the Central Bank of Egypt (other than the required reserve ratio in L.E)	277 244	1 129 883
Local Banks	139 166	173 154
Foreign Banks	866 023	17 021
<b>Total</b>	<b>1 282 433</b>	<b>1 320 058</b>
Less: impairment loss provision	(231)	(161)
<b>Balance</b>	<b>1 282 202</b>	<b>1 319 897</b>
Non- interest-bearing balances	2 962	6 385
Fixed interest balances	1 279 471	1 313 673
<b>Total</b>	<b>1 282 433</b>	<b>1 320 058</b>
Less: impairment loss provision	(231)	(161)
<b>Balance</b>	<b>1 282 202</b>	<b>1 319 897</b>
Current balances	1 282 202	1 319 897
Non-current balances	-	-
<b>Total</b>	<b>1 282 433</b>	<b>1 320 058</b>
Less: impairment loss provision	(231)	(161)
<b>Balance</b>	<b>1 282 202</b>	<b>1 319 897</b>

## 18- Treasury bills & other government notes

	31/12/2024	31/12/2023
<b>A- At amortized cost</b>		
180 days maturity	-	-
364 days maturity	451 518	472 202
<b>Balance</b>	<b>451 518</b>	<b>472 202</b>
Less: unearned interest	(6 041)	(6 610)
<b>Total</b>	<b>445 477</b>	<b>465 592</b>
Less: impairment loss provision	(1 752)	(1 633)
<b>Net (1)</b>	<b>443 725</b>	<b>463 959</b>
<b>B - At fair value through other comprehensive income</b>		
91 days maturity	191 783	237 918
180 days maturity	70 025	-
270 days maturity	1 225 284	-
364 days maturity	161 214	1 055 899
<b>Balance</b>	<b>1 648 306</b>	<b>1 293 817</b>
Less: unearned interest	(113 674)	(74 818)
<b>Total</b>	<b>1 534 632</b>	<b>1 218 999</b>
Reserve for change in fair value	1 327	(6 168 )
<b>Net (2)</b>	<b>1 535 959</b>	<b>1 212 831</b>
<b>Net (1+2)</b>	<b>1 979 684</b>	<b>1 676 790</b>

## 19- Loans and facilities to banks

	31/12/2024	31/12/2023
Loans	88 813	56 832
Less: impairment loss provision	(677)	(461)
<b>Total</b>	<b>88 136</b>	<b>56 371</b>
Non-current balances	88 136	56 371
<b>Total</b>	<b>88 136</b>	<b>56 371</b>

### Loan of Société Arabe Internationale de Banque (SAIB)

- On 24 October 2016, the Board of Directors of the Bank, approved a subordinated loan that amounted to US\$ 50 million to support the tier 2 of the capital base, of Société Arabe Internationale de Banque (SAIB) (one of AIB subsidiaries) upon calculating the percentage rate of capital adequacy to maintain the percentage required by the Central Bank of Egypt.



- The term of this loan is five years, starting from 2 November 2016, to 1 November 2021. The total amount of the loan will be paid in full in one payment at the end of the loan term on 1 November 2021. Société Arabe Internationale de Banque (SAIB) may settle the loan on equal annual installments in a manner that does not exceed 20% of the loan amount.

The annual interest rate of the loan 4 % (four percent) above LIBOR rate is calculated over six months and the interest is paid every six months.

- On 26 December 2019, an addendum to the subordinated loan contract mentioned above was signed and accordingly the term of the loan contract was extended as of 1 November 2019, for a period of five years which end on 1 November 2024 provided that the said loan must be paid in full at the end of the loan term. The annual interest rate of the loan 4 % (four percent) above LIBOR rate is calculated over six months while having the rest of the conditions stipulated in the subordinated loan referred thereto as it is without introducing any amendments. Société Arabe Internationale de Banque "SAIB" paid US\$ 10 million on June 15, 2021 and an amount of US\$ 10 million on November 7, 2021.

- On October 18, 2022, a new an addendum to the subordinated loan contract dated November 1, 2016, that was referred to above, was concluded, and accordingly, the subordinated loan of October 18, 2022 that amounted to US \$ 30 million, its term was extended and its amount was increased by adding US \$ 20 million as a new support for the capital base, and made the total subordinated loan amounting to US \$ 50 million for a period of 5 years, starting from October 18, 2022 and ending on October 17, 2027, provided that the loan is fully repaid at the end of the period, and a return rate of 4% is calculated on the loan amount above the Term Reference Rate SOFR6M for six months, extracted from the screen of Reuters (SR6M). The return is paid every six months. Société Arabe Internationale de Banque "SAIB" paid the amount of US\$ 10 million on October 18, 2023, and accordingly, the balance of the subordinated loan on December 31, 2023 becomes 30 million US dollars

#### Loan of the Suez Canal Bank (SCB)

- On March 30, 2022, the Board of Directors of the Arab International Bank agreed to grant a subordinated loan that amounted to 650 million Egyptian pounds, in order to support the second tranche of the capital base of the Suez Canal Bank (SCB) when calculating the capital adequacy ratio in order to maintain the ratio established by the Central Bank of Egypt.

The term of this loan is five years starting from June 9, 2022 and ending by June 8, 2027, provided that the loan is paid in full at the end of the period in one payment by June 8, 2027, and the Suez Canal Bank (SCB) may repay this loan in annual instalments that do not exceed more than 20% of the value of the loan.

A return rate of 1.50% annually, is calculated on the loan amount over the corridor rate, and the interest is paid every three months.

Suez Canal Bank paid the amount of 130 million Egyptian pounds on July 9, 2023 and 130 million Egyptian pounds on August 13, 2024 accordingly, the balance of the subordinated loan on December 31, 2024 becomes 390 million Egyptian pounds .

On 24 June 2024, the Board of Directors of Arb International Bank approved a subordinated deposit that amounted to LE 2.6 billion to support capital base of Suez Canal Bank (SCB). the term of this deposit is five years, starting from 30 July 2024 to 30 July 2029. the total amount of the deposit will be paid in full in one payment at the end of the deposit term. SCB may settle the deposit on equal annual instalments in a manner that does not exceed 20% of the loan amount subject to the approval of the Central Bank of Egypt.

A return rate of 2% annually is calculated on the loan amount over the corridor rate, and the interest is paid every three months. and accordingly, the balance of the subordinated loan and deposit on December 31, 2024, becomes 2,990 million Egyptian pounds.

## 20- Loans and facilities to customers

	31 December 2024			31 December 2023		
	Total	Impairment loss provision	Net	Total	Impairment loss provision	Net
<b>Individuals</b>						
Debit current accounts	970	(10)	<b>960</b>	2 042	(56)	<b>1 986</b>
Credit cards	2 058	-	<b>2 058</b>	1 841	-	<b>1 841</b>
Personal loans	14 429	-	<b>14 429</b>	16 641	-	<b>16 641</b>
<b>Total (1)</b>	<b>17 457</b>	<b>(10)</b>	<b>17 447</b>	<b>20 524</b>	<b>(56)</b>	<b>20 468</b>
Corporate including small loans for economic activities						
Debit current accounts	7 653	(4 906)	2 747	11 622	(2 992)	8 630
Direct loans	359 491	(128 805)	230 686	430 383	(156 409)	273 974
Syndicated loans and facilities	196 728	(65 636)	131 092	197 318	(62 877)	134 441
<b>Total (2)</b>	<b>563 872</b>	<b>(199 347)</b>	<b>364 525</b>	<b>639 323</b>	<b>(222 278)</b>	<b>417 045</b>
<b>Total (1+2)</b>	<b>581 329</b>	<b>(199 357)</b>	<b>381 972</b>	<b>659 847</b>	<b>(222 334)</b>	<b>437 513</b>

### Provision for impairment losses

#### 31 December 2024

	Individuals			
	Debit current accounts	Credit cards	Personal loans	Total
Balance as at 1 January 2024	55	-	1	<b>56</b>
Net impairment charge / reverse for the year	(14)	-	-	<b>(14)</b>
Amounts written off during the year	(32)	-	-	<b>(32)</b>
Proceeds from loans previously written off	-	-	-	-
Foreign exchange differences	-	-	-	-
<b>Balance at the end of the year</b>	<b>9</b>	<b>-</b>	<b>1</b>	<b>10</b>

	Corporate			
	Debit current accounts	Direct loans	Syndicated loans and facilities	Total
Balance as at 1 January 2024	2 992	156 409	62 877	222 278
Net impairment charge / reverse for the year	2 460	(12 856)	3 814	(6 582)
Amounts transferred from loans provision	-	349	-	349
Amounts written off during the year	-	(13 520)	-	(13 520)
Foreign exchange differences	(546)	(1 577)	(1 055)	(3 178)
<b>Balance at the end of the year</b>	<b>4 906</b>	<b>128 805</b>	<b>65 636</b>	<b>199 347</b>



## 31 December 2023

	Individuals			
	Debit current accounts	Credit cards	Personal loans	Total
Balance as at 1 January 2023	65	-	1	<b>66</b>
Net impairment charge / reverse for the year	(3)	-	-	<b>(3)</b>
Amounts written off during the year	(7)	-	-	<b>(7)</b>
Proceeds from loans previously written off	-	-	-	-
Foreign exchange differences	-	-	-	-
<b>Balance at the end of the year</b>	<b>55</b>	<b>-</b>	<b>1</b>	<b>56</b>

	Corporate			
	Debit current accounts	Direct loans	Syndicated loans and facilities	Total
Balance as at 1 January 2023	3 318	189 751	59 676	<b>252 745</b>
Net impairment charge / reverse for the year	210	1 292	4 051	<b>5 553</b>
Proceeds from loans previously written off	-	2 300	-	<b>2 300</b>
Amounts written off during the year	(288)	(35 821)	-	<b>(36 109)</b>
Foreign exchange differences	(248)	(1 113)	(850)	<b>(2 211)</b>
<b>Balance at the end of the year</b>	<b>2 992</b>	<b>156 409</b>	<b>62 877</b>	<b>222 278</b>

## 21- Financial investments

	31/12/2024	31/12/2023
<b>At fair value through other comprehensive income:</b>		
<b>A - Debt instruments - at fair value :</b>		
Treasury Bills	1 535 959	1 212 831
<b>B - Equity instruments at fair value through other comprehensive income:</b>		
Quoted	254	234
Unquoted	23 152	24 631
Total equity instruments at fair value through other comprehensive income	23 406	24 865
At fair value through profit or loss		
<b>Total financial investments at fair value through other comprehensive income (1)</b>	<b>1 559 365</b>	<b>1 237 696</b>
<b>At amortized cost:</b>		
<b>Debt instruments:</b>		
- Quoted	74 228	96 983
Less: impairment loss provision	(720)	(373)
	73 508	96 610
<b>Treasury Bills:</b>		
- Treasury Bills (18)	<b>445 477</b>	<b>465 592</b>
Less: impairment loss provision	(1 752)	(1 633)
	<b>443 725</b>	<b>463 959</b>
<b>Total debt instruments at amortized cost (2)</b>	<b>517 233</b>	<b>560 569</b>
<b>Total financial investments (1+2)</b>	<b>2 076 598</b>	<b>1 798 265</b>
Current balances	1 989 549	1 709 160
Noncurrent balances	87 049	89 105
<b>Total financial investments</b>	<b>2 076 598</b>	<b>1 798 265</b>
Fixed interest debt instruments	73 508	96 610
<b>Total debt instruments</b>	<b>73 508</b>	<b>96 610</b>

\* It includes equity instruments at fair value through other comprehensive income that are not listed on a stock exchange and their token value is one dollar in return for 1 291 shares with a nominal value of 1 291 Egyptian pounds, representing 51.64% of Dimfiber Company's shares, where a part of the client's indebtedness was transferred to the Bank as a participation in the Company's capital in accordance with the settlement that was made with the creditor Banks on 22/6/2006. Since the Company's legal term had lapsed according to the commercial register on 21/3/2015, no general assembly has been held to determine the term of the Company and the Company has not issued any financial statements since 2008, hence, it has not been taken into account when preparing the Bank's consolidated financial statements.

## 31-12-2024

	At fair value through other comprehensive income	At amortized cost
<b>The following is a summary of financial investments movement during the financial year:</b>		
<b>Balance at the beginning of the current year</b>	<b>24 865</b>	<b>96 610</b>
Additions	-	10 500
Amortization of Premium / issue discount	-	1 566
Disposals (sale / reimbursement)	-	(15 736)
Assets of monetary nature valuation differences in foreign currency	-	( 19 081)
Changes in fair value reserve	(1 459)	-
Transferred to retained earnings	-	-
Charge / reverse of impairment of financial investments at amortized cost	-	(351)
<b>Balance at the end of the financial year</b>	<b>23 406</b>	<b>73 508</b>

## 31-12-2023

	At fair value through other comprehensive income	At amortized cost
<b>The following is a summary of financial investments movement during the comparative year:</b>		
<b>Balance at the beginning of the current year</b>	<b>25 787</b>	<b>195 722</b>
Additions	-	11 037
Amortization of Premium / issue discount	-	(1 599)
Disposals (sale / reimbursement)	-	(99 604)
Assets of monetary nature valuation differences in foreign currency	-	(9 749)
Changes in fair value reserve	(922)	-
Transferred to retained earnings	-	-
Charge of impairment of financial investments at amortized cost	-	803
<b>Balance at the end of the comparative year</b>	<b>24 865</b>	<b>96 610</b>



22- Investments in subsidiaries & associates

Investments in subsidiaries & associates are represented in the following companies and institutions:

December 31, 2024

First: Subsidiaries:

Name of Company	Total Assets	Total Liabilities (without equity)	Revenues of the company	Net Profits (losses) of the company	Hosting country of the company	Balance as at 1/1/2024	Balance as at 31/12/2024	Share %
Societe Arab International de Banque (SAIB)(A)	2 950 487	2 562 571	477 544	34 323	A.R.E	83 065	83 065	% 51.0228
Total subsidiaries						83 065	83 065	

Second: Associates:

Name of Company	Total Assets	Total Liabilities (without equity)	Revenues of the company	Net Profits (losses) of the company	Hosting country of the company	Balance as at 1/1/2024	Balance as at 31/12/2024	Share %
Suez Canal Co. For Technology (B)	69 772	2 857	21 820	20 790	A.R.E	75 720	75 720	% 24.08
International Company for Tourist Investments (ICIT) (C)	131 386	30 249	29 887	19 070	A.R.E	6 800	6 800	% 20.00
World Trade Centre (WTC) (D)	146 098	15 192	8 311	2 967	A.R.E	48 000	48 000	% 50.00
Suez Canal Bank (SCB)	3 544 345	3 271 463	454 201	111 750	A.R.E	154 332	154 332	% 41.50
Total associates						284 852	284 852	
Total subsidiaries & associates						367 917	367 917	

- (A) The Bank’s direct participation in the capital of Société Arabe International de Banque “SAIB” is 50.438%. on October 24, 2023 the Board of Directors of the Central Bank of Egypt in its session approved increasing the percentage of the Arab International Bank’s shareholding in Société Arabe International de Banque “SAIB” to become 51,0228% instead of 50,438% by buying 92 053 shares offered for sale.
- (B) The balances of the latest approved financial statements of the company were recognized on November 30, 2024 and were approved by the auditor on January 14, 2025.
- (C) The balances of the latest approved financial statements of the company were recognized on September 30, 2024.
- (D) The Bank’s participation in the capital of the World Trade Center (WTC) Company amounted to 50% and the Bank does not have control over the Company, hence, the investment in the World Trade Centre (WTC) is deemed as an investment in associates.

22- Investments in subsidiaries & associates (continued)

Investments in subsidiaries & associates are represented in the following companies and institutions:

December 31, 2023

First: Subsidiaries:

Name of Company	Total Assets	Total Liabilities (without equity)	Revenues of the company	Net Profits (losses) of the company	Hosting country of the company	Balance as at 1/1/2023	Balance as at 31/12/2023	Share %
Societe Arab International de Banque (SAIB)	3 484 628	3 085 071	436 648	31 156	A.R.E	82 694	83 065	% 51.0228
Total subsidiaries						82 694	83 065	

Second: Associates:

Name of Company	Total Assets	Total Liabilities (without equity)	Revenues of the company	Net Profits (losses) of the company	Hosting country of the company	Balance as at 1/1/2023	Balance as at 31/12/2023	Share %
Suez Canal Co. For Technology	95 789	23 792	24 291	23 181	A.R.E	75 720	75 720	% 24.08
International Company for Tourist Investments (ICIT)	122 367	24 666	25 418	13 348	A.R.E	6 800	6 800	% 20.00
World Trade Centre (WTC)	143 642	15 703	8 323	2 651	A.R.E	48 000	48 000	% 50.00
Suez Canal Bank (CSB)	3 332 087	3 079 178	413 753	74 235	A.R.E	154 332	154 332	% 41.50
Total associates						284 852	284 852	
Total subsidiaries & associates						367 546	367 917	

23- Intangible Asset

	31/12/2024	31/12/2023
Computer software		
Net book value at the beginning of the year	3 192	534
Additions	3 083	3 314
Disposals	-	(23)
Amortization during the year	(1 785)	(633)
Net book value at the end of the year	4 490	3 192
Cost	12 453	9 370
Accumulated amortization	(7 963)	(6 178)
Net book value at the end of the year	4 490	3 192





## 24- Other Assets

	31/12/2024	31/12/2023
Accrued revenue	13 305	10 460
Accrued dividends	4 445	677
Prepaid expenses	1 476	1 990
Prepaid amounts to employees under the account of dividends	10 358	10 043
Advance payments to purchase fixed assets	36 165	24 973
Assets reverted to the Bank in return for customers debts	3 335	113
Other	15 048	16 579
<b>Total</b>	<b>84 132</b>	<b>64 835</b>
Less: impairment loss provision	(12 439)	(11 775)
<b>Net</b>	<b>71 693</b>	<b>53 060</b>

## 25- Fixed Assets

	Land	Buildings & Improvements	Furniture Fittings & Office Equipment	Vehicles	Computers	Total
<b>Balance as at 1 January 2023</b>						
Cost	36 228	35 787	7 034	1 953	9 937	<b>90 939</b>
Accumulated depreciation	-	(12 358)	(5 199)	(1 259)	(7 721)	<b>(26 537)</b>
<b>Net Book Value as at 1 January 2023</b>	<b>36 228</b>	<b>23 429</b>	<b>1 835</b>	<b>694</b>	<b>2 216</b>	<b>64 402</b>
Additions	-	781	731	269	118	<b>1 899</b>
Disposals	-	-	(16)	(29)	-	<b>(45)</b>
Accumulated Depreciation of Disposals	-	-	4	29	-	<b>33</b>
Depreciation during the year	-	(2 024)	(562)	(217)	(676)	<b>(3 479)</b>
<b>Net Book Value as at 31 December 2023</b>	<b>36 228</b>	<b>22 186</b>	<b>1 992</b>	<b>746</b>	<b>1 658</b>	<b>62 810</b>
<b>Net Book Value as at 31 December 2022</b>	<b>36 228</b>	<b>23 429</b>	<b>1 835</b>	<b>694</b>	<b>2 216</b>	<b>64 402</b>
<b>Balance as at 31 December 2023</b>						
Cost	36 228	36 567	7 748	2 193	10 056	<b>92 792</b>
Accumulated depreciation	-	(14 381)	(5 756)	(1 447)	(8 398)	<b>(29 982)</b>
<b>Net Book Value as at 31 December 2023</b>	<b>36 228</b>	<b>22 186</b>	<b>1 992</b>	<b>746</b>	<b>1 658</b>	<b>62 810</b>

	Land	Buildings & Improvements	Furniture Fittings & Office Equipment	Vehicles	Computers	Total
<b>Balance as at 1 January 2024</b>						
Cost	36 228	36 567	7 748	2 193	10 056	<b>92 792</b>
Accumulated depreciation	-	(14 381)	(5 756)	(1 447)	(8 398)	<b>(29 982)</b>
<b>Net Book Value as at 1 January 2024</b>	<b>36 228</b>	<b>22 186</b>	<b>1 992</b>	<b>746</b>	<b>1 658</b>	<b>62 810</b>
Additions	-	-	322	1 455	633	<b>2 410</b>
Disposals	-	-	-	(411)	-	<b>(411)</b>
Accumulated Depreciation of Disposals	-	-	-	411	-	<b>411</b>
Depreciation during the year	-	(1 549)	(470)	(461)	(577)	<b>(3 057)</b>
<b>Net Book Value as at 31 December 2024</b>	<b>36 228</b>	<b>20 637</b>	<b>1 844</b>	<b>1 740</b>	<b>1 714</b>	<b>62 163</b>
<b>Net Book Value as at 31 December 2023</b>	<b>36 228</b>	<b>22 186</b>	<b>1 992</b>	<b>746</b>	<b>1 658</b>	<b>62 810</b>
<b>Balance as at 31 December 2024</b>						
Cost	36 228	36 567	8 070	3 237	10 689	<b>94 791</b>
Accumulated depreciation	-	(15 930)	(6 226)	(1 497)	(8 975)	<b>(32 628)</b>
<b>Net Book Value as at 31 December 2024</b>	<b>36 228</b>	<b>20 637</b>	<b>1 844</b>	<b>1 740</b>	<b>1 714</b>	<b>62 163</b>

## 26- Due to Banks

	31/12/2024	31/12/2023
Current accounts	9 069	4 499
Deposits	30 000	203 000
Treasury Bills Sale – Repo agreements	-	-
<b>Balance</b>	<b>39 069</b>	<b>207 499</b>
Local banks	30 162	40 375
Foreign banks	8 907	167 124
<b>Balance</b>	<b>39 069</b>	<b>207 499</b>
Non - interest bearing balances	426	501
Interest-bearing balances	38 643	206 998
<b>Balance</b>	<b>39 069</b>	<b>207 499</b>
Current balance	39 069	207 499
Non – current balance	-	-
<b>Balance</b>	<b>39 069</b>	<b>207 499</b>



## 27- Customer Deposits

	31/12/2024	31/12/2023
Demand deposits (current accounts)	262 967	244 112
Time and call deposits	2 307 496	1 910 009
Certificates of deposits	486 140	575 308
Saving deposits	516 753	501 957
Other deposits	34 659	43 377
<b>Balance</b>	<b>3 608 015</b>	<b>3 274 763</b>
Financial institutions deposits	2 249 079	1 864 409
Individual deposits	1 358 936	1 410 354
<b>Balance</b>	<b>3 608 015</b>	<b>3 274 763</b>
Non-interest-bearing balances	154 315	141 433
Fixed interest-bearing balances	3 430 151	3 131 167
Variable interest-bearing balances	23 549	2 163
<b>Balance</b>	<b>3 608 015</b>	<b>3 274 763</b>
Current balances	3 339 679	2 768 239
Non-current balances	268 336	506 524
<b>Balance</b>	<b>3 608 015</b>	<b>3 274 763</b>

## 28- Other Liabilities

	31/12/2024	31/12/2023
Accrued interest	14 989	23 968
Unearned revenues	-	253
Pension fund	3 835	4 463
Employees' alternative benefit plan	16 092	13 248
Sundry credit balances	4 784	4 766
<b>Balance</b>	<b>39 700</b>	<b>46 698</b>

## 29- Other Provisions

	31-12-2024					
	Balance at the beginning of the year	Foreign exchange differences	Transfers	Formed during the year	Used during the year	Year ending balance
Potential claims provision	720	-	-	170	(16)	874
Contingent liabilities provision	147	(13)	-	68	-	202
Contingent liabilities provision	1 035	(48)	-	(463)	-	524
Commitments and facilities provision	43	(18)	-	37	-	62
<b>Total</b>	<b>1 945</b>	<b>(79)</b>	<b>-</b>	<b>(188)</b>	<b>(16)</b>	<b>1 662</b>

31-12-2023

	Balance at the beginning of the year	Foreign exchange differences	Transfers	Formed during the year	Used during the year	Year ending balance
Potential claims provision	1 053	-	(300)	69	(102)	720
Contingent liabilities provision	-	-	-	147	-	147
Contingent liabilities provision	2 845	(42)	(2 000)	232	-	1 035
Commitments and facilities provision	57	(11)	-	(3)	-	43
<b>Total</b>	<b>3 955</b>	<b>(53)</b>	<b>(2 300)</b>	<b>445</b>	<b>(102)</b>	<b>1 945</b>

## 30- Owners' Equity

### A- Paid in Capital

The fully paid issued and paid in capital as at December 31, 2024 amounted to US\$ 600 Million distributed over 30 000 common shares with the value of US\$ 20 000 each.

