Suez Canal Bank S.A.E
Financial Statements
For the period ended 31 March 2024
And Limited Report

KPMG Hazem Hassan
Public Accountants & Consultants

BDO Khaled & Co
Public Accountants & Advisers

Suez Canal Bank (S.A.E)

Financial statements

For the period ended 31 March 2024

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	Note	31 March 2024	31 December 2023
Assets:		EGP. 000	EGP. 000
Cash and due from Central Bank of Egypt	(15)	**10 734 118**	8 393 992
Due from banks	(16)	**57 775 892**	33 529 475
Treasury bills	(17)	**6 390 090**	7 421 352
Loans and facilities to customers	(18)	**39 813 536**	33 772 112
Financial investment:			
-Fair value through other comprehensive income	(19)	**6 584 889**	6 199 370
- Amortized cost	(19)	**9 451 428**	8 915 714
- Fair value through profit or loss	(19)	**599 478**	522 171
Investments in associates	(20)	**263 947**	229 181
Intangible assets	(21)	**138 090**	112 919
Other assets	(22)	**3 124 264**	2 715 547
Property and equipment	(23)	**1 139 123**	1 126 673
Total assets		**136 014 855**	102 938 506
Liabilities and Equity:			
Liabilities:			
Due to banks	(24)	**30 392 251**	17 659 773
Customer deposits	(25)	**93 627 565**	73 647 024
Other loans	(26)	**944 382**	946 956
Other liabilities	(27)	**1 986 264**	2 504 248
Other provisions	(28)	**173 822**	174 140
Deferred tax liabilities	(29)	**279 895**	193 222
Total liabilities		**127 404 179**	95 125 363
Equity:			
Issued and paid-up capital	(30)	**5 000 000**	4 600 000
Retained amount for capital increase	(30)	**1 500 000**	400 000
Reserves	(31)	**1 087 570**	480 211
Difference between P.V. and face value for subordinate deposits	(32)	**618**	1 119
Retained earnings	(33)	**1 022 488**	2 331 813
Total equity		**8 610 676**	7 813 143
Total liabilities and equity		**136 014 855**	102 938 506

The attached notes from page (8) to page (41) are an integral part of these financial statements and to be read therewith.
Limited review Report

Dr. Ayman Fawzy
Chief Financial Officer

Akef Al-Magraby
Managing Director

Amr Tantawy
Chairman

	Note	From 1 January 2024 To 31 March 2024 EGP. 000	From 1 January 2023 To 31 March 2023 EGP. 000
Interest from loans and similar income	(6)	3 214 391	2 141 347
Cost of deposits and similar expenses	(6)	(2 123 683)	(1 434 101)
Net interest income		**1 090 708**	**707 246**
Fees and commissions income	(7)	216 987	235 911
Fee and commission expense	(7)	(18 519)	(11 822)
Net fees and commissions income		**198 468**	**224 089**
Net interest, fees and commissions income		**1 289 176**	**931 335**
Dividends income	(8)	1 178	27 193
Net trading income	(9)	243 488	97 602
Gain on financial investments	(19)	325 991	499 968
Share of results of associates	(20)	34 766	-
Impairment credit losses	(13)	(217 878)	(377 879)
Administrative expenses	(10)	(441 943)	(362 808)
Other operating (expenses) revenue	(11)	(398 103)	(206 017)
Profit before income tax		**836 675**	**609 394**
Income tax (expense)	(12)	(225 427)	(358 527)
Net profit		**611 248**	**250 867**
Earnings per share (EGP/share)	(14)	1.08	0.44

The attached notes from page (8) to page (41) are an integral part of these financial statements and to be read therewith.

	Note	From 1 January 2024 To 31 March 2024 EGP. 000	From 1 January 2023 To 31 March 2023 EGP. 000
Net profit		**611 248**	**250 867**
Items that will not be reclassified to income statement			
Change in fair value of investments	(17,19)	536 018	130 121
Income tax	(29)	(115 334)	(29 547)
		420 684	**100 574**
Items that might be reclassified to income statement			
Net changes in fair value	(17,19)	45 124	(4 959)
Net transfer to income statement		(293)	(254)
Income tax	(29)	(8 372)	317
Expected credit loss	(13)	2 753	(196)
		39 212	**(5 092)**
Total other comprehensive income		**459 896**	**95 482**
Total comprehensive income		**1 071 144**	**346 349**

The attached notes from page (8) to page (41) are an integral part of these financial statements and to be read therewith.