The subscribed share capital is as follows:

	No. Of shares	%	Nominal value	Paid
Arab Republic of Egypt	11 628	38,76	232 560	232 560
Libya	11 628	38,76	232 560	232 560
Abu Dhabi Investment Authority	3 751	12,503	75 020	75 020
State of Qatar	1 495	4,984	29 900	29 900
Sultanate of Oman - Oman Investment Authority	747	2,49	14 940	14 940
International Capital Trading Co.	751	2,503	15 020	15 020
<b>Total</b>	<b>30 000</b>	<b>100</b>	<b>600 000</b>	<b>600 000</b>

### B- Reserves

	31/12/2024	31/12/2023
Legal Reserve (Analytical Note No. B-1)	146 625	139 761
General Reserve	73 582	73 582
Fair value reserve of financial investments (Analytical Note No. B-2)	(7 367)	(3 030)
General Banking risk reserve (Analytical Note No. B-3)	42	31
<b>Total of reserves at the end of the year</b>	<b>212 882</b>	<b>210 344</b>



### (B - 1) Legal Reserve

	31/12/2024	31/12/2023
Balance at the beginning of the year	139 761	136 983
Transferred from net profit of the year	6 864	2 778
<b>Balance at the end of the year</b>	<b>146 625</b>	<b>139 761</b>

In compliance with the articles of associations of the Bank, the amount of 10 % of the net profit of the year is to be retained to support the legal reserve until its balance reaches the equivalent of 100 % of the paid in capital. Whenever the reserve is less than 100 %, the retention of the amount of 10 % of the net profit of the year used to support the legal reserve must be reinstated.

### (B-2) Fair value reserve of investments

	31/12/2024	31/12/2023
Balance at the beginning of the year	(3 030)	3 971
Net change in fair value of financial investments	(4 337)	(7 001)
<b>Balance at the end of the year</b>	<b>(7 367)</b>	<b>(3 030)</b>

### (B/3) General banking risk reserve

	31/12/2024	31/12/2023
Balance at the beginning of the year	31	204
Transferred to general banking risk reserve – no longer used	11	199
Reserve / charge of general bank risk reserve	-	(372)
<b>Balance at the end of the year</b>	<b>42</b>	<b>31</b>

The instructions of the Central Bank of Egypt stipulate the formation of a General Reserve for Banking Risks to meet unexpected risks, and this reserve is not distributed except after obtaining the approval of the Central Bank of Egypt.

- The General Banking Risk Reserve formed during the year is represented in the reserve formed at a rate of 10% for the assets that were reverted to the bank in settlement of debts and that were not disposed of within the legally specified period.

### (C) Retained earnings

	31/12/2024	31/12/2023
Balance at the beginning of the year	98 846	46 189
Net profit of the year	77 435	68 636
Shareholder's dividends	(30 000)	-
Employees' share in profit	(12 843)	(12 403)
Board of Directors' remunerations	(1 716)	(695)
General bank risk reserve	(11)	(199)
Transferred to legal reserve under registration	(6 864)	(2 778)
The Banking system support and development Fund	(690)	(276)
Reverse of General banking risk reserve	-	372
Surplus in employees' profit share from previous years	941	-
<b>Balance at the end of the year</b>	<b>125 098</b>	<b>98 846</b>

### (31) Cash and cash equivalent

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

	31/12/2024	31/12/2023
- Cash at hand	28 580	31 743
- Balances with Banks	1 242 432	1 305 600
- Treasury Bills	182 377	230 107
<b>Balance at the end of the year</b>	<b>1 453 389</b>	<b>1 567 450</b>

### 32- Commitments and contingent liabilities

#### (A) Legal claims

There are lawsuits filed against the Bank as at 31 December 2024 and there is a loss thereof is expected to be realized with the amount of US\$ 874 thousand, hence, a provision was formed with full amount.

#### B- Commitments for loans, guarantees and facilities

	31/12/2024	31/12/2023
Letters of guarantee	41 128	81 115
Letters of Credit – import	852	335
Letters of Credit – export	-	157
Commitments for corporate loans	323	9 707
Money market papers for facilities to suppliers	1 172	-
<b>Total</b>	<b>43 475</b>	<b>91 314</b>

### 33- Transactions with related parties

Related parties' transactions and balances on the balance sheet date are as follows:

#### A- Loans & facilities to related parties

	Subsidiaries & Associates	
	31/12/2024	31/12/2023
<b>Loans and facilities to customers &amp; banks</b>		
Outstanding loans at the beginning of the year	61 823	81 260
Loans issued during the financial year	41 981	-
Loans paid during the financial year	(10 000)	(19 437)
<b>Outstanding loans at the end of the year</b>	<b>93 804</b>	<b>61 823</b>

#### B- Deposits from related parties

	Subsidiaries & Associates	
	31/12/2024	31/12/2023
Deposits at the beginning of the year	127 054	122 188
Deposits issued during the financial year	1 612	4 915
Deposits refunded during the financial year	(93)	(49)
<b>Deposits at the end of the year</b>	<b>128 573</b>	<b>127 054</b>



C- Other

	31/12/2024	31/12/2023
Due from Banks	411	501
Due to Banks	30 004	40 004

34- Employees’ Pension fund

The Bank has a funded defined benefit contributory pension plan covering all full-time employees until 17 April 2008. The benefits provided by the plan are determined by the Board of Directors. The value of the vested benefit liability according to the plan and the adequacy of the reserve fund are annually determined by an Actuary. On 8 December 2013, the Board of Directors of the Bank, approved the Voluntarily Early Retirement Plan based on the new conditions and benefits instead of the adopted regulations of the end of service compensation, social insurance and pension plan program through the complete withdrawal from the Bank and the Employees’ Pension Fund (without pension) provided that the proposed benefits shall be granted pursuant to the insurance wage as at 31 December 2013.

Accordingly, the Bank shall finance the Employees’ Pension Fund by a subordinated loan within the limit of US\$ 55 million that represents the difference between the total employees’ benefits amounts after being granted the additional benefits of the Voluntarily Early Retirement Plan according to the regulations thereof, and the actuarial pension reserve allocated for such age categories. The settlement of the subordinated loan occupies the second priority after the fulfillment of the Fund’s obligations that are established upon the actuarial calculations while taking into consideration that the balance of the subordinated loan is included in the assets of the Fund that are allocated for the fulfillment of its obligations. The subordinated loan balance shall be reduced on monthly basis with an amount equivalent to the surplus resulting from the Voluntarily Early Retirement Plan.

According to the opinion of the actuary expert in his report for the year 2017, the payment of the last part of the subordinated loan amounting to US\$ 4 991 thousand has been postponed, provided that that part of the subordinated loan will be settled in the coming years when the reserve fund is quite adequate, in accordance with the directives of the actuary expert referred to above.

On March 9, 2023, the Board of Directors of the Bank decided to increase the investment return rate guaranteed by the Bank on the reserve fund to become 9% instead of 7%, as of the beginning of 2023.

The balance of the reserve fund of the Employees’ Fund on December 31, 2024 amounted to US\$ 94 677 thousand, compared to US\$ 98 883 thousand on December 31, 2023, and pursuant to the Actuary’s Report which stated that “in the light of the Bank’s guarantee of investment return of 9% on the reserve fund, there is a deficit amounting to US\$ 286 thousand in the employees’ pension reserve fund on December 31, 2024 after adding the difference of the investment return guaranteed by the Bank by 9% for the fiscal year 2024, that amounted to US\$ 3 549 thousand, along with the postponement of settlement of the last portion of the subordinated loan, that amounted to US\$ 4 991 thousand.”

Based on the opinion of the Actuary, that Employees’ Pension Fund has been supported this year, by US\$ 3 549 thousand which represents the investment return difference (9%) that is guaranteed by the Bank and the realized investment return (2024) in addition to the amount of US\$ 286 thousand that represents the actuarial deficit of the fund, as indicated in the actuary’s report, along with the postponement of settlement of the last portion of the subordinated loan, that amounted to US\$ 4 991 thousand, provided that, the said portion will be settled during the following years when the employees’ pension reserve fund is quite adequate to cover such settlement according to the directives of the Actuary Expert referred to above.





# Consolidated Financial Statements

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# Auditors' Report

## To The Shareholders of Arab International Bank

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated Financial statements of Arab International Bank (the "Bank"), which comprise the consolidated statement of financial position as at 31 December 2024 and the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### Management' Responsibility for the Consolidated Financial Statements

These consolidated financial statements are the responsibility of Bank's management. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the rules, pertaining to the preparation and presentation of the bank's financial statements and measurement and recognition bases approved by the Board of Directors of Central Bank of Egypt on 16 December 2008 as amended by the regulations issued on 26 February 2019 and in the light of the prevailing Egyptian laws and regulations. Management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; management's responsibility also includes selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Egyptian 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 consolidated financial statements are free from material misstatement.

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

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

## Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Arab International Bank as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with the rules, pertaining to the preparation and presentation of the banks' financial statements and measurement and recognition bases approved by the Board of Directors of Central Bank of Egypt on 16 December 2008 as amended by the regulations issued on 26 February 2019 and in the light of the prevailing Egyptian laws and regulations related to the preparation of these consolidated financial statements.



Abdel Hadi Ibrahim

Abdel Hadi Ibrahim  
Financial Regulatory Authority No. 395  
Central Bank of Egypt Register No. 577  
KPMG Hazem Hassan  
Public Accountants & Consultants

Auditors



Kareem T. Khaled  
Central Bank of Egypt Register No. 580  
RAA No. 28800  
BDO Khaled & Co.  
Public Accountants & Advisers

Cairo, 19 May 2025



# Consolidated Statement of Financial Position


as at December 31, 2024

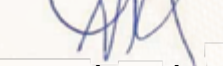
(All amounts are presented in thousand USD)

	Note No.	31-12-2024	31-12-2023
<b>Assets</b>			
Cash and due from Central Bank	(15)	468 041	658 440
Due from banks	(16)	1 796 527	1 785 807
Treasury bills & other government notes	(17)	2 460 928	2 382 685
Loans and facilities to banks	(18)	102 679	48 766
Loans and facilities to customers	(19)	1 595 727	1 840 056
<b>Financial investments</b>			
- At fair value through other comprehensive income	(20)	108 608	164 587
- Amortized cost	(20)	346 264	354 170
Investments in associates	(21)	211 973	206 538
Intangible assets	(22)	10 530	9 347
Other assets	(23)	146 280	127 176
Fixed assets	(24)	102 994	100 762
<b>Total assets</b>		<b>7 350 551</b>	<b>7 678 334</b>
<b>Liabilities &amp; Equity</b>			
<b>Liabilities</b>			
Due to Banks	(25)	162 248	350 201
Customers' deposits	(26)	5 918 286	6 031 645
Other loans	(27)	17 541	40 600
Other liabilities	(28)	82 821	110 624
Other provisions	(29)	6 307	2 458
Deferred tax liabilities		808	446
<b>Total liabilities</b>		<b>6 188 011</b>	<b>6 535 974</b>
<b>Equity</b>			
Paid-up capital	(30 - A)	600 000	600 000
Reserves	(30 - B)	246 482	247 916
Foreign exchange translation differences		( 234 776)	( 189 294)
Difference between current value and nominal value of the subordinated deposit		712	712
Retained earnings	(30 - C)	360 130	287 333
Total AIB shareholders' equity		972 548	946 667
Minority interest / Non-controlling interest		189 992	195 693
<b>Total equity</b>		<b>1 162 540</b>	<b>1 142 360</b>
<b>Total liabilities and equity</b>		<b>7 350 551</b>	<b>7 678 334</b>

- The accompanying notes from (1) to (35) are an integral part of these consolidated Financial Statements and to be read therewith  
- Audit report attached

  
**Gamal Zaghloul**  
CFO

  
**Hisham Ramez**  
Chief Executive Officer  
Managing Director

  
**Amr Mohamed Kamel**  
Non-Executive  
Chairman

# Consolidated Income Statement

For The Financial Year Ended December 31, 2024


(All amounts are presented in thousand USD)

	Note No.	31-12-2024	31-12-2023
Interest from loans and similar income	(6)	867 544	777 096
Interest on deposits and similar expenses	(6)	( 610 724)	( 508 995)
<b>Net Interest Income</b>		<b>256 820</b>	<b>268 101</b>
Fees and commissions income	(7)	33 833	30 805
Fees and commissions expenses	(7)	( 7 472)	( 6 996)
<b>Net Income from Fees and commissions</b>		<b>26 361</b>	<b>23 809</b>
<b>Net income from interest, fees and comissions</b>		<b>283 181</b>	<b>291 910</b>
Dividends income	(8)	772	1 224
Net trading income	(9)	12 082	8 090
Gains from financial investments	(20)	147	2 383
Impairment charge for credit losses	(13)	( 17 278)	( 29 711)
Administrative expenses	(10)	( 156 602)	( 157 669)
Other operating expenses	(11)	( 8 782)	( 684)
Gains from investments in associates		47 921	34 489
Profits before tax		<b>161 441</b>	<b>150 032</b>
Income tax	(12)	( 15 613)	( 20 145)
<b>Profit For The Year</b>		<b>145 828</b>	<b>129 887</b>
Minority interest / Non-controlling interest - Profits		16 811	15 259
AIB shareholders' share		<b>129 017</b>	<b>114 628</b>
<b>Profit For The Year</b>		<b>145 828</b>	<b>129 887</b>

- The accompanying notes from (1) to (35) are an integral part of these consolidated Financial Statements and to be read therewith

  
**Gamal Zaghloul**  
CFO

  
**Hisham Ramez**  
Chief Executive Officer  
Managing Director

  
**Amr Mohamed Kamel**  
Non-Executive  
Chairman



# Consolidated Statement of Comprehensive Income

For the Financial Year ended December 31, 2024

(All amounts are presented in thousand USD)

	31-12-2024	31-12-2023
Net profit for the year	<b>145 828</b>	<b>129 887</b>
<b>Items that will not be reclassified in the Profit or Loss</b>		
Net change in fair value of financial investments in equity instruments at fair value through other comprehensive income	( 18 669)	3 041
Items transferred to retained earnings – exclusion of “fair value of equity instruments reserve at fair value through other comprehensive income”	( 2)	( 799)
Bank's share in associates' comprehensive income	-	-
Income tax	( 1 142)	( 474)
<b>Items that will be reclassified in the Profit or Loss</b>		
Net change in fair value of financial investments in debt instruments at fair value through other comprehensive income (Treasury Bills)	7 495	( 6 079)
Net change in fair value of financial investments in equity instruments at fair value through other comprehensive income	2 274	16 028
Transferred to income statement (net)	( 10)	( 14)
Income tax	( 225)	( 98)
Expected credit loss for debt instruments at fair value through other comprehensive income	251	( 393)
<b>Total other comprehensive income items for the year</b>	<b>( 10 028)</b>	<b>11 212</b>
<b>Total comprehensive income for the year</b>	<b>135 800</b>	<b>141 099</b>

- The accompanying notes from (1) to (35) are an integral part of these consolidated Financial Statements and to be read therewith

# Consolidated Statement Of Cash Flows

For the Financial Year Ended December 31, 2024

(All amounts are presented in thousand USD)

	Note No.	31-12-2024	31-12-2023
<b>Cash flows from operating activities</b>			
Net Profit for the year before taxes		<b>161 441</b>	<b>150 032</b>
Adjustments to reconcile net profit to net cash provided from operating activities			
Depreciation & amortization of fixed and intangible assets	(10)	13 717	12 222
Impairment charge / reverse for expected credit losses	(13)	17 278	29 711
Other provisions charge / reverse	(29)	4 337	( 190)
Amounts used from other provisions	(29)	( 43)	( 172)
Profits / losses of investments in associates		( 47 921)	( 34 489)
Amortization of premium and issue discount of bonds	(20)	( 4 702)	( 1 032)
Profits / losses of financial investments	(20)	( 147)	( 2 383)
Dividends distribution	(8)	( 772)	( 1 224)
Gain from sale of fixed assets	(11)	(1)	( 270)
Impairment charge/ reverse (assets reverted to the bank)	(11)	2 385	-
Translation differences (non-monetary transactions)		66 187	59 162
<b>Operating profits before changes in assets &amp; liabilities provided from operating activities</b>		<b>211 759</b>	<b>211 367</b>
<b>Net change in assets &amp; liabilities</b>			
Due from Banks and central Bank		165 280	( 53 221)
Treasury bills		( 290 482)	( 1 007 158)
Loans and facilities to Banks and customers		213 708	173 261
Other assets		( 23 967)	( 8 477)
Due to Banks		( 194 952)	289 221
Customers' deposits		( 113 359)	( 228 681)
Other liabilities		( 32 001)	14 906
Income tax paid		( 11 051)	( 16 299)
<b>Net cash flows (used in) operating activities (1)</b>		<b>( 75 065)</b>	<b>( 625 081)</b>
<b>Cash flows from Investing Activities</b>			
Payments for fixed and intangible assets purchasing and branches fitting - out furnishing		( 10 434)	( 8 714)
Proceeds / Payments for purchasing financial investments at amortized cost		5 236	88 567
Payments for intangible assets purchasing		( 4 330)	( 5 592)
Proceeds from fixed assets sale		111	305
Dividends received		12 218	7 762
Purchase of financial investments other than financial assets at fair value through profit or loss		( 186 123)	( 113 652)
Proceeds from disposal of financial investments other than financial assets at fair value through profit or loss		125 827	67 729
Increase in associates' capital		-	( 371)
<b>Net cash flows (used in) provided from investing activities (2)</b>		<b>( 57 495)</b>	<b>36 034</b>
<b>Cash flows from Financing Activities</b>			
Proceeds from other loans		205	16 000
Repayments of other loans		( 30 707)	( 36 337)
Dividends paid		( 68 688)	( 20 374)
<b>Net cash flows used in financing activities (3)</b>		<b>( 99 190)</b>	<b>( 40 711)</b>
<b>Net decrease of cash &amp; cash equivalents during the year (1)+(2)+(3)</b>		<b>( 231 750)</b>	<b>( 629 758)</b>
Cash & cash equivalents at the beginning of the year		<b>2 302 369</b>	<b>2 932 127</b>
Cash & cash equivalents at the end of the year		<b>2 070 619</b>	<b>2 302 369</b>
<b>Cash &amp; cash equivalents are represented in:</b>			
Cash and due from the Central Bank	(15)	468 041	658 440
Due from Banks		1 829 912	1 825 957
Treasury bills	(17)	2 460 928	2 382 685
Due from the Central Bank (within the required reserve ratio)		( 433 962)	( 617 906)
Due from Banks with maturities of more than three months		( 70 000)	( 54 297)
Treasury bills with maturity of more than three months		( 2 184 300)	( 1 892 510)
<b>Cash &amp; cash equivalents at the end of the year</b>	<b>(31)</b>	<b>2 070 619</b>	<b>2 302 369</b>

- The accompanying notes from (1) to (35) are an integral part of these consolidated Financial Statements and to be read therewith



# Consolidated Statement Of Changes In Shareholders' Equity

For the Financial Year ended December 31, 2024

(All amounts are presented in thousand USD)

	Issued and Paid in Capital	Legal reserve	General risk reserve	Capital reserve	Special reserve	Fair value reserve of investments at fair value through OCI	General banking risk reserve	Foreign exchange translation differences	Reserve of the difference between current value and nominal value of subordinated deposit	Retained earnings	Minority Interest / Non-controlling interest	Total
<b>Balance as of 1 January, 2023</b>	<b>600 000</b>	<b>142 490</b>	<b>87 578</b>	<b>2 768</b>	<b>69</b>	<b>( 1 387)</b>	<b>371</b>	<b>( 151 727)</b>	<b>734</b>	<b>184 397</b>	<b>178 855</b>	<b>1 044 148</b>
Effect of increasing the bank's share in SAIB's capital on the balances at the beginning of the year	-	440	108	33	1	( 77)	3	-	-	8 315	( 11 154)	( 2 331)
Transferred to capital reserve	-	-	-	182	-	-	-	-	-	( 182)	-	-
Transferred to legal reserve	-	4 298	-	-	-	-	-	-	-	( 4 298)	-	-
Net change in fair value of investments at fair value through other comprehensive income	-	-	-	-	-	12 011	-	-	-	-	16 307	28 318
Transferred to general banking risk reserve	-	-	-	-	-	-	199	-	-	( 199)	-	-
Reverse / charge of general banking risk reserve	-	-	-	-	-	-	( 372)	-	-	372	-	-
Items transferred to retained earnings - Exclusion of fair value reserve of financial investments at fair value through other comprehensive income	-	-	-	-	-	( 799)	-	-	-	799	-	-
Foreign exchange translation differences	-	-	-	-	-	-	-	( 37 567)	-	-	-	( 37 567)
The bank's share in the difference between current value and nominal value of the subordinated deposit	-	-	-	-	-	-	-	-	( 22)	-	-	( 22)
Adjustments of profits for the year 2022- difference between estimated and actual profits	-	-	-	-	-	-	-	-	-	598	-	598
Dividends distributions for the year 2022	-	-	-	-	-	-	-	-	-	( 17 097)	( 3 574)	( 20 671)
Net profit of the year	-	-	-	-	-	-	-	-	-	114 628	15 259	129 887
<b>Balance at 31 December 2023</b>	<b>600 000</b>	<b>147 228</b>	<b>87 686</b>	<b>2 983</b>	<b>70</b>	<b>9 748</b>	<b>201</b>	<b>( 189 294)</b>	<b>712</b>	<b>287 333</b>	<b>195 693</b>	<b>1 142 360</b>
<b>Balance as of 1 January, 2024</b>	<b>600 000</b>	<b>147 228</b>	<b>87 686</b>	<b>2 983</b>	<b>70</b>	<b>9 748</b>	<b>201</b>	<b>( 189 294)</b>	<b>712</b>	<b>287 333</b>	<b>195 693</b>	<b>1 142 360</b>
Transferred to capital reserve	-	-	-	144	-	-	-	-	-	( 144)	-	-
Transferred to legal reserve	-	8 439	-	-	-	-	-	-	-	( 8 439)	-	-
Net change in fair value of investments at fair value through other comprehensive income	-	-	-	-	-	( 10 026)	-	-	-	-	( 10 571)	( 20 597)
Transferred to general banking risk reserve	-	-	-	-	-	-	11	-	-	( 11)	-	-
Items transferred to retained earnings - Exclusion of fair value reserve of financial investments at fair value through other comprehensive income	-	-	-	-	-	( 2)	-	-	-	2	-	-
Foreign exchange translation differences	-	-	-	-	-	-	-	( 45 482)	-	-	-	( 45 482)
The bank's share in the difference between current value and nominal value of the subordinated deposit	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments of profits for the year 2023- difference between estimated and actual profits	-	-	-	-	-	-	-	-	-	674	-	674
Dividends distributions for the year 2023	-	-	-	-	-	-	-	-	-	( 48 302)	( 11 941)	( 60 243)
Net profit of the year	-	-	-	-	-	-	-	-	-	129 017	16 811	145 828
<b>Balance at 31 December 2024</b>	<b>600 000</b>	<b>155 667</b>	<b>87 686</b>	<b>3 127</b>	<b>70</b>	<b>( 280)</b>	<b>212</b>	<b>( 234 776)</b>	<b>712</b>	<b>360 130</b>	<b>189 992</b>	<b>1 162 540</b>

- The accompanying notes from (1) to (35) are an integral part of these consolidated Financial Statements and to be read therewith



# Notes to the Consolidated Financial Statements

for the financial year ended December 31, 2024

(All amounts in notes are presented in thousand US\$ unless otherwise is stated).

## 1- Background

Arab International Bank was established in 1974 by virtue of an International Treaty.

The registered head office of the Bank is located at 35 Abdel Khalek Tharwat Street, Cairo, Egypt and the Bank carries out its business activities through its network of branches in the Arab Republic of Egypt that is composed of 21 branches. By virtue of the Treaty, the Bank enjoys certain privileges and immunities in the territories of the Member States (shareholders). The following are examples of the most prominent privileges and immunities based on the Establishment Treaty and the resolution taken by the Bank General Assembly meeting that was held on 22 March 2012 and became effective as of 14 April 2015:

- Exemption from laws regulating public institutions, public interest entities, public sector companies or joint stock companies in the Members States in which the Arab International Bank or its branches carry out business activities.
- Immunity from all forms of nationalization, seizure or sequestration of the shares of shareholders or their deposits with the Bank.
- The Bank's documents, records and files are inviolable and immune from judicial, administrative or accounting control and inspection rules and laws.
- Confidentiality of customers' accounts with the Bank are not subject to judicial or administrative attachment orders prior to final judgment issuance.
- Exemption from charges, stamps or taxes of any kind on its funds, profits, dividends and all its various activities and transactions.
- Exemption from taxation and any obligations for the payment, withholding or collection of any tax, stamp or duty, which may be imposed on its customers.
- In this respect the Bank practices its activities in a manner that is not in conflict with the aforementioned and the rest of the articles included in Establishment Treaty and in this context:
  - The Bank is subjected to the oversight of the Central Bank of Egypt according to the provisions of the applicable law of the Central Bank of Egypt and the law of Banking and Monetary System of the hosting state, in addition, the Bank branches in the other Member States are subjected to the oversight of their own Central Banks in accordance with the provisions of laws governing their Banks and credit facilities.
  - All the transactions of the Bank are carried out in all currencies determined by the Board of Directors.

The necessary actions have been taken to activate these amendments starting from April 1, 2015.

The financial statements for the financial year ended December 31, 2024 were approved by the Board of Directors as at May 19, 2025.

## 2- Summary of Significant Accounting Policies Applied

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise is disclosed.

## A- Basis of Consolidated financial statements preparation

These consolidated financial statements are prepared in accordance with the instructions issued by the Central Bank of Egypt and approved by its Board of Directors on 16 December 2008, in addition to the instructions of preparation and presentation of the financial statements of banks in accordance with the requirements of IFRS 9 "financial instruments" issued by the Central Bank of Egypt on 26 February 2019. These consolidated financial statements are prepared in compliance with the relevant local laws.

## B- Basis of consolidation

### (B/1) Investments in subsidiaries

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

Upon consolidation, transaction, balances and unrealized profits resulting from Intra-group transactions shall be excluded and the unrealized losses shall be excluded unless there is an evidence of impairment in the value of the transferred asset. The accounting policies of subsidiaries are changed whenever necessary to ensure the implementation of unified accounting policies within the companies of the group.

Accounting for acquisition of subsidiary companies by the Bank is carried out according to the purchase method. The recognition of acquisition cost incurred by the Bank is measured at fair value or the value of assets given by the Bank in return for the purchase of companies and / or issued equity instruments and / or any other liabilities incurred by the Bank and / or any liabilities accepted by the Bank on behalf of the acquired company on the date of the asset exchange in addition to any costs directly attributed to the acquisition process. The net assets including the acquired determinable contingent liabilities are measured at fair value on the date of acquisition regardless of the existence of any minority interest / noncontrolling interest. If the increase in acquisition cost is above the fair value of the Bank's share in net assets, it shall be considered as goodwill.

If the acquisition cost is less than the fair value of aforementioned net assets, the difference is directly recorded in the income statement under the item of other operating revenues (expenses).

Due to the fact that the Bank is exercising control over its subsidiaries, the full consolidation method is the adopted basis of preparing the consolidated financial statements of the special purposes related to the Bank. The group financial statements are represented in the financial statements as follows:

The Bank's direct participation in the capital of Société Arabe Internationale de Banque "SAIB" is 51.0228%. on October 24, 2023 the Board of Directors of the Central Bank of Egypt in its session approved increasing the percentage of the Arab International Bank's shareholding in Société Arabe Internationale de Banque "SAIB" to become 51,0228% instead of 50,438% by buying 92 053 shares offered for sale.

Thus, the control is achieved through the Bank's ability to control the financial and operating policies of the investee companies in order to obtain benefits from their activities.

The bases of consolidation include the following:

- Excluding all the balances and transactions exchanged between the Bank and the company in addition to the unrealized profits resulting therefrom.
- The rights of the noncontrolling interest are represented in the other shareholders' equity who have no control in subsidiaries.



### Transactions with Minority Interest / Noncontrolling Interest:

- The Group considers the transactions with minority interest / noncontrolling interest as transactions with third parties outside the Group. The profits or losses resulting from sale to minority interest / noncontrolling interest are recognized in the income statement. The purchase transactions of minority interest / noncontrolling interest result in a goodwill that represents the difference between the amount paid in return for the acquired shares and the book value of the subsidiary's net assets.
- If the share of the minority interest / noncontrolling interest in carried forward losses of a subsidiary is more than its equity in that subsidiary, such increase of share in carried forward losses shall be charged to the equity of the parent company except for the losses where the minority interest / noncontrolling interest has an obligation to incur on the condition of establishing additional investments to cover the losses. In case the subsidiary realizes profits in the future, such profits shall be added to the equity of the parent company to the extent of covering the losses previously incurred by majority interest on behalf of minority interest / noncontrolling interest.

### (B/2) Investments in associates

Associates are companies in which the Bank has, directly or indirectly, significant influence, but it does not reach the extent of control, and usually the Bank owns from 20% to 50% of the voting rights. Accounting for the associates is recorded first in the consolidated financial statements according to the cost method and then according to the equity method when subsequent to the date of initial recognition. Accordingly, investments of the Bank in associates are recorded at acquisition cost including any goodwill less any impairment loss in value that was determined at acquisition.

The share of the Bank in associates' profits and losses resulting after acquisition is recorded in the income statement. The share of the Bank in the movement occurring in associates' equity prior to acquisition is recognized in equity. The book value of the associate is adjusted in accordance with the accumulated movement subsequent to acquisition. If the Bank's share in associate's losses is equivalent to or more than its participation in the associate, including any unsecured debit balances, the Bank shall not record any other losses unless the Bank has a commitment to do so or incurred payments on behalf of the associate.

The unrealized profits from transactions with associates are excluded within the limits of the Bank's share in associates. The unrealized losses are excluded provided that the transaction provides an evidence of impairment in value of the exchanged asset. The accounting policies of subsidiaries are changed whenever necessary to ensure that the Bank is implementing unified accounting policies. The profits and losses resulting from a change in the ownership structure of associates are recognized in the income statement.

### C- Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is a segment which provides products or services within an economic environment that are subject to risks and returns different from those of segments operating in other economic environments.

### D- Functional currency, presentation, transactions and balances in foreign currencies

The financial statements of the Bank are presented in US Dollar as it represents the currency of transaction and presentation of the Bank, while transactions other than the US Dollar are recorded in the books during the financial year according to the currency in which the transactions were carried out based on the prevailing exchange rates on that date. For the purposes of presenting the financial statements of the Bank in US Dollar, all assets and liabilities of monetary nature and recorded at the end of the reporting period in various currencies (other than US Dollar) are translated into US Dollar based on the prevailing exchange rates on that date. Gains and losses resulting from the settlement and translation of such transactions and balances are recognized in the income statement and reported according to the differences resulting therefrom.

As for investments in equity instruments at fair value through other comprehensive income (of a non-monetary nature), exchange rate differences are recognized in other comprehensive income in equity.

Changes in the fair value of financial instruments of monetary nature that are denominated in foreign currencies and classified as debt instruments at fair value through other comprehensive income (FVOCI) are analyzed into differences resulting from changes in the amortized cost of the instrument, differences resulting from changes in the applicable exchange rates and differences resulting from changes in the fair value of the instrument. Differences resulting from changes in the amortized cost are recognized and reported in the income statement under the item of "Interest on loans and similar income" whereas differences resulting from changes in foreign exchange rates are recognized and reported in "Other operating revenues (expenses)". The remaining differences resulting from changes in fair value are recognized in other comprehensive income items of equity under the item of "fair value of financial investments reserve at fair value through other comprehensive income (FVOCI)".

Valuation differences arising from the measurement of non-monetary items at fair value include gains or losses resulting from changes in foreign currency exchange rates used to translate those items. Total valuation differences of fair value changes arising from the measurement of equity instruments classified as fair value through profit or loss are recognized in the income statement, while total valuation differences of fair value changes arising from the measurement of equity instruments at fair value through other comprehensive income (FVOCI) are recognized among the items of other comprehensive income in equity under the item of "fair value of financial investments reserve at fair value through other comprehensive income (FVOCI)".

### E- Financial assets

The Bank classifies its financial assets within the following groups: financial assets measured at amortized cost, financial assets at fair value through other comprehensive income (FVOCI) and financial assets at fair value through profit or loss. In general, the classification is based on the business model according to which the financial assets and their contractual cash flows are managed.

#### (E/1) Financial assets at amortized cost:

The financial asset is retained in the business model of financial assets held for collecting contractual cash flows.

The purpose of the business model is holding the financial asset to collect contractual cash flows represented in the principal amount of investment and returns.

Sale is an exceptional contingent event with respect to the purpose of this business model according to the conditions stipulated in the Standard and represented in:

- Existence of deterioration in the creditworthiness of the issuer of the financial instrument.
- Lowest sales in terms of turnover and value.
- The Bank makes clear and reliable documentation of the justifications for each sale transaction and the extent of its compliance with the requirements of the Standard.

#### (E/2) Financial assets at fair value through other comprehensive income (FVOCI):

Business model of financial assets held to collect contractual cash flows and sales.

Both the collection of contractual cash flows and sales are complementary to the objective of the business model.

High sales in terms of turnover and value when compared to the business model retained for the collection of contractual cash flows.



### **(E/3) Financial assets at fair value through profit or loss:**

The financial asset is retained among other business models that include trading, management of financial assets at fair value, maximizing cash flows by selling.

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

Collecting contractual cash flows is a contingent event for the business model objective.

The characteristics of the business model are represented in the following:

- Structuring a group of activities designed to extract defined outputs.
- A business model that represents a complete framework of defined activity (inputs – activities – outputs).
- The single business model may include sub-business models.

### **F- Off setting financial instruments:**

Financial assets and liabilities can be offset when, there is a currently enforceable legal right to off-set the recognized amounts and there is an intention to settle based on a net basis, or to receive the asset and settle the liability simultaneously.

Treasury bills purchase reverse repo agreements and treasury bills sale repo agreements are netted, and presented on the balance sheet under the item treasury bills and other government notes.

### **G- Interest income and expense**

Interest income and expense related to the financial instruments are recognized under the item of “loans interest income and similar income” or “deposits interest expense and similar charges” using the effective interest method for all the financial instruments charged with interest.

The effective interest method is a method of calculating the amortized cost of a financial asset or liability and of allocating the interest income or interest expense over the expected life of the related instrument. The effective interest rate is the rate that discounts estimated future cash flows payments or receipts over the expected life of the financial instrument or, a shorter period if appropriate, to accurately identify the carrying amount of a financial asset or a financial liability upon initial recognition. When calculating the effective interest rate, the Bank estimates cash flows considering all contractual terms of the financial instrument (for example, early payment options) but does not consider future credit losses. The calculation includes all fees paid or received between parties of the contract that is considered part of the effective interest rate and the transaction costs shall include any other premiums or discounts.

Loans interest income is recognized on an accrual basis except for interest income revenues of non-performing loans, which ceases to be recognized as an income when interest recovery or the principle is in doubt. The bank ceases to recognize the income from the interest of non-performing loans, non-performing debts or impaired debts (the third stage) in the income statement and it is recorded in marginalized records, off the balance sheet, provided that it is recognized within the revenues according to the cash basis, as follows:

- When collected and after recovery of all arrears for consumer loans, mortgage loans for personal housing, and small loans for economic activities.
- For loans granted to institutions, the cash basis also applies, as the calculated interests are subsequently grossed up, according to the terms of the loan scheduling contract, until 25% of the loan scheduling installments are paid, with a minimum period of regular payments for one year. In the event that the customer continues to be regular, the calculated returns on the loan balance begins to be included in the revenues (the return on the balance of the regular scheduling) without the marginalized interest before scheduling, which is not included in the revenues until after paying the full loan balance that appears in the balance sheet before scheduling.

### **H -Fees and commissions income:**

Fees and commissions related to loan or facility are recognized as income when the service is rendered. Fees and commission income related to non-performing or impaired loans or debts (Stage 3) – are measured at amortized cost and they are suspended and carried off balance sheet in statistical records and recognized under income according to the cash basis, when interest income is recognized in accordance with note (2-G) above. As for fees and commissions, which represent a complementary part of the financial asset effective rate are recognized as adjustment to the effective interest rate.

Commitment fees of loans are deferred as revenue when there is probability that these loans will be used by the customer, as commitment fees obtained by the Bank, represent compensation for the continuing interference to acquire the financial instrument. Subsequently, they are recognized as adjustments to the effective interest rate of the loan. If the commitment period passed without issuing the loan by the Bank, the commitment fees are recognized as income at the end of the commitment period.

Fees and commissions related to debt instruments measured at fair value are recognized as income at initial recognition. Fees and commission related to marketing of syndicated loan are recognized as income when the marketing is completed, and the loan is fully used, or the Bank did not keep any share of the syndicated loan or kept a share of effective interest rate that is available for the other participants.

Fees and commissions arising from negotiation or participating in a negotiation in the favor of a third party as in share acquisition arrangements, purchase of securities or purchase or sale of entities are recognized as income when the transaction is completed. Fees and commissions related to management advisory and other services are recognized as income based on the contract terms, usually on a relative time-appropriation basis over the financial period. The fees of financial planning and safe custody services provided over a long period of time are recognized over the year in which the service is provided.

### **I- Dividend income**

Dividends from the Bank investments in equity instruments and their equivalents are recognized in the income statement when the Bank's right to receive these dividends is established.

### **J- Purchase Reverse Repo Agreements and Sale Repo Agreements**

Financial instruments sold under agreements to repurchase them are presented within the assets deducted from the balances of treasury bills in the statement of financial position, and the commitment (purchase and resale agreements) is presented in addition to the balances of treasury bills in the statement of the financial position, and the difference between the sale price and the repurchase price is recognized as a return due over the course of agreements using the method of effective rate of return.

### **K-Impairment of financial assets**

The Group reviews all its financial assets except for the financial assets measured at fair value through profit or loss to estimate the extent of impairment existence in value as indicated below.

**The financial assets are classified on the date of the financial statements within three stages as follows:**

- The first stage: includes the financial assets where there has been no significant increase in credit risk loss since initial recognition date where the expected credit risk is calculated for 12 months.
- The second stage: includes the financial assets where there has been significant increase in credit risk loss since initial recognition or the date of recognizing their functions where the expected credit risk is calculated over the lifetime of the asset.
- The third stage: the financial assets where there has been impairment in their value that requires calculating their expected credit risk over the lifetime of the asset based on the difference between the book value of the instrument and the present value of the expected future cash flows.



**The credit loss and the impairment loss in value related to the financial instruments are measured as follows:**

- The low risk financial instrument is classified at initial recognition in the first stage and the credit risk shall be continuously monitored by the credit risk department of the Bank.
- If there is a significant increase in credit risk since initial recognition, the financial instrument is to be transferred to the second stage as it shall not be considered as impaired financial instrument yet, in this stage.
- In case of indicators of impairment in the value of the financial instrument, it shall be transferred to the third stage.
- The financial assets established or acquired by the Bank and include a higher rate of credit risk than the rates of the Bank for low risk financial assets at initial recognition, shall be directly classified in the second stage. Accordingly, their credit loss shall be measured based on the expected credit risk over the lifetime of the asset.

**(K/1) Significant increase in credit risk (SICR):**

The Group considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following quantitative, qualitative factors related to default have been met.

**(K/2) Quantitative criteria:**

Quantitative criteria are applied when the probability of default (PD) increases over the remaining lifetime of the instrument starting from the date of the balance sheet, compared to the residual Lifetime PD expected at initial recognition according to the structure of credit risk levels accepted by the Bank.

**(K/3) Qualitative criteria:**

**For banking retail loans, small and micro finance enterprise**

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

- The borrower requests to change short-term payment to long-term payment as a result of negative effects related to the cash flows of the borrower.
- Extending the grace period of payment upon a request provided by the borrower.
- Previous reiterated arrears within the last [12] months.
- Adverse future economic changes which affect the borrower's future cash flows.

Loans granted to institutions and medium enterprises

**If the borrower is on the watchlist and/or the instrument meets one or more of the following events:**

- Significant increase of interest of the financial asset as a result of increase in credit risk
- Significant adverse changes in business activity, financial and/or economic conditions in which the borrower operates
- Request of debt rescheduling as a result of difficulties encountering the borrower.
- Significant adverse change in actual or expected operating results or cash flows of the borrower
- Adverse future economic changes which affects the borrower's future cash flows.

- Early signs of cash flow/liquidity problems such as delay in servicing of creditors/ trade loans
- Cancellation of one of the direct facilities on the part of the Bank due to an increase in credit risk of the borrower.

**Payment default**

Starting from January 1, 2022, loans and facilities granted to institutions, Small, Medium and Micro Enterprise (SMME) and retail banking are recorded under the second stage if the non-payment period is more than (30) days at most and less than (90) days.

**Upgrade and transfer among the three stages (1,2,3)**

**Upgrade and transfer from the second stage to the first stage:**

The financial asset shall not be transferred from the second stage to the first stage unless all elements of quantitative and qualitative criteria of the first stage have been met and the entire arrears of the financial asset and interests are paid in addition to the lapse of three months of regular payment and satisfying the conditions of the first stage.

**Upgrade and transfer from the third stage to the second stage:**

**The financial asset shall not be transferred from the third stage to the second stage unless all following conditions are met:**

- All quantitative and qualitative elements of the second stage are met.
- Paying 25% of the financial asset due balances including due suspense interests.
- Regular payment for a period of at least 12 months.

**L- Investment Property**

Investment property is represented in lands and buildings owned by the Bank for obtaining rental income or capital increase and subsequently it does not include the real estate assets in which the Group practices its business activity or the assets ownership reverted to the bank in settlement of debts. The initial recognition of the investment property is carried out at cost and includes the transaction cost. The accounting of the investment property is implemented in the same manner applied to the accounting of the fixed assets.

**M- Intangible assets (Computers' software)**

The expenses related to the development or maintenance of computers are recognized as an expense charged to income statement when incurred and it is recognized as an intangible asset with respect to the expenses directly related to specific software under the control of the Group when it is expected to generate economic benefits thereof that exceeds its cost for more than one year.

The direct expenses include the cost of employees working in the software development team in addition to a reasonable share of the general expenses relevant thereto.

The expenses that lead to the increase or expansion in the performance of computers software when compared with the original specifications thereof is recognized as development cost and it is added to the original software cost.

The computers software cost recognized as an asset is amortized over the years expected to benefit from them provided that they shall not exceed three years.

**N- Fixed assets**

They represent land and buildings related to head office, branches and offices. All fixed assets are reported at historical cost less depreciation and impairment losses. The historical cost includes all costs directly related to the acquisition of fixed assets items.



Subsequent costs are included in the fixed asset's carrying amount or are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset, will flow to the Bank and the cost of the asset can be reliably measured. Maintenance and repair expenses are charged to other operating expenses during the financial period in which they are incurred. The Bank does not consider the residual value of its fixed assets to be of relative importance or having a significant impact on the depreciable value, and therefore the depreciation value of those fixed assets is calculated without deducting the residual value of the asset.

Land is not depreciated. Depreciation of other assets is calculated using the straight-line method to allocate their cost to until it reaches the residual values over their estimated useful lives, as follows:

Buildings	from 20 to 50 years
Furniture	from 5 to 10 years
Computers	5 years
Fixtures and fittings	from 5 to 10 years
Tools & equipment	from 5 to 10 years
Means of transport	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Assets that are subject to depreciation are reviewed to determine the impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is reduced immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The redeemable value is represented in the net selling value of the asset or the use value of the asset whichever higher. Gains and losses on disposals are determined by comparing net proceeds with asset carrying amount. These gains and losses are included in other operating income (expenses) in the income statement.

O- Other assets

This item includes the other assets that are not classified as defined assets in the balance sheet where accrued revenues, prepaid expenses, advance payments under the account of fixed assets purchase, deferred balance of the first day losses that is not amortized yet, current assets and noncurrent assets that their ownership reverted to the bank in settlement of debts (after deduction of impairment loss provision), deposits and imprests, gold bullions, commemorative coins, debit suspense accounts and balances that are not classified under any defined asset, are examples of which.

Most of the elements of other assets are measured at cost. If there is an objective evidence for impairment loss in the value of the said assets, then the loss is separately measured for each asset based on the difference between its carrying amount and its net selling value or the present value of the estimated expected future cash flows discounted at the current market rate of similar financial assets, which ever higher.

The book value of the asset is directly reduced, and the loss is recognized in the income statement under the item of "Other operating revenues (expenses)". If the impairment loss is reduced in any subsequent period and such reduction can be objectively related to an event that occurred after the recognition of the impairment loss, then the impairment loss previously recognized is reversed to the income statement provided that such cancellation does not establish an asset book value, on the date of reversing the impairment loss, that exceeds the value of the asset which may be reached if the recognition of such impairment loss has not been recognized.

With reference to the asset's ownership reverted to the bank in settlement of debts, the following has to be taken into consideration:

In accordance with the provisions of Article No. (87) of the Central Bank Law and the law of Banking and Monetary System of the hosting state No. (194) for the year 2020, it is prohibited for banks to deal in movables or real estate whether by purchasing, selling or exchange, except for the real estate allocated for running the business of the Group, used for entertainment purposes of the employees of the Bank, movables or real estate reverted to the Group in settlement of debts due from third parties when the recognition thereof started from the date of conveyance of ownership (the date of debt reduction) and such real state is included in assets reverted to the Group in settlement of debts, provided that the Group shall dispose thereof according to the following:

- Within one year from the date of conveyance of ownership with respect to movables.
- Within five years from the date of conveyance of ownership with respect to real estate.
- The Board of Directors of the Central Bank of Egypt may approve the extension of the period whenever the circumstances deem necessary, in addition, the Board of Directors of the Central Bank of Egypt has the right to exempt some banks from such restriction based on the banks' nature of activity.
- The assets reverted to the Bank in settlement of debts are recorded at the value in which the said assets reverted to the Bank and represented in the value of debts which the Group's Management decided to assign in return for such assets. If there is an objective evidence for impairment loss in the value of the said assets in the subsequent date of conveyance of ownership, then the loss is separately measured for each asset based on the difference between its carrying amount and its net selling value or the present value of the estimated expected future cash flows discounted at the current market rate of similar financial assets, whichever higher. The book value of the asset is reduced through the impairment account and the loss value is recognized in the income statement under the item of "other operating revenues (expenses)". If the impairment loss is reduced in any subsequent period and such reduction can be objectively related to an event that occurred after the recognition of the impairment loss, then the impairment loss previously recognized is reversed to the income statement provided that such cancellation does not establish an asset book value, on the date of reversing the impairment loss, that exceeds the value of the asset which may be reached if the recognition of such impairment loss has not been recognized.
- In the light of the nature of the movables or real estate which their ownership reverted to the bank pursuant to the provisions of the aforementioned article, the movables or real estate are classified in accordance with the plan of the Bank, the nature of expected benefits thereof among the fixed assets, investment property, shares, bonds or other assets available for sale, as the case may be. Accordingly, the bases relevant to the measurement of fixed assets, investment property, shares or bonds are applied to the assets reverted to the bank in settlement of debts and classified under any item of these items.
- As for the other assets, that are not included in any of these classifications and considered as other assets available for sale, they are measured at cost or fair value defined by the accredited experts of the Bank-less the selling costs –whichever is lower. The differences resulting from the valuation of these assets are recognized in the income statement under the item of other operating revenues (expenses) provided that such assets are to be disposed of within the period prescribed by virtue of law.

If the said assets are not disposed of, within the period prescribed by virtue of law in accordance with the provisions of Article No. (87) of Law No. 194 of 2020, the banking risk reserve is to be supported by the equivalent of 10% of the value of the said assets on annual basis. The net revenues and expenses of assets reverted to the bank in settlement of debts during the period of their acquisition by the Bank are recorded in the income statement under the item of "Other operating revenues (expenses)".

P- The impairment of non-financial assets

The financial assets that have no specific useful life are not depreciated – except for the goodwill – and their impairment is examined on annual basis. The impairment of assets that had been depreciated are to be considered whenever there are events or changes in the circumstances indicating that the book value may not be redeemable.



The impairment loss is to be recognized and the asset value shall be reduced with the amount by which the book value of the asset has been increased above the redeemable value. The redeemable value is represented in the net selling value of the asset or the use value of the asset, whichever is higher. For the purpose of assessing the impairment, and in the event that it is not possible to estimate the redeemable value of a single asset, the asset is to be attached to the smallest possible cash-generating unit that includes the asset. The nonfinancial assets that have impairment are to be reviewed to examine whether there is a reverse of impairment to the income statement or not, on the date of preparing every financial statement.

## **Q- Lease Contracts**

All lease contracts concluded with the Group are operating lease contracts.

### **(Q/1) Lessee**

The payments settled under the account of operating lease less any discounts obtained from the lessor under the item of expenses are recognized in the income statement based on the straight-line method over the term of contract.

### **(Q/1) Lessor**

The assets leased out on operating lease basis that are included in the fixed assets in the balance sheet and depreciated over the expected useful life of the asset using the same manner applied to the similar assets. The rent income is recorded less any discounts granted to the lessee based on the straight-line method over the term of contract.

## **R- Cash and cash equivalents**

For the purposes of the cash flows statement, cash and cash equivalents include balances due within three months from date of acquisition, cash and balances due from the Central Banks other than the mandatory reserve, balances with banks, treasury bills and other government notes.

## **S- Other provisions**

Provisions for restructuring costs and legal claims are recognized when the Bank has a present legal or constructive obligation as a result of past events; it is more likely than not, that an outflow of resources of the Group will be required to settle the obligation and the amount has been reliably estimated.

Where there is a number of similar obligations, the likelihood that an outflow is required to settle an obligation is determined taking into consideration the group of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any obligation in this group is minimal.

Provisions no longer required totally or partially are reversed in other operating income (expense).

Provisions are measured at the present value of the expected required expenditures to settle obligations after one year from balance sheet date using an appropriate rate in accordance with the terms of settlement which reflects the time value of money. If the settlement term is less than one year, the estimated value of the obligation is to be calculated unless it has a significant effect, then it shall be calculated using the present value.

## **T- Employees' Benefits:**

### **Employees Share in Profits:**

The Bank pays a percentage of cash profits expected to be distributed as the employees share in profits and recognizes that share as part of the dividends appropriation in equity and as liabilities when approved by the shareholders general assembly of the Bank and no liabilities shall be recorded in the undistributed employees share in profits.

## **Employees' Pension Fund & End of Service Compensations**

The Bank adopted special benefits plan until 17/4/2008. The Bank's contributory defined pension plan covers the permanent employees' pensions and other end of service benefits. The Bank's contribution to this fund is computed at a certain percentage of the employees' annual salaries, in addition to amounts required to the fund as decided by the Actuary to continue providing its services and maintain the minimum return on its invested funds. As for the employees appointed in the Bank after 17/4/2008, the Bank adopted special benefit plan with respect to the end of service compensation only without pensions and the Bank participates in such compensations by a percentage of the employees' wages who are working under the umbrella of this benefit plan on annual basis.

## **U- Dividends**

Dividends are recognized and deducted from equity in the period when approval thereof is declared by the Shareholders General Assembly. Those dividends include employees' share in the profits and the Board of Directors' remuneration as prescribed by the articles of association.

## **V- Comparative figures**

The comparative figures are to be reclassified whenever necessary to be in agreement with the changes in the presentation of the financial statements for the current period.

## **W- Trust/Fiduciary Activities**

The Bank practices fiduciary activities that entail the acquisition or management of assets on behalf of individuals, trusts, post-employment benefit funds and other institutions. These assets and the profits resulting from them are not recognized in the Bank's Separate Financial Statements as they are neither assets nor profits belonging to the Bank.

## **3- Financial Risk Management**

The Bank, as a result of the activities it exercises, is exposed to various financial risks; acceptance of risks is a basis in the financial activities. Some risks or group of risks are analyzed, evaluated and managed together. The Bank objective is to balance between the risk and return and to reduce the possible negative effects on the Bank's financial performance. The most important types of risks are credit risk, market risk, liquidity risk and other operating risks. The market risk comprises foreign currency exchange rates, interest rate risk and other pricing risks.

The risk management policies have been set to determine and analyze the risks, set limits to the risk and control them through reliable methods and updated information systems. The Bank regularly reviews the risk management policies and systems and amends them to reflect the changes in markets, products and services and the best updated applications.

Risks are managed by the Risk Management Department in the light of the policies approved by the Board of Directors. Risk Management Department identify, assess, and cover financial risks in close cooperation with other operating units in the Bank. Within the framework of the principles of governance and the sound banking practices related to banking risks management, the Board of Directors provides an integrated supervisory structure of higher committees originated therefrom. The Risk Management Department is in charge of the regular review of risk management and the control environment in an independent manner.

## **A- Credit risk**

The Bank is exposed to credit risk, which is the risk resulting from failure of one party to meet its contractual obligations. Credit risk is considered the most significant risk for the Bank; therefore, the management is conservative and prudent in managing this risk exposure. Credit risks results mainly from lending activities that result in loans and facilities and from investment activities which consequently results in having such debt instruments included in the Bank's assets. Credit risk is also included in off balance sheet financial instruments, such as loan commitments. Managing and monitoring process of credit risk is represented in credit risk department reports presented to the Board of Directors, Top Management and Heads of operating units on regular basis.



(A/1) Credit risk measurement

Loans and facilities to Banks and customers

To measure credit risk on the loans and facilities to Banks and customers, the Bank considers the following three components:

- Probability of default by the client or third parties to fulfill its contractual obligations.
- The current position and its future development from which the Bank concludes the balance exposed to risk. (Exposure at default).
- Loss given default risk.

The daily management of the Group’s activities involves measures of credit risk based on the Expected Loss Model required by the Basel Committee on Banking Supervision. Those operational measures could be inconsistent with the impairment loss burden according to EAS 26, which adopts the realized losses model and not the expected losses (Note 3 - A/3) on the date of the financial statements.

The Bank evaluates the default risk for each customer using internal evaluation methods to determine the credit rating for the different customers’ categories. These methods were internally improved and developed taking into consideration statistical analysis and the professional judgment of the credit officers to reach the appropriate rating. The customers of the Bank are classified into four credit ratings. Rating scale (shown in the following table) reflects the possibility of defaults for each rating category, in which the credit positions may transfer from one rating to another depending on the change in the degree of possible risk. The customers’ rating and the rating process are reviewed and improved whenever necessary.

The Bank periodically evaluates the performance of the credit rating methods and their ability in expecting the customers’ defaults.

Bank’s internal ratings scale	
Rating description	Rating
Performing loans	1
Regular watching	2
Watch list	3
Non-performing loans	4

The Position exposed to default depends on the outstanding balances expected at the time when a default occurs, for example, for the loans, where the position is the book value while for commitments, the Bank includes all actual withdrawals in addition to any other expected withdrawals till the date of the late payment if any.

The expected losses or specific losses represent the Bank’s expectation of loss as of the date when the settlement is due, which is loan loss percentage that differs according to the type of debtor, claim priority, the availability of guarantees or any other means of credit cover.

Debt instruments, treasury bills and other bills

For debt instruments and bills, the Bank is using the external classifications such as Standard & Poor’s or equivalent to manage credit risk, in case such ratings are not available, methods similar to those applied to credit customers are used. Investments in securities and treasury bills are regarded as a way to get better credit quality and at the same time provides a source available to meet finance requirements.

(A/2) Limiting and avoiding risks policies

The Bank manages limits and controls credit risk concentrations on the levels of borrowers, groups, industries and countries.

The Bank manages the credit risk it undertakes by placing limits on the amount of risk accepted in relation to every single borrower, or groups of borrowers, and on the levels of economic activities and geographic segments. Such risks are monitored on regular basis and subjected to annual or more frequent reviews, whenever necessary. The Board of Directors reviews on quarterly basis the levels of credit risk on the levels of the borrower, group of borrowers, product, segment and country.

The lines of credit are divided for any borrower including Banks, into sub limits based on amounts in and off-balance sheet, the daily limit risk on trading items such as forward foreign exchange contracts where the actual amounts are compared with the limit every day.

Exposure to credit risk is also managed through regular analysis of the existing and potential borrowers’ ability to meet their obligations and through changing the lending limits whenever appropriate.

The following are other controls to limit the credit risk.

Collaterals

The Bank uses different methods to limit its credit risk. One of these methods is accepting collaterals against loans and facilities granted by the Bank. The Bank implements guidelines for certain categories of collaterals to be accepted. The major types of collateral against loans and facilities are:

- Real estate mortgage
- Business assets mortgage such as machines and goods.
- Financial instruments mortgage such as debt and equity instruments.

The long-term finance and loans to corporate entities are generally guaranteed while individual credit facilities are unsecured. In order to minimize the credit loss to the least, the Bank will seek additional collaterals from all the concerned parties as soon as impairment indicators are noticed for a loan or facility.

The Bank determines the type of collaterals held as a security for financial assets other than loans and facilities according to the nature of the instrument. In general, the debt securities and treasury bills are unsecured, except for Asset-Backed Securities and similar instruments secured by a financial instrument portfolio.

Credit-related commitments

The primary purpose of these commitments is to ensure that funds are available to customer when required. Guarantees and Standby Letters of Credit contracts are of the same credit risks as loans. Documentary and Commercial Letters of Credit – which are issued by the Bank on behalf of the customer by which authorizing a third party to withdraw amounts within a certain limit from the Bank in accordance to specific terms and conditions and guaranteed by the goods under shipment are of lower risk than a direct loan. Credit related commitments represent the unused portion of credit limit of loans, guarantees or letters of credit.

The Bank is exposed to probable loss of amount equal to the total unused limit with respect to credit risk resulting from commitments related to granting the credit. However, the probable amount of loss is less than the unused limit commitments, as most commitments represent commitments to customers maintaining certain credit standards. The Bank monitors the maturity term of the credit commitments because long-term commitments are usually of high credit risk than short-term commitments.





(A/3) Impairment and provisioning policies (Measurement of Expected Credit Losses)

The policies of the Bank require determining three stages to classify the financial assets measured at amortized cost, loan commitments, financial guarantees and debt instruments at fair value through other comprehensive income based on the changes of credit quality since the initial recognition and measurement of impairment loss (expected credit loss) in value related to these instruments as follows:

The financial asset that is not impaired at initial recognition is to be classified in the first stage and the credit risk shall be continuously monitored by the Credit Risk Department of the Bank.

In case there is a significant increase in credit risk since initial recognition, the financial asset is to be transferred to the second stage and it shall not be considered as impaired financial asset in this stage (the expected credit loss over lifetime under lack of impairment in credit value).

In case there are indicators of impairment in the value of the financial asset, it shall be transferred to the third stage. The indicators that shall be used by the Bank to determine whether there are objective evidences shall be based on indicating the following:

- Significant increase of interest of the financial asset as a result of increase in credit risk.
- Significant adverse changes in business activity, financial and/or economic conditions in which the borrower operates.
- Request of debt rescheduling as a result of difficulties encountering the borrower.
- Significant adverse change in actual or expected operating results or cash flows of the borrower.
- Adverse future economic changes which affect the borrower's future cash flows.
- Early signs of cash flow/liquidity problems such as delay in providing services for the creditors/ trade loans.
- Cancellation of one of the direct facilities on the part of the Bank due to an increase in credit risk of the borrower.

The impairment loss provision appeared in the balance sheet at the end of the year is derived from the four internal rating grades. However, most of the impairment provision comes from the last two ratings of classification. The table below shows the relative distribution percentage of in-balance sheet items relating to loans, facilities and the related impairment for each category of the internal rating of the Bank:

Ratings of The Bank	31/12/2024	31/12/2023
	Loans & facilities to customers	Loans & facilities to customers
	%	%
Performing loans	46.73	48.94
Regular watching	34.67	30.51
Watch list	3.74	6.61
Non-performing loans	14.86	13.94
Total	100	100

The internal evaluation instruments help the management to determine whether there are objective evidences of impairment according to the Egyptian Accounting Standard No. (47) and based on the following indicators as specified by the Bank:

- Severe financial insolvency encountered by the borrower or the debtor.
- Violation of loan agreement such as default of payment.

- Expecting the Bankruptcy of the borrower, entering into liquidation case or restructuring the finance granted to him.
- Deterioration in the competitive status of the borrower.
- Granting concessions or privileges to the borrower due to economic, legal or financial insolvency encountered by the borrower which may not be given by the Bank in normal circumstances.
- Impairment of guarantee value.
- Deterioration of the creditworthiness.

The policies adopted by the Bank require reviewing all the financial assets exceeding specific relative significance at least once a year or more when the circumstances necessitate to do so. The impairment charge shall be determined on the accounts that are evaluated on case by case basis through the evaluation of the loss realized on the date of the balance sheet. Such policies are expected to be implemented on all accounts attributed by relative significance on case by case basis. The evaluation usually includes the outstanding guarantee that embraces the reassurance of the implementation on the guarantee and expected collections from the said accounts. The impairment losses provision is formed based on a group of assets of similar kind using the historical empirical experience available, professional judgment and statistical methods.

(A/4) Banking general risk measurement model

In addition to the four categories of the Bank's internal credit rating indicated in note (3 - A/1), management classifies loans and advances based on more detailed subgroups in accordance with the CBE requirements. Assets exposed to credit risk in these categories are classified according to detailed conditions and terms depending heavily on information related to the customer, his activities, financial position and commitment to the payment schedules.

The Bank calculates required provisions for impairment of assets exposed to credit risk, including commitments relating to credit based on the rates determined by CBE. In case of having required increment in impairment losses provision according to the rules of the Central Bank of Egypt that exceeds the amount required for the purposes of preparing the financial statements in accordance with the Egyptian Accounting Standards, the General Banking Risk Reserve shall be set aside in the equity and deducted from the retained earnings with an amount equivalent to such increment. The said reserve shall be adjusted on regular basis as an increase or decrease in a manner that is always equivalent to the amount of increase when comparing the two provisions. The said reserve shall not be distributable.

The following are the categories of credit ratings for the institutions in accordance with the four internal rating grades compared to the bases of the CBE assessment and provisions percentage required for the impairment of assets exposed to credit risk:

Rating Indications	Provision Percentage Required %	Internal Ratings	Internal Ratings Granting
Low risk	Zero	1	Performing loans
Moderate risk	1	1	Performing loans
Satisfactory risk	1	1	Performing loans
Appropriate risk	2	1	Performing loans
Acceptable risk	2	1	Performing loans
Marginally Acceptable risk	3	2	Regular watching
Watch list	5	3	Watch list
Substandard	20	4	Non-performing loans
Doubtful	50	4	Non-performing loans
Bad debt	100	4	Non-performing loans



**(A/5) Maximum limits for credit risk before collaterals:**

	31/12/2024	31/12/2023
<b>Balance sheet items exposed to credit risks</b>		
Due from Banks	1 796 527	1 785 807
Treasury bills (net)	2 460 928	2 382 685
Loans & facilities to banks (net)	102 679	48 766
Loans & facilities to customers (net)	1 595 727	1 840 056
<b>Financial investments: (net)</b>		
- Debt instruments	412 748	463 435
Other assets	41 285	34 034
<b>Total</b>	<b>6 409 894</b>	<b>6 554 783</b>
<b>Off-balance sheet items exposed to credit risk</b>		
Letters of credit	121 894	59 500
Letters of guarantee	159 871	219 761
Loans commitments & irrevocable other liabilities related to credit	3 616	15 181
Money market papers for facilities to suppliers	1 172	-
<b>Total</b>	<b>286 553</b>	<b>294 442</b>

The above table represents the maximum exposure to credit risk on December 31, 2024 – December 31, 2023, before taking into account any held collateral. As for the items of the balance sheet, the amounts of exposures set out above are based on net carrying amounts as reported in the balance sheet. As shown above 26.5 % of the total maximum exposure is derived from loans and facilities to Banks and customers as at December 31, 2024, compared to 28.82 % as at December 31, 2023 while investments in debt instruments represent 6.44 % as at December 31, 2024, compared to 7.07 % as at December 31, 2023.

Management is confident in its ability to continue to control and sustain minimal exposure of credit risk resulting from both its loans and facilities portfolio and debt instruments based on the following:

- On December 31, 2024, 81.4 % of the loans and facilities portfolio to banks & customers are concentrated in the top two grades of the internal credit risk rating system compared to 79.45 % on December 31, 2023.
- On December 31, 2024, 85.12 % of loans and facilities portfolio to banks & customers are considered to be neither past due nor impaired compared to 86.33 % on December 31, 2023.
- Loans and facilities assessed individually are valued at US\$ 279 380 thousand on December 31, 2024 compared to US\$ 301 050 thousand on December 31, 2023.
- The Bank has implemented more prudent processes when granting loans and facilities during the financial year ended on December 31, 2024.
- On December 31, 2024 and on December 31, 2023, more than 99.5 % of the investments in debt instruments and treasury bills represent debt instruments of the Egyptian Government.

The following table indicates information about the financial asset's quality during the financial year:

	31/12/2024			
Due from banks	First stage 12 months	Second stage Over lifetime	Third stage Over lifetime	Total
<b>Credit rating</b>				
Performing loans	1 003 758	376 697	-	1 380 455
Regular watching	6 707	409 859	-	416 566
Watch list	-	-	-	-
	<b>1 010 465</b>	<b>786 556</b>	<b>-</b>	<b>1 797 021</b>
Less: impairment loss provision	(171)	(323)	-	(494)
<b>Book value</b>	<b>1 010 294</b>	<b>786 233</b>	<b>-</b>	<b>1 796 527</b>

	31/12/2023			
Due from banks	First stage 12 months	Second stage Over lifetime	Third stage Over lifetime	Total
<b>Credit rating</b>				
Performing loans	394 913	88 036	-	482 949
Regular watching	2 793	1 300 485	-	1 303 278
Watch list	-	-	-	-
	<b>397 706</b>	<b>1 388 521</b>	<b>-</b>	<b>1 786 227</b>
Less: impairment loss provision	(125)	(295)	-	(420)
<b>Book value</b>	<b>397 581</b>	<b>1 388 226</b>	<b>-</b>	<b>1 785 807</b>

	31/12/2024			
Treasury bills at amortized cost	First stage 12 months	Second stage Over lifetime	Third stage Over lifetime	Total
<b>Credit rating</b>				
Performing loans	445 477	-	-	445 477
	<b>445 477</b>	<b>-</b>	<b>-</b>	<b>445 477</b>
Less: impairment loss provision	(1 752)	-	-	(1 752)
<b>Book value</b>	<b>443 725</b>	<b>-</b>	<b>-</b>	<b>443 725</b>

	31/12/2023			
Treasury bills at amortized cost	First stage 12 months	Second stage Over lifetime	Third stage Over lifetime	Total
<b>Credit rating</b>				
Performing loans	465 592	-	-	465 592
	<b>465 592</b>	<b>-</b>	<b>-</b>	<b>465 592</b>
Less: impairment loss provision	(1 633)	-	-	(1 633)
<b>Book value</b>	<b>463 959</b>	<b>-</b>	<b>-</b>	<b>463 959</b>



	31/12/2024			
Loans and credit facilities to individuals	First stage 12 months	Second stage Over lifetime	Third stage Over lifetime	Total
<b>Credit rating</b>				
Performing loans	137 221	11 116	1 946	150 283
Regular watching	233 344	4 944	3 485	241 773
Watch list	-	-	-	-
Non-performing loans	-	4 499	9 891	14 390
	<b>370 565</b>	<b>20 559</b>	<b>15 322</b>	<b>406 446</b>
Less: impairment loss provision	(7 812)	(1 376)	(10 771)	(19 959)
Less: suspense interest	-	-	-	-
Less: Undue interest	(5 407)	(2)	(13)	(5 422)
<b>Book value</b>	<b>357 346</b>	<b>19 181</b>	<b>4 538</b>	<b>381 065</b>

	31/12/2023			
Loans and credit facilities to individuals	First stage 12 months	Second stage Over lifetime	Third stage Over lifetime	Total
<b>Credit rating</b>				
Performing loans	140 070	7 727	4 855	152 652
Regular watching	243 870	6 711	6 405	256 986
Watch list	-	5 195	14 832	20 027
Non-performing loans	-	-	56	56
	<b>383 940</b>	<b>19 633</b>	<b>26 148</b>	<b>429 721</b>
Less: impairment loss provision	(9 036)	(1 512)	(15 820)	(26 368)
Less: suspense interest	-	-	(59)	(59)
Less: Undue interest	(4 792)	(11)	(44)	(4 847)
<b>Book value</b>	<b>370 112</b>	<b>18 110</b>	<b>10 225</b>	<b>398 447</b>

	31/12/2024			
Loans & credit facilities to corporate	First stage 12 months	Second stage Over lifetime	Third stage Over lifetime	Total
<b>Credit rating</b>				
Performing loans	709 927	29 394	-	739 321
Regular watching	44 730	414 430	-	459 160
Watch list	-	7 912	315	8 227
Non-performing loans	-	-	264 990	264 990
	<b>754 657</b>	<b>451 736</b>	<b>265 305</b>	<b>1 471 698</b>
Less impairment loss provision	(6 002)	(84 134)	(165 917)	(256 053)
Less: suspense interest	-	-	(323)	(323)
Less: Undue interest	(80)	-	-	(80)
Less: Unearned discount of discounted commercial papers	(580)	-	-	(580)
<b>Book value</b>	<b>747 995</b>	<b>367 602</b>	<b>99 065</b>	<b>1 214 662</b>

	31/12/2023			
Loans & credit facilities to corporate	First stage 12 months	Second stage Over lifetime	Third stage Over lifetime	Total
<b>Credit rating</b>				
Performing loans	893 412	32 700	-	926 112
Regular watching	114 107	332 137	-	446 244
Watch list	-	65 557	6 088	71 645
Non-performing loans	-	-	280 967	280 967
	<b>1 007 519</b>	<b>430 394</b>	<b>287 055</b>	<b>1 724 968</b>
Less impairment loss provision	(16 572)	(93 758)	(171 570)	(281 900)
Less: suspense interest	-	-	(541)	(541)
Less: Undue interest	(571)	(11)	-	(582)
Less: Unearned discount of discounted commercial papers	(336)	-	-	(336)
<b>Book value</b>	<b>990 040</b>	<b>336 625</b>	<b>114 944</b>	<b>1 441 609</b>

	31/12/2024			
Debt instruments at amortized cost	First stage 12 months	Second stage Over lifetime	Third stage Over lifetime	Total
<b>Credit rating</b>				
Performing loans	348 392	-	-	348 392
	<b>348 392</b>	-	-	<b>348 392</b>
Less impairment loss provision	(2 128)	-	-	(2 128)
<b>Book value</b>	<b>346 264</b>	-	-	<b>346 264</b>

	31/12/2023			
Debt instruments at amortized cost	First stage 12 months	Second stage Over lifetime	Third stage Over lifetime	Total
<b>Credit rating</b>				
Performing loans	355 477	-	-	355 477
	<b>355 477</b>	-	-	<b>355 477</b>
Less impairment loss provision	(1 307)	-	-	(1 307)
<b>Book value</b>	<b>354 170</b>	-	-	<b>354 170</b>

#### (A/6) Loans and facilities

Loans and facilities status based on credit rating are summarized as follows:

	December 31, 2024		December 31, 2023	
	Loans & facilities		Loans & facilities	
	to customers	to banks	to customers	to banks
Neither past due nor impaired *	1 535 819	103 084	1 782 847	48 832
Past due but not impaired	62 945	-	70 792	-
Past due but impaired	279 057	-	300 450	-
<b>Total</b>	<b>1 877 821</b>	<b>103 084</b>	<b>2 154 089</b>	<b>48 832</b>
Less: impairment loss provision **	(276 012)	(405)	(308 268)	(66)
Prepaid interest	(5 502)	-	(5 429)	-
Unearned discount of discounted commercial papers	(580)	-	(336)	-
<b>Net</b>	<b>1 595 727</b>	<b>102 679</b>	<b>1 840 056</b>	<b>48 766</b>



\*Loans and facilities neither past due nor impaired

The credit quality for the loans and facilities portfolio (neither past due nor impaired) valued upon the internal valuation used by the Bank.

\*\* Impairment loss charge for loans and facilities to customers reached US\$ 276 012 thousand on December 31, 2024 compared to US\$ 308 268 thousand on December 31, 2023. Note No. (19) includes additional information with respect to the impairment loss provision for loans and facilities to customers.

Loans and facilities status based on internal credit rating are summarized as at 31 December 2024 as follows:

Neither past due nor impaired

31/12/2024	Individuals				Corporate				Total loans and facilities to individuals & corporate
	Debit current accounts	Credit cards	Personal loans	Real estate loans	Debit current accounts	Direct loans	Syndicated loans	Other loans	
1- Performing loans	6 927	4 387	100 774	29 994	252 332	137 935	342 867	2 240	877 456
2- Regular watching	10 216	5 857	215 064	-	42 973	176 298	200 692	-	651 100
3- Watch list	-	-	-	-	7 057	206	-	-	7 263
Total	17 143	10 244	315 838	29 994	302 362	314 439	543 559	2 240	1 535 819

31/12/2023	Individuals				Corporate				Total loans and facilities to individuals & corporate
	Debit current accounts	Credit cards	Personal loans	Real estate loans	Debit current accounts	Direct loans	Syndicated loans	Other loans	
1- Performing loans	9 798	5 073	86 134	36 982	324 099	217 652	370 143	4 230	1 054 111
2- Regular watching	18 136	9 160	219 480	-	47 070	167 070	196 329	1	657 246
3- Watch list	-	-	-	-	1 054	70 436	-	-	71 490
Total	27 934	14 233	305 614	36 982	372 223	455 158	566 472	4 231	1 782 847

The non-performing loans category secured by cash guarantees were not considered as impaired after taking into consideration that such guarantees can be collected.

- Past due loans and facilities and not impaired

They are loans and facilities having past due up to 90 days and not considered impaired, unless there is information to the contrary.

Upon the initial recognition of the loans & facilities, the collaterals' fair value is valued as per the valuation benchmark usually used in valuation of similar assets. In the subsequent periods, the fair value will be adjusted as per the market value or the prices of similar assets.

- Loans and facilities individually subject to impairment

Loans and facilities to customers

The balance of loans and facilities individually subject to impairment before taking into consideration cash flows from guarantees, amounted to US\$ 279 380 thousand on December 31, 2024 compared to US\$ 301 050 thousand as of December 31, 2023.

The breakdown of the total loans and facilities individually subject to impairment including the fair value of collaterals obtained by the Bank in return for such loans are as follows:

31/12/2024	Individuals	Corporate	Total
Loans (separately) subject to impairment	14 389	264 991	279 380
Fair value of collaterals	2 265	38 496	40 761

31/12/2023	Individuals	Corporate	Total
Loans (separately) subject to impairment	20 083	280 967	301 050
Fair value of collaterals	3 403	39 381	42 784

There are not any restructured significant loans.

- Past due loans and facilities and not impaired

They are loans and facilities having past due and not considered impaired, unless there is information to the contrary. Past due loans and facilities and not impaired are represented in the following:

31/12/2024	Individuals				Total
	Debit current accounts	Credit cards	Personal loans	Real estate loans	
Past due up to 30 days	-	1 718	14 845	2 106	18 669
Past due more than 30 to 60 days	-	-	-	138	138
Past due more than 60 to 90 days	-	-	-	32	32
Total	-	1 718	14 845	2 276	18 839

31/12/2024	Corporate				Total
	Debit current accounts	Direct loans	Other loans	Syndicated loans	
Past due up to 30 days	813	38 965	940	-	40 718
Past due more than 30 to 60 days	195	1	3 022	-	3 218
Past due more than 60 to 90 days	112	2	56	-	170
Total	1 120	38 968	4 018	-	44 106



31/12/2023	Individuals				Total
	Debit current accounts	Credit cards	Personal loans	Real estate loans	
Past due up to 30 days	-	85	23 188	1 530	<b>24 803</b>
Past due more than 30 to 60 days	-	-	-	67	<b>67</b>
Past due more than 60 to 90 days	-	-	-	5	<b>5</b>
<b>Total</b>	-	<b>85</b>	<b>23 188</b>	<b>1 602</b>	<b>24 875</b>

31/12/2023	Corporate				Total
	Debit current accounts	Direct loans	Other loans	Syndicated loans	
Past due up to 30 days	359	13 029	-	798	<b>14 186</b>
Past due more than 30 to 60 days	-	2	-	11	<b>13</b>
Past due more than 60 to 90 days	21	31 555	-	142	<b>31 718</b>
<b>Total</b>	<b>380</b>	<b>44 586</b>	-	<b>951</b>	<b>45 917</b>

Past due loans and facilities represent the amounts that entirely or partially fall due and were not paid on the dates contractually agreed upon and they include past due amounts for periods exceeding one day.

Accordingly, the amounts presented in the Note represent the total balance of the loan or facility and not only the past due portion while the rest of the loans balances and other facilities granted to the customer are not included as long as the customer has not been entirely or partially in default.

On the date of initial recognition for the loans & facilities, the presented collaterals fair value is estimated – if any - as per the valuation methods usually used in valuation of similar assets provided that they shall not be recognized in the financial statements of the Bank as they do not represent assets of the Bank on that date. In subsequent periods, the fair value of such collaterals will be adjusted as per the price or the market prices of similar assets.

#### (A/7) - Debt instruments, treasury bills and other government notes

The table below shows an analysis of debt instruments, treasury bills and other government notes according to the rating agencies based on the rating of Standard & Poor's or its equivalent at the end of the financial year:

31/12/2024	Treasury bills & other government notes	Investments in securities	Total
From (AA-) to (AA+)	-	15 951	<b>15 951</b>
From (A -) to (A+)	-	25 509	<b>25 509</b>
Less than (A-)	2 460 928	371 288	<b>2 832 216</b>
	<b>2 460 928</b>	<b>412 748</b>	<b>2 873 676</b>

31/12/2023	Treasury bills & other government notes	Investments in securities	Total
From (AA-) to (AA+)	-	45 546	<b>45 546</b>
From (A -) to (A+)	-	-	-
Less than (A-)	2 382 685	417 889	<b>2 800 574</b>
	<b>2 382 685</b>	<b>463 435</b>	<b>2 846 120</b>

#### (A/8) - Acquisition of Collaterals

- The Group has not acquired assets based on the acquisition of collaterals during the current financial year.
- The assets acquired are classified under the item of other assets in the balance sheet and these assets are to be sold whenever applicable.

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

##### Geographical sectors

The following table represents an analysis of the most significant credit risk limits of the Group at book value and their distribution according to the geographical sectors at the end of the current financial year. When we prepared this table, we distributed the risks over the geographical sectors based on the areas related to the customers of the Group.

	Greater Cairo	Alexandria, Delta and Sinai	Upper Egypt	Other	Total
Treasury bills & other government notes	2 460 928	-	-	-	2 460 928
Loans & facilities to Banks (net)	58 497	-	-	44 182	102 679
Loans and facilities to customers (net)	1 421 552	153 244	17 222	3 709	1 595 727
<b>Financial investments:</b>					
- Debt instruments	268 876	-	-	143 872	412 748
<b>Total as at 31 December 2024</b>	<b>4 209 853</b>	<b>153 244</b>	<b>17 222</b>	<b>191 763</b>	<b>4 572 082</b>
<b>Total as at 31 December 2023</b>	<b>4 363 999</b>	<b>176 541</b>	<b>14 165</b>	<b>180 237</b>	<b>4 734 942</b>

##### Business Sectors

The following table represents an analysis of the most significant credit risk limits of the Bank at book value distributed according to the business activity practiced by the customers of the Bank.

	Financial Institutions	Industrial Institutions	Commercial	Real Estate Activities	Government Sector	Other Activities	Total
Treasury bills & other government notes	-	-	-	-	2 460 928	-	2 460 928
Loans & facilities to banks (net)	102 679	-	-	-	-	-	102 679
Loans and facilities to customers (net):							
<b>Loans to individuals:</b>							
- Debit current accounts	-	-	-	-	-	14 749	14 749
- Credit cards	-	-	-	-	-	10 575	10 575
- Personal loans	-	-	-	-	-	328 903	328 903
-Real estate loans	-	-	-	-	-	26 837	26 837
<b>Loans to Corporate:</b>							
- Debit current accounts	34 578	116 100	50 161	3 207	-	102 584	306 630
- Direct loans	86 403	48 328	18 098	3 148	-	217 899	373 876
- Syndicated loans	6 800	16 755	-	10 752	-	486 762	521 069
- Other loans	-	1 028	4 309	57	-	7 694	13 088
<b>Financial investments:</b>							
Debt instruments	49 332	-	-	-	363 416	-	412 748
<b>Total as of 31 December 2024</b>	<b>279 792</b>	<b>182 211</b>	<b>72 568</b>	<b>17 164</b>	<b>2 824 344</b>	<b>1 196 003</b>	<b>4 572 082</b>
<b>Total as of 31 December 2023</b>	<b>262 399</b>	<b>261 963</b>	<b>89 374</b>	<b>25 481</b>	<b>2 800 574</b>	<b>1 295 151</b>	<b>4 734 942</b>



B- Market risk

The Bank is exposed to market risk which is the risk of the fair value or future cash flow fluctuations resulted from changes in market prices. Market risks arise from open market positions related to interest rate, currency, and equity products of which each is exposed to general and specific market movements and changes in sensitivity levels of market rates or prices such as interest rates, foreign exchange rates and equity instruments prices. The Bank divides its exposure to market risk into trading and non-trading portfolios.

The market risk management resulting from trading and non-trading portfolios is concentrated in the Risk Department of the bank and they are followed up by two separate teams. Interim reports on market risk are presented to the Board of Directors, Assets & Liabilities Committee (ALCO) and the heads of business activity units on a regular basis.

Trading portfolios include transactions where the Bank deals directly with clients or with the market; while the non-trading portfolios primarily arise from managing assets and liabilities interest rate related to retail transactions and corporate.

(B/1) Market risk measurement techniques

As part of market risk management, the Bank undertakes various hedging strategies and enters into interest rate swaps contracts to match the interest rate risk associated with the debt instruments and the fixed-rate long-term loans if the fair value option has been applied. The major measurement techniques used to measure and control market risk are outlined below:

Value at Risk (VaR)

The Bank applies a ‘value at risk’ methodology (VaR) for trading and non-trading portfolios to estimate the market risk of the outstanding positions and the maximum expected loss based on a number of assumptions for various changes in market conditions. The Board of Directors sets limits for the value of risk that may be accepted by the Bank for trading and non- trading portfolios on separate basis and they are daily monitored by the Market Risk Management Department in the Bank. Value at Risk (VaR) is a statistic expectation of the current portfolio potential losses resulting from the adverse movements of the market and the maximum loss that may be incurred by the Bank based on using a specific confidence coefficient (98%). Subsequently, there is a statistical probability at a ratio of (2%) that the effective loss is higher than the expected Value at Risk (VaR). VaR model assumes a defined holding period of (ten days) before closing the open positions. It also assumes that the market movements during the defined holding period of (ten days) shall follow the same market movements model which occurred during the previous ten days. The Bank estimates the previous movements based on the data of the last five years. The Bank also applies such historic changes of ratios, prices and indicators in a direct manner on the current positions - this method is known as historic simulation. The effective outputs are regularly monitored to measure the soundness of assumptions and coefficients used to measure Value at Risk (VaR). However, applying such method does not overcome the loss of such limits in case of having greater movements in the market.

Stress Testing

Stress testing provides an indicator of the expected loss that may arise from sharp adverse circumstances. Stress testing is designed to match business using standard analysis for specific scenarios.

The stress testing carried out by the Risk Management Department of the Bank includes risk factor stress testing where sharp movements are applied to each risk category and test of emerging market stress, as emerging market are subject to sharp movements; and subject to special stress test including possible stress events affecting specific positions or regions - for example the stress outcome to a region applying a free currency rate. The results of the stress testing are reviewed by the Top Management and the Board of Directors.

Value at Risk (VaR) Summary

Total value at risk by risk type:

Foreign exchange risk	The financial year ended 31 December 2024			The financial year ended 31 December 2023		
	Medium	High	Low	Medium	High	Low
	52 832	144 335	8	534 2	398 11	48

Trading portfolio Value at Risk by risk type:

Foreign exchange risk	The financial year ended 31 December 2024			The financial year ended 31 December 2023		
	Medium	High	Low	Medium	High	Low
	129	603	3	141	576	10

Non trading portfolio Value at Risk by risk type:

Foreign exchange risk	The financial year ended 31 December 2024			The financial year ended 31 December 2023		
	Medium	High	Low	Medium	High	Low
	52 703	143 732	5	2 393	10 822	38

(B/2) Foreign exchange volatility risk

The Bank is exposed to foreign exchange rate volatility risk in terms of the financial position and cash flows. The Board of Directors set aggregate limits for foreign exchange for each position at the end of the day, and during the day which is controlled on timely basis.

31 December 2024	USD	Euro	GBP	L.E	Other	Total
<b>Financial assets</b>						
Cash and balances with the Central Bank	20 055	6 842	739	439 859	546	<b>468 041</b>
Due from Banks	1 426 780	55 004	49 608	262 347	2 788	<b>1 796 527</b>
Treasury bills	677 408	125 374	-	1 658 146	-	<b>2 460 928</b>
Loans and facilities to customers	759 415	838	-	835 474	-	<b>1 595 727</b>
Loans and facilities to banks	44 182	-	-	58 497	-	<b>102 679</b>
<b>Financial investments:</b>						
- At fair value through other comprehensive income	50 121	-	-	58 487	-	<b>108 608</b>
- At amortized cost	191 246	9 865	-	145 153	-	<b>346 264</b>
Investments in associates	88 733	-	-	123 240	-	<b>211 973</b>
Other assets (Unearned revenue)	15 000	616	363	25 306	-	<b>41 285</b>
<b>Total financial assets</b>	<b>3 272 940</b>	<b>198 539</b>	<b>50 710</b>	<b>3 606 509</b>	<b>3 334</b>	<b>7 132 032</b>
<b>Financial liabilities</b>						
Due to Banks	160 859	1 274	64	2	49	<b>162 248</b>
Customers deposits & certificates of deposits	2 170 005	196 647	48 767	3 499 894	2 973	<b>5 918 286</b>
Other loans	14 000	-	-	3 541	-	<b>17 541</b>
Other liabilities (Unearned interests)	10 654	140	36	19 080	-	<b>29 910</b>
<b>Total financial liabilities</b>	<b>2 355 518</b>	<b>198 061</b>	<b>48 867</b>	<b>3 522 517</b>	<b>3 022</b>	<b>6 127 985</b>
<b>Net financial position</b>	<b>917 422</b>	<b>478</b>	<b>1 843</b>	<b>83 992</b>	<b>312</b>	<b>1 004 047</b>





31 December 2023	USD	Euro	GBP	L.E	Other	Total
<b>Total financial assets</b>	<b>3 331 476</b>	<b>240 884</b>	<b>53 836</b>	<b>3 845 890</b>	<b>2 997</b>	<b>7 475 083</b>
<b>Total financial liabilities</b>	<b>2 434 842</b>	<b>235 981</b>	<b>51 877</b>	<b>3 742 687</b>	<b>3 025</b>	<b>6 468 412</b>
<b>Net financial position</b>	<b>896 634</b>	<b>4 903</b>	<b>1 959</b>	<b>103 203</b>	<b>(28)</b>	<b>1 006 671</b>

### (B/3) Interest rate risk

The Bank is exposed to the effect of fluctuations in the prevailing levels of market interest rates. The interest rate risk is the cash flow interest rate risk that is represented in the fluctuation of the future cash flows of a financial instrument due to the changes in market interest rates of the instrument. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. Interest margins may increase as a result of such changes but the profit may decrease if unexpected movements arise. The Board of Directors of the Bank sets limits on the level of mismatch of interest rate re-pricing that may be undertaken by the Bank, the matter that is monitored on daily basis by the Bank's Risk Management Department.

The table below summarizes the Bank's exposure to interest rate risk fluctuation. It includes the book value of the financial instruments that is categorized based on re-pricing dates or maturity dates, whichever earlier.

31 December 2024	Up to 1 month	More than 1 month to 3 Months	More than 3 months to 12 Months	More than 1 year to 5 years	Over 5 years	Non-interest bearing	Total
<b>Financial Asset</b>							
Cash and balances with the Central Bank	-	-	-	-	-	468 041	<b>468 041</b>
Due from Banks	1 040 787	723 031	30 000	-	-	2 709	<b>1 796 527</b>
Treasury bills & government notes	54 006	1 400 898	1 006 024	-	-	-	<b>2 460 928</b>
Loans and facilities to customers	357 101	296 781	92 250	210 827	638 768	-	<b>1 595 727</b>
Loans and facilities to banks	9 911	14 800	19 471	58 497	-	-	<b>102 679</b>
<b>Financial investments:</b>							
- At fair value through other comprehensive income	404	1 003	16 590	41 730	6 757	42 124	<b>108 608</b>
- At amortized cost	492	-	27 895	266 909	50 968	-	<b>346 264</b>
Investments in subsidiaries & associates	-	-	-	-	-	211 973	<b>211 973</b>
Other financial assets (Unearned revenue)	-	-	-	-	-	41 285	<b>41 285</b>
<b>Total financial assets</b>	<b>1 462 701</b>	<b>2 436 513</b>	<b>1 192 230</b>	<b>577 963</b>	<b>696 493</b>	<b>766 132</b>	<b>7 132 032</b>
<b>Financial liabilities</b>							
Due to Banks	131 822	-	30 000	-	-	426	<b>162 248</b>
Customers' deposits & certificates of deposits	4 084 633	329 372	622 339	571 799	642	309 501	<b>5 918 286</b>
Other loans	-	178	14 256	1 009	2 098	-	<b>17 541</b>
Other liabilities (Unearned interests)	-	-	-	-	-	29 910	<b>29 910</b>
<b>Total financial liabilities</b>	<b>4 216 455</b>	<b>329 550</b>	<b>666 595</b>	<b>572 808</b>	<b>2 740</b>	<b>339 837</b>	<b>6 127 985</b>
<b>Interest re-pricing gap</b>	<b>(2 753 754)</b>	<b>2 106 963</b>	<b>525 635</b>	<b>5 155</b>	<b>693 753</b>	<b>426 295</b>	<b>1 004 047</b>

31 December 2023	Up to 1 month	More than 1 month to 3 Months	More than 3 months to 12 Months	More than 1 year to 5 years	Over 5 years	Non-interest bearing	Total
Total financial assets	2 380 850	1 768 569	1 094 274	486 710	775 062	969 618	7 475 083
Total financial liabilities	3 671 757	929 571	408 129	1 071 621	5 002	382 332	6 468 412
Interest re-pricing gap	(1 290 907)	838 998	686 145	(584 911)	770 060	587 286	1 006 671

### C- Liquidity risk

Liquidity risk represents difficulty encountering the Group in meeting its financial commitments when they fall due and replace funds when they are withdrawn. This may result in failure in fulfilling the Group obligation to repay the depositors and fulfilling lending commitments.

#### Liquidity risk management

The liquidity risk management control process carried out by the Department of Risk Management of the Bank includes:

- Daily funding managed by monitoring future cash flows to ensure that all requirements can be met when due. This includes availability of liquidity as they fall due or when lent to customers. To ensure that the Bank achieves this objective, the Bank maintains an active presence in global money markets.
- The Bank maintains a portfolio of highly marketable and diverse assets that assumed to be easily liquidated in the event of an unforeseen interruption of cash flow.
- Monitoring liquidity ratios in relation with internal requirements and the requirements of the Central Bank of Egypt.
- Managing loans concentration and dues.

The main period for liquidity management is the next day, week and month. The Bank calculates the expected cash flow for those periods for monitoring and reporting purposes. The starting point to calculate these expectations, is analyzing the contractual dues of the financial liabilities and expected dates of the financial assets collections.

The Department of Assets and Liabilities Management monitors the mismatch between medium term assets, the level and nature of unused loans commitments, debit current accounts utilizations extent, and the effect of contingent liabilities such as letters of guarantee and letters of credit.

#### Funding approach

Sources of liquidity are regularly reviewed by a separate team from the Department of Risk Management of the Bank to maintain a wide diversification of currencies, geographical sectors, sources, products and terms.

### D- Operating risk:

The definition of operating risk comprises "the risk of a change in value caused by the fact that actual direct losses and / or indirect losses incurred due to inadequacy or failure of internal processes, systems, human factor or external events including legal risk or any operating events that impact negatively on the reputation of the Bank, the continuity of the business as a going concern and / or the market value of the Bank."

#### The Framework of the Operating Risk Department

The Operating Risk Department is considered as a significant part that supports the various activities of the Bank with respect to its role in identifying and assessing the relevant risks and the required controls to prevent and mitigate the operating losses in addition to participating in enhancing the competency and efficiency of utilizing the various resources of the Bank.



The policy of the Operating Risk Department aims at laying out a general framework to consolidate its efficiency and providing support to the governance system through enlightenment and spreading the risk culture among all employees, providing complete awareness of the targets of the Operating Risk Department, how to classify risks, the difference between the operating risk and the other kinds of risks, the duties and responsibilities of management and supervision, the methods and approaches used inside the Bank in determination, measurement, reporting and follow up to limit and mitigate the operating risks.

The Operating Risk Department is concentrating its attention on the spreading of risk culture and the awareness of the importance of identifying, reviewing, examining policies, procedures and work systems, making researches to enhance systems and their security methods, the efficiency of the oversight controls to prevent and mitigate the operating risks.

Meanwhile, the Operating Risk Department is taking the lead in cooperation with all the departments of the Bank to identify indications that give early warning concerning the events that may expose the Bank to any sort of possible risks.

The Operating Risk Department has started working on establishing operating events database along with their classification that is in conformity with the standards laid out by “Basel II” Accords and the classification of operating risks stated therein. The data collection process relies on the internal operating events reports in addition to all relevant external events. The said data are used in analyzing and monitoring the root causes of the operating risks, the frequency of events, evaluating the corrective measures and the controls adopted by the Bank to prevent and mitigate the operating risks.

E- Fair value of financial assets and liabilities

The table below summarizes the current value and fair value for those financial assets and liabilities not presented on the Bank’s balance sheet at their fair value:

	31 December 2024		31 December 2023	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Due from banks	1 796 527	1 796 527	1 785 807	1 785 807
Loans and facilities to Banks	102 679	102 679	48 766	48 766
Loans and facilities to customers:	1 595 727	1 595 727	1 840 056	1 840 056
Financial investments:				
- At amortized cost	346 264	Not identified	354 170	Not identified
Financial liabilities				
Due to banks	162 248	162 248	350 201	350 201
Customers’ deposits	5 918 286	Not identified	6 031 645	Not identified

Loans and facilities to customers:

Loans and facilities to customers are presented as net amount after deducting the provision of impairment loss.

Debt instruments at amortized cost:

The fair value of the debt instruments “Egyptian treasury bonds” as per Bloomberg prices declared at the end of the financial period.

Customers’ deposits and due to other banks:

Represent the estimated fair value of demand deposits that includes the deposits of non-bearing interest for the amount paid on demand.

F- Capital management

The Bank’s objectives behind managing the capital include elements other than equity shown in the balance sheet and they are represented in the following:

- Compliance with the legal requirements of capital in The Arab Republic of Egypt.
- Protecting the Bank’s ability to continue as a going concern and enabling it to generate yield for shareholders and other parties dealing with the Bank.
- Maintaining a strong capital base to enhance growth.
- Capital adequacy and capital uses are reviewed on a monthly basis according to the regulatory authority’s requirements (CBE) by the Bank’s management through models based on Basel Committee for Banking Control instructions and these data are submitted to CBE on quarterly basis.

CBE requires the following from the Bank:

- Maintaining L.E 500 million as a minimum requirement for the issued and paid-up capital.
- Maintaining a ratio between risk-weighted elements of capital and elements of assets, and contingent liabilities that are credit risk, market risk and operating risk weighted including a percentage of **12.50%** as a conservation buffer.

The numerator in capital adequacy comprises the following two tiers:

Tier 1:

It is the primary capital comprising of paid-up capital (after deducting the carrying amount of the treasury stocks) if any, retained earnings and reserves resulting from profit appropriations less any goodwill previously recognized, and any carried forward losses.

Tier 2:

It is the supplementary capital (Tier 2 Capital) that is comprised of the equivalent of the general risk provision which is formed based on the Obligor Risk Rating and Provisioning Rules issued by the Central Bank of Egypt in a manner that does not exceed 1.25% of the total risk-weighted assets and contingent liabilities, subordinated loans / deposits of more than five-year-maturity period (while amortizing 20% of their value in each year of the last five years of their maturity period) in addition to 45% of the increase resulting from the difference between the fair value and the carrying value of both financial investments available for sale and held to maturity date as well as investments in subsidiaries and associates.

When calculating the total numerator of the capital adequacy ratio, it should be taken into consideration that the supplementary capital does not exceed in any way the primary capital and that subordinated loans (deposits) do not exceed half of the primary capital.

Assets are risk-weighted differently classified according to the nature of each asset of the debtor to reflect the credit risk associated with it and taking the cash collaterals into consideration. In addition, the same treatment is used for off-balance amounts after adjustments to reflect the contingent nature and the potential loss of those amounts. The Bank has been in compliance with the local capital requirements. The following table summarizes the components of the primary and supplementary capital in addition to the capital adequacy percentages as at 31 December 2024.



	31/12/2024	31/12/2023
<b>Tier 1 Capital (primary capital)</b>		
Paid up capital	600 000	600 000
Reserves	246 480	237 897
Retained earnings	231 113	172 705
General risk reserve	-	-
Total balance of items of the accumulated other comprehensive income after regulatory amendments	(235 056)	(179 546)
Quarterly interim profits	113 684	100 844
Minority interest / non-controlling interest	189 992	195 693
Difference between nominal value and current value of subordinated loans (deposit)	712	712
<b>Total Primary Capital</b>	<b>1 146 925</b>	<b>1 128 305</b>
<b>Less:</b>		
<b>Investments in financial institutions:</b>		
Amount exceeding 10% of the issued capital of the company for each separate investment (shares)	(84 155)	(79 515)
Amount exceeding 10% of the fund assets for each separate investment (mutual funds)	(913)	(1 140)
Subordinated loans	(58 813)	(16 832)
Intangible assets	(10 530)	(9 347)
<b>Disregarded elements:</b>		
Reserve balance of fair value for investments available for sale (if negative)	-	-
Reserve for foreign currencies translation differences (if negative)	-	-
<b>Total Tier 1 Capital</b>	<b>992 514</b>	<b>1 021 471</b>
<b>Tier 2 Capital (primary capital)</b>		
Significant elements of required allowances for debt instruments, loans, credit facilities and contingent liabilities included in stage 1	18 467	29 383
45% of the specific reserve	32	32
45% of the increase in the fair value over the book value of financial investments in associate companies.	321	-
<b>Total Tier 2 Capital</b>	<b>18 820</b>	<b>29 415</b>
<b>Total Capital Base (1)</b>	<b>1 011 334</b>	<b>1 050 886</b>
Risk-weighted assets & contingent liabilities		
Credit risk of included in and off-balance sheet items	3 860 276	4 420 955
Market risk - exchange rates	131 734	34 781
Operating risk	201 038	268 146
<b>Total risk-weighted assets &amp; contingent liabilities (2)</b>	<b>4 193 048</b>	<b>4 723 882</b>
<b>Capital adequacy ratio (1) / (2)</b>	<b>%24.12</b>	<b>% 22.25</b>

Capital Adequacy Ratio was prepared for the balances of the consolidated financial statements of the Bank in compliance with the instructions of the Central Bank of Egypt issued on 24 December 2012.

The following table summarizes the financial leverage ratio:

	31/12/2024	31/12/2023
<b>Tier 1 Capital after disposals (1)</b>	<b>992 514</b>	<b>1 021 471</b>
Cash and Due from Central Bank	863 716	1 982 041
Balances due from Banks	1 401 023	462 331
Loans and credit facilities to banks	102 679	48 766
Treasury bills & other government notes	2 462 680	2 384 318
Financial assets at fair value through other comprehensive income	108 608	164 587
Financial assets at amortized cost	348 392	355 477
Investments in subsidiaries & associates	211 973	206 538
Loans & credit facilities granted to customers	1 609 541	1 865 664
Fixed assets (after deducting impairment loss provision and accumulated depreciation)	102 994	100 762
Other assets	156 810	136 523
The amount of exposure deducted (after disposing the first tier of the capital base)	(418 584)	(391 076)
<b>Total banks' exposure of items in the balance sheet after deducting the disposals of the first tier</b>	<b>6 949 832</b>	<b>7 315 931</b>
Letters of credit – imports	5 850	819
Letters of credit – exports	18 527	11 081
Letters of guarantee	69 998	99 902
Letters of guarantee upon other Banks' request or by their warranty	6 585	8 853
Accepted bills	2 461	1 593
Rediscounted bills	-	-
<b>Total contingent liabilities</b>	<b>103 421</b>	<b>122 248</b>
Total commitments	79 866	70 452
<b>Total off- balance sheet exposure</b>	<b>183 287</b>	<b>192 700</b>
<b>Total balance sheet &amp; off- balance sheet exposure (2)</b>	<b>7 133 119</b>	<b>7 508 631</b>
<b>Financial leverage ratio (1/2)</b>	<b>%13.91</b>	<b>% 13.6</b>

#### 4- Significant accounting estimates and assumptions

The implementation of the financial policies disclosed in Note No. (3) requires that management uses judgements, estimates and assumptions with respect to the carrying value of some assets and liabilities that other sources cannot provide. The said estimates and accompanied assumptions are based on historical experience in addition to other relevant factors. However, the actual results may differ from such estimates.

The assumptions and estimates are reviewed on regular basis and recognition of change in accounting estimates shall take place either in the period in which the change is occurring, in case its effect is confined to such period only, or in the period in which the change is occurring and the future periods, if the change in accounting estimates affects both of current period and the subsequent periods.

The following is a summary of the most prominent assumptions related the future and the sources of unconfirmed information at the end of the financial period that are attributed by high risk leading to a significant amendment introduced to the fair value of assets and liabilities during the following financial period.



#### (4/1) Impairment losses for loans and facilities (expected credit loss)

The Bank reviews the portfolio of loans and facilities on quarterly basis at least. The Bank uses personal judgment in determining whether it is necessary to recognize impairment charge in the income statement, to identify if there are reliable evidences indicating a decline that can be measured in the expected future cash flows from loan portfolio before identifying any decline on the level of each separate loan in the portfolio. These evidences include data indicating negative changes in borrowers' portfolio ability to repay the Bank, or local or economic circumstances related to default in the assets of the Bank. On rescheduling future cash flows, the management uses the previous experience with respect to assets loss of similar credit risk to determine the credit impairment loss for assets when there is objective evidence of impairment similar to that of the portfolio in question. The method and assumptions used in estimating both the amount and timing of the future cash flows are reviewed on a regular basis to minimize any discrepancy between the estimated loss and actual loss based on the management experience.

#### (4/2) Financial derivatives fair value

The fair value of financial derivatives that are not quoted in active markets are determined by using valuation techniques. When these valuation techniques are used (such as pricing models), they shall be examined and periodically reviewed by qualified personnel who are independent from the entity which prepared them. All models are certified after trial and before they are used to ensure that the results reflect reliable data and prices which can be compared with those of the market. The said models use the data taken from the market only, whenever it is possible to be practically obtained. However, some factors such as credit risk related to the Bank, counterparty, volatilities and correlations require that the management uses its personal judgement. Changes in assumptions of these factors may affect the disclosed fair value of the financial instruments.

#### (4/3) Debt instruments at amortized cost

The Bank classifies non-derivative financial assets with fixed determinable payments or fixed maturity as debt instruments at amortized cost included in "the business model of financial assets held to collect contractual cash flows".

In case the Bank ceases to classify debt instruments as debt instruments at amortized cost included in the portfolio, the carrying value of this type of investments, will be consequently increased at the end of the current financial period with the amount of US\$ 23 690 thousand to reach its fair value in return for recognition thereof in the fair value reserve of other comprehensive income statement.

## 5- Segment Analysis

### A- Segment analysis of business activities

31 December 2024	Large corporate	Medium enterprises	Investment	Retail Banking	Other activities	Total
<b>Revenues and expenses according to economic activity</b>						
Revenue of business segment activity	403 059	62 536	381 565	69 752	61 988	978 900
Expenses of business segment activity	(215 403)	(11 914)	(27 096)	(366 113)	(126 613)	(747 139)
Segment operating income	<b>187 656</b>	<b>50 622</b>	<b>354 469</b>	<b>(296 361)</b>	<b>(64 625)</b>	<b>231 761</b>
Unclassified expenses						(70 320)
<b>Profit for the year before taxes</b>						<b>161 441</b>
Taxes						(15 613)
<b>Profit for the year</b>						<b>145 828</b>
<b>Assets and liabilities of the segment activity</b>						
Segment activity assets	3 066 810	359 353	3 122 376	376 267	120 893	7 045 699
Unclassified assets						304 852
<b>Total assets</b>						<b>7 350 551</b>
Segment activity liabilities	3 789 618	189 578	-	2 155 429	18 751	6 153 376
Unclassified liabilities						34 635
<b>Total liabilities</b>						<b>6 188 011</b>

31 December 2023	Large corporate	Medium enterprises	Investment	Retail Banking	Other activities	Total
<b>Revenues and expenses according to economic activity</b>						
Revenue of business segment activity	258 644	103 533	419 729	64 446	24 587	870 939
Expenses of business segment activity	(202 406)	(7 059)	(8 710)	(305 023)	(123 966)	(647 164)
<b>Segment operating income</b>	<b>56 238</b>	<b>(96 474)</b>	<b>411 019</b>	<b>(240 577)</b>	<b>(99 379)</b>	<b>223 775</b>
Unclassified expenses						(73 743)
<b>Profit for the year before taxes</b>						<b>150 032</b>
Taxes						(20 145)
<b>Profit for the year</b>						<b>129 887</b>
<b>Assets and liabilities of the segment activity</b>						
Segment activity assets	3 154 908	612 737	3 349 673	394 932	110 230	7 622 480
Unclassified assets						55 854
<b>Total assets</b>						<b>7 678 334</b>
Segment activity liabilities	4 067 958	189 702	-	2 217 853	20 249	6 495 762
Unclassified liabilities						40 212
<b>Total liabilities</b>						<b>6 535 974</b>



## B- Geographical Segments analysis

31 December 2024	Greater Cairo	Alexandria, Delta & Sinai	Upper Egypt	Other	Total
<b>Revenues &amp; expenses according to the geographical segments</b>					
- Geographical segments revenues	951 186	33 504	2 105	11 978	998 773
- Geographical segments expenses	(771 728)	(50 547)	(4 059)	(10 998)	(837 332)
<b>Segment operating income</b>	<b>179 458</b>	<b>(17 043)</b>	<b>(1 954)</b>	<b>980</b>	<b>161 441</b>
<b>Profit for the year before taxes</b>					<b>161 441</b>
Taxes					(15 613)
<b>Profit for the year</b>					<b>145 828</b>
<b>Assets &amp; liabilities according to the geographical segments</b>					
- Geographical segments assets	7 147 316	143 815	14 155	45 265	7 350 551
<b>Total assets</b>	<b>7 147 316</b>	<b>143 815</b>	<b>14 155</b>	<b>45 265</b>	<b>7 350 551</b>
Geographical segments liabilities	5 599 330	463 433	30 588	94 660	6 188 011
<b>Total liabilities</b>	<b>5 599 330</b>	<b>463 433</b>	<b>30 588</b>	<b>94 660</b>	<b>6 188 011</b>

31 December 2023	Greater Cairo	Alexandria, Delta & Sinai	Upper Egypt	Other	Total
<b>Revenues &amp; expenses according to the geographical segments</b>					
- Geographical segments revenues	833 325	30 342	1 949	3 826	869 442
- Geographical segments expenses	(661 465)	(45 976)	(2 896)	(9 073)	(719 410)
<b>Segment operating income</b>	<b>171 860</b>	<b>(15 634)</b>	<b>(947)</b>	<b>(5 247)</b>	<b>150 032</b>
Profit for the year before taxes					150 032
Taxes					(20 145)
<b>Profit for the year</b>					<b>129 887</b>
<b>Assets &amp; liabilities according to the geographical segments</b>					
- Geographical segments assets	7 444 881	164 661	14 611	54 181	7 678 334
<b>Total assets</b>	<b>7 444 881</b>	<b>164 661</b>	<b>14 611</b>	<b>54 181</b>	<b>7 678 334</b>
Geographical segments liabilities	5 900 038	499 601	26 317	110 018	6 535 974
<b>Total liabilities</b>	<b>5 900 038</b>	<b>499 601</b>	<b>26 317</b>	<b>110 018</b>	<b>6 535 974</b>

## 6. Net Interest Income

Interest from loans and similar revenues:		
	31/12/2024	31/12/2023
<b>Loans and facilities:</b>		
- To banks	12 064	5 859
- To customers	311 291	279 661
	<b>323 355</b>	<b>285 520</b>
Bonds & treasury bills	335 846	366 840
Deposits with Banks	208 343	124 736
<b>Total</b>	<b>867 544</b>	<b>777 096</b>

Cost of Deposits and similar costs from:		
	31/12/2024	31/12/2023
<b>Deposits and current accounts:</b>		
- To banks	(8 576)	(8 823)
- To customers	(597 536)	(493 745)
- Treasury Bills Sale – Repo	-	-
- Other loans	(4 612)	(6 427)
<b>Total</b>	<b>(610 724)</b>	<b>(508 995)</b>
<b>Net</b>	<b>256 820</b>	<b>268 101</b>

## 7- Net Fees and Commissions Income

<b>Fees and commissions income:</b>		
	31/12/2024	31/12/2023
Fees and commissions related to credit	27 049	23 659
Institution's finance services fees	95	107
Custody and bookkeeping activities fees	292	339
Other fees	6 397	6 700
<b>Total</b>	<b>33 833</b>	<b>30 805</b>
Fees and commission expenses:		
Other fees paid	(7 472)	(6 996)
<b>Net</b>	<b>26 361</b>	<b>23 809</b>

## 8- Dividends Income

	31/12/2024	31/12/2023
Equity instruments at fair value through other comprehensive income	760	1 224
Mutual funds	12	-
<b>Total</b>	<b>772</b>	<b>1 224</b>



## 9- Net Trading Income

	31/12/2024	31/12/2023
Forex gain	11 098	6 377
Debt instruments at fair value through profit or loss	984	1 713
<b>Total</b>	<b>12 082</b>	<b>8 090</b>

## 10- Administrative Expenses

	31/12/2024	31/12/2023
<b>Staff costs</b>		
Wages & salaries and their equivalents	108 282	109 053
The Bank contribution in employees fund	3 720	3 838
Social insurance	1 086	1 309
	<b>113 088</b>	<b>114 200</b>
Amortization & depreciation	13 717	12 222
Other administrative expenses	29 797	31 247
<b>Total</b>	<b>156 602</b>	<b>157 669</b>

## 11- Other Operating Expenses

	31/12/2024	31/12/2023
Gain from revaluation of assets & liabilities balances other than trading or originally classified at fair value through profit & loss	825	443
Finance lease*	(188)	(250)
Operating lease	(707)	(871)
Gains from fixed assets sale	1	270
Other provisions charge / reverse	(5 011)	334
Impairment (losses) of assets reverted to the bank	(2 385)	-
Other expenses	(1 317)	(610)
<b>Total</b>	<b>(8 782)</b>	<b>(684)</b>

\* Finance lease expenses are represented in cars installments by virtue of finance lease contracts concluded with the International Company for Leasing S.A.E – Incolease.

## 12- Income Tax

	31/12/2024	31/12/2023
Current tax *	(15 249)	(19 742)
Deferred tax	(364)	(403)
<b>Balance</b>	<b>(15 613)</b>	<b>(20 145)</b>

\* The current tax is represented in the amount of due tax imposed on the income of treasury bonds and dividends appropriation of contributions for the financial period then ended of SAIB Bank.

## 13- Credit Losses Impairment Charge

	31/12/2024	31/12/2023
Loans & facilities to customers	(15 867)	(30 570)
Loans & facilities to banks	(376)	32
Due from banks	(74)	-
Treasury bills	(136)	14
Debt instruments at amortized cost	(825)	813
<b>Total</b>	<b>(17 278)</b>	<b>(29 711)</b>

## 14- Classification and Measurement of Financial Assets & Liabilities

The following table indicates total financial assets & liabilities (before deducting any impairment provisions) according to the classification of the business model:

31 December 2024	Amortized cost	Debt instruments at fair value through other comprehensive income	Equity instruments at fair value through other comprehensive income	Total carrying value
Cash and balances with CBE	468 041	-	-	468 041
Balances with banks	1 797 021	-	-	1 797 021
Treasury bills	451 518	2 146 401	-	2 597 919
Loans and facilities to customers	1 878 144	-	-	1 878 144
Loans to banks	103 084	-	-	103 084
Financial investments at fair value through other comprehensive income	-	-	108 608	108 608
Financial investments at amortized cost	348 392	-	-	348 392
Other Financial assets	41 285	-	-	41 285
<b>Total financial assets</b>	<b>5 087 485</b>	<b>2 146 401</b>	<b>108 608</b>	<b>7 342 494</b>
Balances due to banks	162 248	-	-	162 248
Customers' deposits	5 918 286	-	-	5 918 286
Other financial liabilities	29 910	-	-	29 910
<b>Total financial liabilities</b>	<b>6 110 444</b>	<b>-</b>	<b>-</b>	<b>6 110 444</b>



31 December 2023	Amortized cost	Debt instruments at fair value through other comprehensive income	Equity instruments at fair value through other comprehensive income	Total carrying value
Cash and balances with CBE	658 440	-	-	658 440
Balances with banks	1 786 227	-	-	1 786 227
Treasury bills	472 202	2 021 585	-	2 493 787
Loans and facilities to customers	2 154 689	-	-	2 154 689
Loans to banks	48 832	-	-	48 832
Financial investments at fair value through other comprehensive income	-	-	164 587	164 587
Financial investments at amortized cost	355 477	-	-	355 477
Other Financial assets	34 034	-	-	34 034
<b>Total financial assets</b>	<b>5 509 901</b>	<b>2 021 585</b>	<b>164 587</b>	<b>7 696 073</b>
Balances due to banks	350 201	-	-	350 201
Customers' deposits	6 031 645	-	-	6 031 645
Other financial liabilities	45 966	-	-	45 966
<b>Total financial liabilities</b>	<b>6 427 812</b>	-	-	<b>6 427 812</b>

## 15. Cash and Due from Central Bank

	31/12/2024	31/12/2023
Cash	34 079	40 533
Due from Central Bank (within the mandatory reserve percentage in L.E)	433 962	617 907
<b>Balance</b>	<b>468 041</b>	<b>658 440</b>
Non-interest-bearing balances	468 041	658 440
<b>Balance</b>	<b>468 041</b>	<b>658 440</b>

## 16- Due from Banks

	31/12/2024	31/12/2023
Current accounts	16 447	23 569
Deposits	1 780 574	1 762 658
<b>Total</b>	<b>1 797 021</b>	<b>1 786 227</b>
Less: impairment loss provision	(494)	(420)
<b>Balance</b>	<b>1 796 527</b>	<b>1 785 807</b>
Due from central Bank (other than the mandatory reserve percentage in L.E)	395 864	1 323 600
Local Banks	510 360	419 599
Foreign Banks	890 797	43 028
<b>Total</b>	<b>1 797 021</b>	<b>1 786 227</b>
Less: impairment loss provision	(494)	(420)
<b>Balance</b>	<b>1 796 527</b>	<b>1 785 807</b>
Non- interest-bearing balances	3 638	7 600
Variable interest balances	4 001	3 594
Fixed interest balances	1 789 382	1 775 033
<b>Total</b>	<b>1 797 021</b>	<b>1 786 227</b>
Less: impairment loss provision	(494)	(420)
<b>Balance</b>	<b>1 796 527</b>	<b>1 785 807</b>
Current balances	1 797 021	1 786 227
Non-current balances	-	-
<b>Total</b>	<b>1 797 021</b>	<b>1 786 227</b>
Less: impairment loss provision	(494)	(420)
<b>Balance</b>	<b>1 796 527</b>	<b>1 785 807</b>

## Analysis of due from banks impairment loss provision

	31/12/2024	31/12/2023
Balance at the beginning of the year	420	420
Net impairment charge / reverse	74	-
<b>Balance at the end of the year</b>	<b>494</b>	<b>420</b>

## Analysis of the provision of impairment loss for due to banks categorized into stages

	31/12/2024	31/12/2023
Stage 1 ECL over 12 months	171	125
Stage 2 ECL over lifetime	323	295
<b>Total</b>	<b>494</b>	<b>420</b>



## 17- Treasury Bills & Other Government Notes

	31/12/2024	31/12/2023
<b>A – Treasury bills at amortized cost</b>		
180 days maturity	-	-
364 days maturity	451 518	472 202
<b>Balance</b>	<b>451 518</b>	<b>472 202</b>
Less: unearned interest	(6 041)	(6 610)
<b>Total</b>	<b>445 477</b>	<b>465 592</b>
Less: impairment loss provision	(1 752)	(1 633)
<b>Net (1)</b>	<b>443 725</b>	<b>463 959</b>
<b>B – Treasury bills at fair value through other comprehensive income</b>		
91 days maturity	291 964	507 307
180 days maturity	70 025	-
182 days maturity	31 114	36 915
270 days maturity	1 225 284	-
364 days maturity	528 014	1 477 363
<b>Total</b>	<b>2 146 401</b>	<b>2 021 585</b>
Less: unearned interest	(131 003)	(96 578)
Reserve of change in fair value	1 805	(6 281)
<b>Net (2)</b>	<b>2 017 203</b>	<b>1 918 726</b>
<b>Net (1+2)</b>	<b>2 460 928</b>	<b>2 382 685</b>

### Analysis of the provision of impairment loss for treasury bills at amortized cost

	31/12/2024	31/12/2023
<b>Balance at the beginning of the year</b>	<b>1 633</b>	<b>1 634</b>
Net impairment charge / reverse	136	(14)
Foreign exchange differences	(17)	13
<b>Balance at the end of the year</b>	<b>1 752</b>	<b>1 633</b>

### Analysis of the provision of impairment loss for Treasury Bills at amortized cost categorized into stages

	31/12/2024	31/12/2023
Stage 1 ECL over 12 months	1 752	1 633
<b>Total</b>	<b>1 752</b>	<b>1 633</b>

## 18- Loans and Facilities to Banks

	31/12/2024	31/12/2023
Loans	103 084	48 832
<b>Total loans and facilities to banks</b>	<b>103 084</b>	<b>48 832</b>
<b>Less:</b>		
Impairment loss provision	(405)	(66)
<b>Total</b>	<b>102 679</b>	<b>48 766</b>

## 19- Loans and Facilities to Customers

Individuals	31/12/2024	31/12/2023
Personal loans	344 367	348 510
Debit current accounts	17 152	27 989
Credit cards	12 432	14 319
Real estate loans	32 495	38 903
<b>Total (1)</b>	<b>406 446</b>	<b>429 721</b>
Corporate loans including small loans granted to economic activities:		
Direct loans	505 987	675 491
Syndicated loans	610 451	646 413
Debit current accounts	324 478	393 063
Other loans	30 782	10 001
<b>Total (2)</b>	<b>1 471 698</b>	<b>1 724 968</b>
<b>Total loans and facilities to customers (1+2)</b>	<b>1 878 144</b>	<b>2 154 689</b>
Less: Impairment loss provisions	(276 012)	(308 268)
Less: Unearned discount of discounted commercial papers	(580)	(336)
Less: Suspense interest	(323)	(600)
Less: Prepaid interest	(5 502)	(5 429)
<b>Net</b>	<b>1 595 727</b>	<b>1 840 056</b>

### Provision for Impairment Losses

The Provision for impairment losses movement analysis for loans and facilities to customers is as follows:

	31/12/2024	31/12/2023
Balance at the beginning of the year	308 268	336 137
Impairment charges / reverse during the year	15 867	30 570
Foreign exchange differences	(32 714)	(12 642)
Debts written off	(16 170)	(48 317)
Transfers	-	2 300
Proceeds from loans previously written off	349	-
Amounts reimbursed during the year	412	220
<b>Balance at the end of the year</b>	<b>276 012</b>	<b>308 268</b>

### Analysis of the provision of impairment loss for loans and facilities to customers categorized into stages

	31/12/2024	Stage 1 ECL over 12 months	Stage 2 ECL over lifetime	Stage 3 ECL over lifetime	Total
Individuals		7 812	1 376	10 771	19 959
Corporate		6 002	84 134	165 917	256 053
<b>Total</b>		<b>13 814</b>	<b>85 510</b>	<b>176 688</b>	<b>276 012</b>



31/12/2023	Stage 1 ECL over 12 months	Stage 2 ECL over lifetime	Stage 3 ECL over lifetime	Total
Individuals	9 036	1 512	15 820	26 368
Corporate	16 572	93 758	171 570	281 900
<b>Total</b>	<b>25 608</b>	<b>95 270</b>	<b>187 390</b>	<b>308 268</b>

## 20- Financial Investments

	31/12/2024	31/12/2023
<b>1 - Financial investments at fair value through other comprehensive income</b>		
A - Debt instruments - at fair value		
- Debt instruments – quoted in the market	66 484	109 265
B - Equity instruments at fair value through other comprehensive income		
- Quoted	254	234
- Unquoted	40 268	53 024
- Mutual funds	1 602	2 064
<b>Total financial investments at fair value through other comprehensive income (1)</b>	<b>108 608</b>	<b>164 587</b>
<b>2 - Financial investments at amortized cost</b>		
A - Debt instruments:		
- Quoted	348 392	355 477
Less: Impairment loss provision	(2 128)	(1 307)
<b>Total financial investments at amortized cost (2)</b>	<b>346 264</b>	<b>354 170</b>
<b>Total financial investments (1+2)</b>	<b>454 872</b>	<b>518 757</b>
- Current balances	114 997	217 582
- Non-current balances	339 875	301 175
<b>Total financial investments</b>	<b>454 872</b>	<b>518 757</b>
Fixed interest debt instruments	278 647	451 664
Variable interest debt instruments	134 101	11 771
	<b>412 748</b>	<b>463 435</b>

### Analysis of financial investments impairment loss provision at amortized cost:

	31/12/2024	31/12/2023
<b>Balance at the beginning of the year</b>	<b>1 307</b>	<b>1 375</b>
Net impairment charge / reverse	825	(813)
Reclassification of expected credit loss for financial investments at fair value through other comprehensive income	-	744
Translation differences	(4)	1
<b>Balance at the end of the year</b>	<b>2 128</b>	<b>1 307</b>

### Analysis of the provision of impairment loss for financial investments at amortized cost categorized into stages

	31/12/2024	31/12/2023
Stage 1 ECL over 12 months	2 128	1 307
<b>Total</b>	<b>2 128</b>	<b>1 307</b>

### Gains (Losses) of financial investments:

	31/12/2024	31/12/2023
Profits from the sale of financial investments at fair value through other comprehensive income - treasury bonds	39	2
Gains of financial investments	15	-
Impairment losses (reverse) charge of financial assets at fair value through comprehensive income	(504)	4
Profits from the sale of financial investments at fair value through other comprehensive income - Treasury bills	597	410
Profits resulting from acquisition of financial investments	-	1 967
<b>Balance</b>	<b>147</b>	<b>2 383</b>

31 December 2024	Financial investments at fair value through other comprehensive income	Financial investments at amortized cost	Total
<b>Balance as at 1 January 2024</b>	<b>164 587</b>	<b>354 170</b>	<b>518 757</b>
Additions	91 285	105 337	196 622
Disposals	(97 378)	(44 147)	(141 525)
Amortized issue premium / issuance discount for the year	390	4 312	4 702
Translation differences for assets of monetary nature in foreign currency	(26 139)	(72 583)	(98 722)
Change in fair value reserve of financial investments in debt instruments at fair value through comprehensive income	(24 696)	-	(24 696)
Change in fair value reserve of financial investments in equity instruments at fair value through comprehensive income	559	-	559
Impairment charge / reverse of financial investments at amortized cost	-	(825)	(825)
<b>Balance as at 31 December 2024</b>	<b>108 608</b>	<b>346 264</b>	<b>454 872</b>



31 December 2023	Financial investments at fair value through other comprehensive income	Financial investments at amortized cost	Total
<b>Balance as at 1 January 2023</b>	<b>247 530</b>	<b>330 624</b>	<b>578 154</b>
Additions	56 005	68 684	124 689
Disposals	(42 134)	(125 197)	(167 331)
Reclassification of bonds from fair value through other comprehensive income to amortized cost	(108 711)	108 711	-
Reclassification of expected credit loss from financial investments at fair value through other comprehensive income to financial investments at amortized cost	-	(744)	(744)
Amortized issue premium / issuance discount for the year	505	527	1 032
Translation differences for assets of monetary nature in foreign currency	(21 637)	(29 248)	(50 885)
Change in fair value reserve of financial investments in debt instruments at fair value through comprehensive income	30 510	-	30 510
Change in fair value reserve of financial investments in equity instruments at fair value through comprehensive income	2 519	-	2 519
Impairment charge / reverse of financial investments at amortized cost	-	813	813
<b>Balance as at 31 December 2023</b>	<b>164 587</b>	<b>354 170</b>	<b>518 757</b>

## 21- Investments in Associates

The investments in associates are represented in the following companies and institutions:

31 December 2024

Name of Company	Assets	Liabilities (without equity)	Revenues	Net Profits (losses)	Country of company's premises	Balance as at 1/1/2024	Balance as at 31/12/2024	Share %
Suez Canal Co. For Technology(C)	69 772	2 857	21 820	20 790	A.R. E	17 245	15 117	% 24.08
International Company for Tourist Investments (ICTI)	131 386	30 249	29 887	19 070	A.R. E	19 008	19 466	% 20
World Trade Centre (WTC) (A)	146 098	15 192	8 311	2 967	A.R. E	63 706	65 158	% 50
Suez Canal Bank (SCB)	3 544 345	3 271 463	454 201	111 750	A.R. E	101 081	108 123	% 41.50
International Company for leasing - Incolease	143 353	122 927	24 720	3 879	A.R. E	5 498	4 109	% 20.19
Cairo National Company for Brokerage and Securities	94	95	3	(5)	A.R. E	-	-	% 32
Cairo Factoring Company (B)	37	2 106	-	(418)	A.R. E	-	-	% 40
<b>Total of associates</b>						<b>206 538</b>	<b>211 973</b>	

31 December 2023

Name of Company	Assets	Liabilities (without equity)	Revenues	Net Profits (losses)	Country of company's premises	Balance as at 1/1/2023	Balance as at 31/12/2023	Share %
Suez Canal Co. For Technology	95 789	23 792	24 291	23 181	A.R. E	19 684	17 245	% 24.08
International Company for Tourist Investments (ICTI)	122 367	24 666	25 418	13 348	A.R. E	17 269	19 008	% 20
World Trade Centre (WTC)	143 642	15 703	8 323	2 651	A.R. E	62 833	63 706	% 50
Suez Canal Bank (SCB)	3 332 087	3 079 178	413 753	74 235	A.R. E	107 970	101 081	% 41.50
International Company for leasing - Incolease	178 462	151 086	22 759	4 386	A.R. E	5 796	5 498	% 20.19
Cairo National Company for Brokerage and Securities	155	157	4	(8)	A.R. E	-	-	% 32
Cairo Factoring Company	209	2 606	-	(403)	A.R. E	-	-	% 40
<b>Total of associates</b>						<b>213 552</b>	<b>206 538</b>	

A. The percentage of the Bank's participation in the capital of the World Trade Center Company (WTC) is 50 %. The Bank has no control over the Company and therefore the investment in the World Trade Center (WTC) was considered as investments in associate companies.

B. As a result of implementing the equity method, the carrying value of the participation of Société Arabe Internationale de Banque (SAIB) in the capital of Cairo Factoring Company that amounted to 40% at a cost of EGP 4 million, reflected the losses of the Company which exceeded the total equity of the Company as of 31 December 2018 and the continuity of such losses till the last approved balance sheet statement of the Company.

C. The balances were recorded as per the latest financial statements available of the Company as at 30 November 2024 and approved by the Auditor on 14 January 2025.

## 22- Intangible Assets

	31/12/2024	31/12/2023
Net book value at the beginning of the year	9 347	5 683
Additions	4 331	5 615
Disposals	-	(23)
Amortization for the year	(3 148)	(1 928)
<b>Net book value at the end of the year</b>	<b>10 530</b>	<b>9 347</b>



## 23- Other Assets

	31/12/2024	31/12/2023
Accrued revenues	41 285	34 034
Accrued dividends	677	677
Prepaid expenses	5 854	7 563
Prepaid amounts to employees under the account of dividends	10 358	10 043
Advance payments to purchase fixed assets	42 137	33 314
Assets reverted to the Bank in return for customers debts (after deducting the impairment)	28 774	26 536
Deposits and imprests	10	14
Other (after deducting of impairment)	17 185	14 995
<b>Total</b>	<b>146 280</b>	<b>127 176</b>

## 24- Fixed Assets

	Land	Buildings & Improvements	Furniture Fittings & Office Equipment	Vehicles	Computers	Total
<b>Balance as at 1 January 2023</b>						
Cost	36 637	73 807	45 626	2 320	33 672	192 062
Accumulated depreciation	-	(28 373)	(32 994)	(1 621)	(27 557)	(90 545)
<b>Net Book Value as at 1 January 2023</b>	<b>36 637</b>	<b>45 434</b>	<b>12 632</b>	<b>699</b>	<b>6 115</b>	<b>101 517</b>
Additions	-	1 796	2 882	663	4 233	9 574
Disposals	-	-	(16)	(52)	-	(68)
Depreciation during the year	-	(3 822)	(3 747)	(250)	(2 475)	(10 294)
Disposals' accumulated depreciation	-	-	4	29	-	33
<b>Net Book Value as at 31 December 2023</b>	<b>36 637</b>	<b>43 408</b>	<b>11 755</b>	<b>1 089</b>	<b>7 873</b>	<b>100 762</b>
<b>Balance as at 1 January 2024</b>						
Cost	36 637	75 603	48 491	2 931	37 906	201 568
Accumulated depreciation	-	(32 195)	(36 736)	(1 842)	(30 033)	(100 806)
<b>Net Book Value as at 1 January 2024</b>	<b>36 637</b>	<b>43 408</b>	<b>11 755</b>	<b>1 089</b>	<b>7 873</b>	<b>100 762</b>
Additions	-	1 718	5 307	1 455	4 321	12 801
Disposals	-	-	-	(411)	-	(411)
Depreciation during the year	-	(3 360)	(4 005)	(537)	(2 667)	(10 569)
Disposals' accumulated depreciation	-	-	-	411	-	411
<b>Net Book Value as at 31 December 2024</b>	<b>36 637</b>	<b>41 766</b>	<b>13 057</b>	<b>2 007</b>	<b>9 527</b>	<b>102 994</b>
Cost	36 637	77 320	53 798	3 975	42 227	213 957
Accumulated depreciation	-	(35 554)	(40 741)	(1 968)	(32 700)	(110 963)
<b>Net Book Value as at 31 December 2024</b>	<b>36 637</b>	<b>41 766</b>	<b>13 057</b>	<b>2 007</b>	<b>9 527</b>	<b>102 994</b>

## 25- Due to Banks

	31/12/2024	31/12/2023
Current Accounts	12 249	9 895
Deposits	149 999	340 306
Treasury Bills Sale – Repo agreements	-	-
<b>Balance</b>	<b>162 248</b>	<b>350 201</b>
Local Banks	95 162	81 647
Foreign Banks	67 086	268 554
<b>Balance</b>	<b>162 248</b>	<b>350 201</b>
Non - interest bearing balances	3 605	5 895
Fixed interest bearing balances	158 643	344 306
<b>Balance</b>	<b>162 248</b>	<b>350 201</b>
Current balance	162 248	350 201
Non – current balance	-	-
<b>Balance</b>	<b>162 248</b>	<b>350 201</b>

## 26- Customers' Deposits

	31/12/2024	31/12/2023
Demand deposits (current accounts)	660 600	531 015
Time and call deposits	3 747 996	3 866 569
Certificates of deposits	779 000	940 306
Saving deposits	618 633	576 172
Other deposits	112 057	117 583
<b>Balance</b>	<b>5 918 286</b>	<b>6 031 645</b>
Financial Institutions deposits	3 773 572	3 833 999
Individuals' deposits	2 144 714	2 197 646
<b>Balance</b>	<b>5 918 286</b>	<b>6 031 645</b>
Non-interest-bearing balances	309 502	348 373
Fixed interest-bearing balances	4 078 599	3 750 552
Variable interest-bearing balances	1 530 185	1 932 720
<b>Balance</b>	<b>5 918 286</b>	<b>6 031 645</b>
Current balances	5 341 949	4 855 124
Non-current balances	576 337	1 176 521
<b>Balance</b>	<b>5 918 286</b>	<b>6 031 645</b>



## 27- Other Loans

	31/12/2024	31/12/2023
Social Fund for Development loan - development of small enterprises (new & existing)	48	186
Agricultural development loan – (the leading bank / CIB)	197	-
(CBE) Mortgage finance initiative to low income individuals	3 296	5 839
Arab Fund for Economic and Social Development loan	14 000	18 000
Performing MEs financing initiative to fund new machinery, equipment and production lines for industrial and agricultural purposes (CBE)	-	575
Loan of BANCA UBAE – Italy	-	16 000
<b>Total other loans</b>	<b>17 541</b>	<b>40 600</b>

## 28- Other Liabilities

	31/12/2024	31/12/2023
Accrued interest	29 910	45 966
Unearned revenues	1 555	2 161
Employees' fund	3 835	4 463
Alternative employees benefit plan	16 092	13 248
E-payment System	1 643	5 010
Accrued expenses	3 671	6 024
Dividends payable	18	23
Other credit balances	26 097	33 729
<b>Balance</b>	<b>82 821</b>	<b>110 624</b>

## 29- Other Provisions

	31/12/2024					31/12/2023					
	Beginning of the year balance	Exchange differences	Formed/ reversed during the year	Used during the year	Year ending balance	Beginning of the year balance	Exchange differences	Transfers	Formed/ (reversed) during the year	Used during the year	Year ending balance
Legal claims provision	731	(171)	3 525	(24)	4 061	1 111	(11)	(300)	103	(172)	731
Potential claims provision	147	(13)	68	-	202	-	-	-	147	-	147
Contingent liabilities provision	1 508	(232)	617	-	1 893	3 470	(155)	(2 000)	193	-	1 508
Commitments and facilities provision	72	(29)	127	(19)	151	723	(18)	-	(633)	-	72
<b>Total</b>	<b>2 458</b>	<b>(445)</b>	<b>4 337</b>	<b>(43)</b>	<b>6 307</b>	<b>5 304</b>	<b>(184)</b>	<b>(2 300)</b>	<b>(190)</b>	<b>(172)</b>	<b>2 458</b>

## 30-Owners' Equity

### (A) Paid in Capital

The fully paid, issued and paid in capital of the Bank is US\$ 600 million as at 31 December 2024 distributed over 30,000 common shares whose value is US\$ 20 000 each.

The issued and subscribed share capital is as follows:

	No. Of shares	%	Nominal value	Paid
Arab Republic of Egypt	11 628	38.76	232 560	232 560
Libya	11 628	38.76	232 560	232 560
Abu Dhabi Investment Authority	3 751	12.503	75 020	75 020
State of Qatar	1 495	4.984	29 900	29 900
Sultanate of Oman - Oman Investment Authority	747	2.49	14 940	14 940
International Capital Trading Co.	751	2.503	15 020	15 020
<b>Total</b>	<b>30 000</b>	<b>100</b>	<b>600 000</b>	<b>600 000</b>

### (B) Reserves

	31/12/2024	31/12/2023
Legal Reserve (Analytical Note No. B-1)	155 667	147 228
General Reserve	87 686	87 686
Capital reserve	3 127	2 983
Special reserve	70	70
Fair value reserve - financial investments – at fair value through other comprehensive income (Analytical Note No. B-2)	(280)	9 748
General banking reserve (Analytical Note No. B-3)	212	201
<b>Total of reserves at the end of the year</b>	<b>246 482</b>	<b>247 916</b>

#### (B-1) Legal Reserve

	31/12/2024	31/12/2023
<b>Balance at the beginning of the year</b>	147 228	142 490
Effect of increasing the bank's share in SAIB's capital on the balances at the beginning of the year	-	440
Transferred from the profit of the year	8 439	4 298
<b>Balance at the end of the year</b>	<b>155 667</b>	<b>147 228</b>

#### (B/2) Fair value reserve of financial investments at fair value through other comprehensive income

	31/12/2024	31/12/2023
<b>Balance at the beginning of the year</b>	9 748	(1 387)
Effect of increasing the bank's share in SAIB's capital on the balances at the beginning of the year	-	(77)
Net change in fair value of investments at fair value through other comprehensive income	(10 026)	12 011
Exclusion of fair value reserve of financial investments at fair value through other comprehensive income	(2)	(799)
<b>Balance at the end of the year</b>	<b>(280)</b>	<b>9 748</b>



### (B/3) General banking risk reserve

	31/12/2024	31/12/2023
<b>Balance at the beginning of the year</b>	<b>201</b>	<b>371</b>
Effect of increasing the bank's share in SAIB's capital on the balances at the beginning of the year	-	3
Transferred to general banking reserve	11	199
Reverse / charge of general banking risk reserve	-	(372)
<b>Balance at the end of the year</b>	<b>212</b>	<b>201</b>

### C- Retained Earnings

	31/12/2024	31/12/2023
<b>Balance at the beginning of the year</b>	<b>287 333</b>	<b>184 397</b>
Effect of increasing the bank's share in SAIB's capital on the balances at the beginning of the year	-	8 315
Net profit of the year	129 017	114 628
Dividends appropriations	(48 302)	(17 097)
Transferred to legal reserve	(8 439)	(4 298)
Transferred to capital reserve	(144)	(182)
Transferred to general banking risk reserve	(11)	(199)
Adjustments of profits for the year 2023 – difference between estimated and actual profits	674	598
Reverse / charge of general banking risk reserve	-	372
Exclusion of fair value reserve of financial investments at fair value through other comprehensive income	2	799
<b>Balance at the end of the year</b>	<b>360 130</b>	<b>287 333</b>

### 31- Cash and Cash Equivalents

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

	31/12/2024	31/12/2023
Cash at hand & due balances from the Central Bank of Egypt	34 079	40 534
Due from banks	1 759 912	1 771 660
Treasury bills	276 628	490 175
<b>Balance at the end of the year</b>	<b>2 070 619</b>	<b>2 302 369</b>

### 32- Contingent Liabilities & Commitments

Commitments for loans, Guarantees and facilities

	31/12/2024	31/12/2023
Letters of guarantee	159 871	219 761
Letters of Credit – import	29 261	4 097
Letters of Credit – export	92 633	55 403
Money market papers for facilities to suppliers	1 172	-
Commitments for corporate loans	621 380	426 311
Accepted and endorsed bills of exchange	2 462	1 594
<b>Total</b>	<b>906 779</b>	<b>707 166</b>

### 33- Related Parties' Transactions

Transactions with related parties have been conducted by the Group, at arm's length in accordance with the norms and the normal course of banking rules in practice. Related parties' transactions and balances on the balance sheet date are as follows:

	Associates	
	31/12/2024	31/12/2023
Loans & facilities to customers and banks	76 061	41 368
Customers' deposits	253 522	252 603
Due from banks	499	629
Due to banks	4	6
Other balances	61	81

### 34- Investment Funds - financial investments at fair value through other comprehensive income

#### SAIB Fund 1 - accumulated income fund:

- SAIB Fund 1 is one of the banking activities authorized to be practiced by the Bank by virtue of the Capital Market Law No. 95 of 1992 and its executive regulations and it is managed by Prime Investments Asset Management Company (S.A.E.)
- The Bank has established Fund 1 by virtue of the license issued by the Egyptian Financial Supervisory Authority (currently known as the Financial Regulatory Authority) No. (133) dated 28 February 1996 at a nominal value of L.E 500 per certificate. On 13 March 2007, the Capital Market Authority approved splitting the value of the certificate at a percentage of 1:5 and thus the nominal value of the certificate became L.E 100 instead of L.E 500, accordingly, article No. (6) of the prospectus of Fund 1 was amended as at 29 March 2007.
- On February 3, 2021, the assembly of certificates holders of the investment fund of the Société Arabe Internationale de Banque - (SAIB Fund 1) decided not to extend the term of the (SAIB Fund 1) for another 25 years.
- On March 2, 2021, the Board of Directors of the Financial Regulatory Authority agreed not to extend the term of the investment fund of the Société Arabe Internationale de Banque (SAIB Fund 1 - accumulated income fund) upon the desire of the assembly of certificates holders.
- On March 18, 2021, the Board of Directors of the Société Arabe Internationale de Banque (in its capacity as the founding entity of the fund) decided in its session held to agree not to extend the term of the fund (SAIB Fund 1 - accumulated income fund) as well as appointing a legal liquidator to carry out the liquidation work.
- On September 15, 2021, the Bank of the Société Arabe Internationale de Banque - SAIB notified the Financial Regulatory Authority that all procedures required to end the liquidation process of the First Investment Fund (SAIB Fund 1) had been completed in accordance with the instructions issued by the Financial Regulatory Authority in this regard.

#### SAIB Fund 2 - accumulated income fund with recurring revenue and bonus certificates:

- SAIB Fund 2 is one of the banking activities authorized to be practiced by the Bank by virtue of the Capital Market Law No. 95 of 1992 and its executive regulations and it is managed by Prime Investments Asset Management Company (S.A.E.)



- The Bank has established Fund 2 by virtue of the license issued by the Egyptian Financial Supervisory Authority (currently known as the Financial Regulatory Authority) No. (178) dated 4 September 1997 at a nominal value of L.E 100 per certificate. On 6 March 2018, the Financial Regulatory Authority approved splitting the value of the certificate at a percentage of 1:5 and thus the nominal value of the certificate became L.E 20 instead of L.E 100
- On May 23, 2022, the assembly of certificates holders of the investment fund of the Société Arabe Internationale de Banque - (SAIB Fund 2) decided to extend the term of the (SAIB Fund 2) for another 25 years, starting from September 4, 2022 and ending as of September 4, 2047.
- On June 26, 2022, the Board of Directors of the Bank agreed to extend the term of the investment fund of the Société Arabe Internationale de Banque (SAIB Fund 2) for another 25 years, ending as of September 4, 2047 based on the approval of the Financial Regulatory Authority and the Central Bank of Egypt.
- On August 31, 2022, the Board of Directors of the Financial Regulatory Authority (Decision No. 76 of 2022) approved the extension of the term of investment fund of the Arab International Banking Company (SAIB Fund 2 - accumulated income fund with recurring revenue and bonus certificates) for a period of twenty-five years, starting from 4/9/ 2022, in accordance with the provision of Article 175 of the Executive Regulations of the Capital Market Law promulgated by virtue of Law No. 95 of 1992.
- On November 3, 2022, a letter was received from the Central Bank of Egypt stating that there is no objection to approving the request of extending the term of the second investment fund of the Arab International Banking Company (SAIB Fund 2 - accumulated income fund with recurring revenue and bonus certificates) for another 25 years, starting from September 4, 2022.
- On March 21, 2023, the fund shares' holders agreed on changing the fund management and assigned EFG Hermes Asset Management instead of Prime Investments Asset Management Company.
- The number of investment certificates of this fund reached 140 102 certificates and their nominal value amounted to US\$ 55 116. The Bank allocated 101 175 certificates with a nominal value of US\$ 39 802 to carry out the activity of the fund.
- The redemption value per certificate on the financial position date amounted to L.E 365.26 that represents the equivalent of US\$ 7.18.

#### **SAIB Fund 3 - El Rabah Fund - fund with recurring revenue:**

- The fund is one of the banking activities authorized to be practiced by the Bank by virtue of the Capital Market Law No. 95 of 1992 and its executive regulations and it is managed by EFG Hermes Asset Management instead of Prime Investments Asset Management Company (S.A.E.) due to the termination of the management contract as at 4 November 2013.
- The Bank has established Fund 3 by virtue of the license issued by the Egyptian Financial Supervisory Authority (currently known as the Financial Regulatory Authority) No. (248) dated 31 December 1998 at a nominal value of L.E 100 per certificate.
- The name of the fund was changed into El Rabah Fund based on the approval of the Egyptian Financial Supervisory Authority (currently known as the Financial Regulatory Authority) dated 22 April 2007.
- On June 19, 2023 the Bank's board of Directors agreed on extending the term of the Bank's fund (SAIB Fund 3 - fund with recurring revenue) for 25 years ending on November 4, 2048, subject to obtaining the approval of the General Authority for Financial Supervision and the Central Bank of Egypt.

- The number of investment certificates of this fund reached 160 545 certificates and their nominal value amounted to US\$ 315 792. The Bank allocated 50 000 certificates with a nominal value of US\$ 98 350 to carry out the activity of the fund.
- The redemption value per certificate on the financial position date amounted to L.E 335.72 that represents the equivalent of US\$ 6.60.

#### **SAIB Fund 4 - Sanabil Islamic Fund - accumulated income fund with recurring revenue:**

- The fund is one of the banking activities authorized to be practiced by the Bank by virtue of the Capital Market Law No. 95 of 1992 and its executive regulations and as of 21 December 2011, the fund turned out to be managed by HC Securities & Investment instead of Prime Investments Asset Management Company (S.A.E.), due to the termination of the management contract as at 20 December 2011.
- The fund management mission has been assigned to CI Asset Management in place of HC Securities and Investment Company as of 1 January 2020.
- The Bank has established Sanabil Islamic Fund based on the provisions of the Islamic law (sharia) in cooperation with Abu Dhabi Islamic Bank (ADIB) –Egypt (formerly The National Bank for Development –NBD) by virtue of the license issued by the Capital Market Authority No. (377) dated 20 December 2006 at a nominal value of L.E 100 per certificate.
- The number of investment certificates of this fund reached 171 385 certificates and their nominal value amounted to US\$ 337 115. The Bank allocated 25 000 certificates with a nominal value of US\$ 49 175 to carry out the activity of the fund.
- The redemption value per certificate on the financial position date amounted to L.E 402.31 that represents the equivalent of US\$ 7.91.

#### **SAIB Fund 5 - Youmy Fund - accumulated daily income fund:**

- The fund is one of the banking activities authorized to be practiced by the Bank by virtue of the Capital Market Law No. 95 of 1992 and its executive regulations and it is managed by Beltone Asset Management Company for investment funds management.
- The Bank has established the daily cash fund (Youmy Fund) by virtue of the license issued by the Egyptian Financial Supervisory Authority (currently known as the Financial Regulatory Authority) No. (691) dated 4 June 2014 at a nominal value of L.E 10 per certificate.
- The number of investment certificates of this fund reached 9 006 369 certificates and their nominal value amounted to US\$ 1 771 554. The Bank allocated 500 000 certificates with a nominal value of US\$ 98 350 to carry out the activity of the fund.
- The redemption value per certificate on the financial position date amounted to L.E 35.26 that represents the equivalent of US\$ 0.69.

### **35- Employees' Pension fund**

The Bank has a funded defined benefit contributory pension plan covering all full-time employees until 17 April 2008. The benefits provided by the plan are determined by the Board of Directors. The value of the vested benefit liability according to the plan and the adequacy of the reserve are annually determined by an Actuary.



On 8 December 2013, the Board of Directors of the Bank, approved the Voluntarily Early Retirement Plan based on the new conditions and benefits instead of the adopted regulations of the end of service compensation, social insurance and pension plan program through the complete withdrawal from the Bank and the Employees' Pension Fund (without pension) provided that the proposed benefits shall be granted pursuant to the insurance wage as at 31 December 2013.

In addition, the Bank shall finance the Employees' Pension Fund by a subordinated loan within the limit of US\$ 55 million that represents the difference between the total employees' benefits amounts after being granted the additional benefits of the Voluntarily Early Retirement according to the regulations and the actuarial pension reserve allocated for such age categories. The settlement of the subordinated loan occupies the second priority after the fulfillment of the Fund's obligations that are established upon the actuarial calculations while taking into consideration that the balance of the subordinated loan is included in the assets of the Fund that are allocated for the fulfillment of its obligations. The subordinated loan balance shall be reduced on monthly basis with an amount equivalent to the surplus resulting from the Voluntarily Early Retirement Plan.

According to the opinion of the actuary expert in his report for the year 2017, the payment of the last part of the subordinated loan amounting to US\$ 4 991 thousand has been postponed, provided that that part of the subordinated loan will be settled in the coming years when the reserve fund is quite adequate, in accordance with the directives of the actuary expert referred to above.

On March 9, 2023, the Board of Directors of the Bank decided to increase the investment return rate guaranteed by the Bank on the reserve fund to become 9% instead of 7%, as of the beginning of 2023.

The balance of the reserve fund of the Employees' Fund on December 31, 2024 amounted to US\$ 94 677 thousand, compared to US\$ 98 883 thousand on December 31, 2023, and pursuant to the Actuary's Report which stated that "in the light of the Bank's guarantee of investment return of 9% on the reserve fund, there is a deficit amounting to US\$ 286 thousand in the employees' pension reserve fund on December 31, 2024 after adding the difference of the investment return guaranteed by the Bank by 9% for the fiscal year 2024, that amounted to US\$ 3 549 thousand, along with the postponement of settlement of the last portion of the subordinated loan, that amounted to US\$ 4 991 thousand."

Based on the opinion of the Actuary, that Employees' Pension Fund has been supported this year, by US\$ 3 549 thousand which represents the investment return difference (9%) that is guaranteed by the Bank and the realized investment return (2024) in addition to the amount of US\$ 286 thousand that represents the actuarial deficit of the fund, as indicated in the actuary's report, along with the postponement of settlement of the last portion of the subordinated loan, that amounted to US\$ 4 991 thousand, provided that, the said portion will be settled during the following years when the employees' pension reserve fund is quite adequate to cover such settlement according to the directives of the Actuary Expert referred to above.



# Interconnection with the Bank

174 Addresses of the Bank Branches

06



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Email: cairobranch@aib.com.eg

**Cairo Governorate:****Main Branch - Abd El-Khalek Tharwat:**

**(Ready to serve PWDs)**

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**Mohammed Mazhar - Zamalek Branch:**

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**Merghany – Heliopolis Branch**

**(Ready to serve PWDs):**

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**Abou Dawoodb ElZahery – Nasr City Branch:**

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Email: Aboudawoodelzahery@aib.com.eg

**Ammar Ibn Yasser - Heliopolis Branch:**

2 Mostafa Mokhtar Street, off Ammar Ibn Yasser Street, Heliopolis, Cairo, Arab Republic of Egypt.

Telephone: 26227432- 26227433 - 26227431

Fax: 26227429

Swift Code: ARIBEGCX 014

Email: ammarbranch@aib.com.eg

**Downtown – 5th Settlement Branch:**

Downtown Mall, 5th settlement, S4 building, Cairo, Arab Republic of Egypt.

Telephone: 23146398 - 23146399

Fax: 23146396

Swift Code: ARIBEGCX 020

Email: downtownbranch@aib.com.eg

**Stella -1st Settlement Branch:**

Stella Compound, first settlement, 9 Mohamed Naguib Axis, next to The Waterway, Cairo, Arab Republic of Egypt.

Telephone: 25308127 - 25308128

Fax: 25308129

Swift Code: ARIBEGCX 013

Email: stellabbranch@aib.com.eg

**Arabella – 5th Settlement Branch:**

Unit no. B7 on the fourth basement commercial floor and no. B7 on the administrative building , Arabella Mall , Fifth Settlement , New Cairo, Cairo, Arab Republic of Egypt.

Telephone: 25422368 – 25422371

Swift Code: ARIB EG CX 023

Email: arabila.branch@aib.com.eg

**Giza Governorate:****El Tahrir Branch:**

5 Weissa Wasef Street, El Riyadh Tower, Giza, Arab Republic of Egypt.

Telephone: 35695525

Fax: 35695541 - 35695542

Swift Code: ARIBEGCX 003

Email: tahrirbranch@aib.com.eg

**Gezirat ElArab - Mohandseen Branch:**

60 Gueziret El Arab Street, Giza, Arab Republic of Egypt.

Telephone: 33029652 - 33037247

Fax: 33039651

Swift Code: ARIBEGCX 008

Email: mohandessinbranch@aib.com.eg

**Americana Plaza - El-Sheikh Zayed Branch:**

Americana Plaza Mall, First Floor, El-Sheikh Zayed, Giza, Arab Republic of Egypt.

Telephone: 38517127 – 38517126

Fax: 38517124

Swift Code: ARIBEGCX 010

Email: zayed.branch@aib.com.eg

**6th of October University Branch:**

6 October City, Central Axis, Part 1/1 Mall Building, Second Floor, Giza, Arab Republic of Egypt.

Telephone: 38362148

Fax: 38350554

Swift Code: ARIBEGCX 009

Email: 6octuniversitybranch@aib.com.eg

**Sodic – Elsheikh Zayed Branch:**

SODIC Compound, The Strip Mall (8H), Sheikh Zayed, Giza, Arab Republic of Egypt.

Telephone: 38863704

Fax: 38863715

Swift Code: ARIBEGCX 021

Email: sodicbranch@aib.com.eg

**Concordia Plaza – El-Sheikh Zayed Branch:**

Unit no. 8, 9 on the ground floor , Administrative Building , Concordia Plaza Mall , El-Sheikh Zayed, 6th of October City,Giza, Arab Republic of Egypt.,

Telephone: 238550852 – 238559916

Swift Code: ARIB EG CX 024

Email: concordia.branch@aib.com.eg

**Al Batal Ahmed Abdel-Aziz – Mohandseen Branch: (Ready to serve PWDs):**

14 Al Batal Ahmed Abdel-Aziz street, Mohandesseen, Giza, Arab Republic of Egypt.

Swift Code: ARIBEGCX 022

Email: El-batalahmed.branch@aib.com.eg

**Alexandria Governorate:****El- Horreya Road - Alexandria Branch:**

2 El-Horeya Rd, Al Mesallah Sharq, Qesm Al Attarin, Alexandria, Arab Republic of Egypt.

Telephone: (03) 4843006 - 4869681 - 4876014

Fax: (03) 4873230 - 4870328

Swift Code: ARIBEGCX 002

Email: alexandriabbranch@aib.com.eg

**Kafr Abdou - Alexandria Branch:**

26 Ismailia Street, Kafr Abdo, Alexandria, Arab Republic of Egypt.

Telephone: (03) 5463898 - 5465991

Fax: (03) 5464676

Swift Code: ARIBEGCX 015

Email: Kafrabdobbranch@aib.com.eg



**Smouha - Alexandria Branch:**

9 Fawzy Moaz Street, Continental Tower,  
Smouha, Alexandria, Arab Republic of Egypt.  
Telephone: (03) 4273087 - 4272917  
Fax: (03) 4272846  
Swift Code: ARIBEGCX 016  
Email: smouhabranch@aib.com.eg

**Port Said Governorate:****Port Said Branch:**

23 July & Salah El Din Street, Port Said, Arab  
Republic of Egypt.  
Telephone: (066) 3202139 – 3227623  
Fax: (066) 3225908  
Swift Code: ARIBEGCX 006  
Email: portsaidbranch@aib.com.eg

**South Sinai Governorate:****Sharm El-Sheikh Branch:**

Rixos Hotel and Resort Gate, Sharm El-Sheikh,  
Arab Republic of Egypt.  
Telephone: (069) 93710828  
Fax: (069) 3710827  
Swift Code: ARIBEGCX 012  
Email: sharmbranch@aib.com.eg

**Dakahlia Governorate:****Mansoura Branch:**

205 Al Goumhoureya Street, Nile View Tower, Al  
Mansoura, Dakahlia, Arab Republic of Egypt.  
Telephone: (050) 2306703 - 2310630  
Fax: (050) 2325271  
Swift Code: ARIBEGCX 018  
Email: mansourabranch@aib.com.eg

**Red Sea Governorate:****El Gouna Branch:**

Plot no. 38 , Business Park Area , El Gouna , Red  
Sea Governorate , Arab Republic of Egypt.  
Swift Code: ARIB EG CX 025  
Email: Elgouna.branch@aib.com.eg



# Hotline

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