31 March 2023	Paid-in capital	Retained amount for capital increase	Reserves							Difference between PV and face value for subordinate deposits	Retained earnings	Total
			Legal reserve	General reserve	Special reserve	Capital reserve	Fair value reserve	General risk reserve	General banking risk reserve			
	EGP. 000	EGP. 000	EGP. 000	EGP. 000	EGP. 000	EGP. 000	EGP. 000	EGP. 000	EGP. 000	EGP. 000	EGP. 000	EGP. 000
Balance at the beginning of the year	2 904 326	**695 674**	**123 459**	**24 117**	**45 158**	**55 328**	**118 231**	**38 851**	**55 687**	**5 328**	**1 434 157**	**5 500 316**
Transfer to reserves according to AGM	-	-	51 932	-	-	1 395	-	-	19 783	-	(73 110)	-
Transfer from R/E to capital increase	-	1 000 000	-	-	-	-	-	-	-	-	(1 000 000)	-
Transfer from capital increase to paid-in capital	695 674	(695 674)	-	-	-	-	-	-	-	-	-	-
Dividend for the year 2022	-	-	-	-	-	-	-	-	-	-	(119 291)	**(119 291)**
Transfer to banking sector support and development fund	-	-	-	-	-	-	-	-	-	-	(10 279)	**(10 279)**
Net change in OCI items	-	-	-	-	-	-	95 482	-	-	-	-	**95 482**
Net change in fair value transferred to R/E after tax deduction	-	-	-	-	-	-	-	-	-	-	-	-
Amortization of subordinate deposit difference	-	-	-	-	-	-	-	-	-	(2 724)	1 087	**(1 637)**
Net profit for the period	-	-	-	-	-	-	-	-	-	-	250 867	**250 867**
	3 600 000	**1 000 000**	**175 391**	**24 117**	**45 158**	**56 723**	**213 713**	**38 851**	**75 470**	**2 604**	**483 431**	**5 715 458**

31 March 2024	Paid-in capital	Retained amount for capital increase	Reserves							Difference between PV and face value for subordinate deposits	Retained earnings	Total
			Legal reserve	General reserve	Special reserve	Capital reserve	Fair value reserve	General risk reserve	General banking risk reserve			
	EGP. 000	EGP. 000	EGP. 000	EGP. 000	EGP. 000	EGP. 000	EGP. 000	EGP. 000	EGP. 000	EGP. 000	EGP. 000	EGP. 000
Balance at the beginning of the year	**4 600 000**	**400 000**	**-**	**24 117**	**45 158**	**56 723**	**254 057**	**38 851**	**61 305**	**1 119**	**2 331 813**	**7 813 143**
Transfer to reserves according to AGM	-	-	114 544	-	-	2 473	-	-	35 095	-	(152 112)	-
Transfer from R/E to capital increase	-	1 500 000	-	-	-	-	-	-	-	-	(1 500 000)	-
Transfer from capital increase to paid-in capital	400 000	(400 000)	-	-	-	-	-	-	-	-	-	-
Dividend for the year 2023	-	-	-	-	-	-	-	-	-	-	(250 738)	(250 738)
Transfer to banking sector support and development fund	-	-	-	-	-	-	-	-	-	-	(22 873)	(22 873)
Net change in OCI items	-	-	-	-	-	-	459 896	-	-	-	-	459 896
Net change in fair value transferred to R/E after tax deduction	-	-	-	-	-	-	(4 650)	-	-	-	4 650	-
Net change of subordinate deposit difference	-	-	-	-	-	-	-	-	-	(501)	501	-
Net profit for the period	-	-	-	-	-	-	-	-	-	-	611 248	611 248
	5 000 000	**1 500 000**	**114 544**	**24 117**	**45 158**	**59 196**	**709 303**	**38 851**	**96 399**	**618**	**1 022 490**	**8 610 676**

The attached notes from page (8) to page (41) are an integral part of these financial statements and to be read therewith.

	Note	31 March 2024	31 December 2023
Cash flows from operating activities		**EGP.000**	**EGP.000**
Profit before tax		836 675	609 394
Adjustments to reconcile net profit to net cash flows from operating activities			
Depreciation of property and equipment	(23)	21 870	18 794
Amortization of intangible assets	(21)	37 953	18 242
Impairment credit losses	(13)	217 878	377 879
Revaluation of investment at FVTPL	(9)	(77 307)	(30 398)
Share of results of associates	(20)	(34 766)	-
Net formed other provision	(28)	(6 970)	6 274
Gain on sale of property and equipment	(11)	(18)	-
Gain from selling financial investment other than financial investment at FVTPL	(19)	(325 991)	(499 968)
Translation differences of other provisions in foreign currencies	(28)	7 150	1 066
Translation differences of financial investment other than financial investment at FVTPL	(19)	(547 480)	(315 491)
Translation differences of impairment losses in foreign currencies		679 712	202 851
Dividend income	(8)	(1 178)	(27 193)
Amortization of premium/discount of financial investment other than FVTPL	(19)	7 410	(828)
Reverse of amortization of subordinate deposit difference	(32)	500	1 087
Operating profits before changes in assets and liabilities from operating activities		**815 439**	**361 709**
Net (increase) decrease in assets and increase (decrease) in liabilities			
Due from Central Bank of Egypt within the mandatory reserve	(15)	(2 173 817)	(1 126 825)
Due from banks with maturity more than three months	(16)	154 465	1 706 107
Treasury bills	(17)	216 113	2 249 361
Loans and credit facilities to customers	(18)	(6 931 608)	(4 270 716)
Other assets	(22)	(13 619 865)	(234 030)
Due to banks	(24)	12 732 478	2 851 622
Customers' deposits	(25)	19 980 540	9 755 817
Other liabilities	(27)	(446 527)	324 008
Income taxes paid		(355 440)	(295 086)
Other provisions used	(28)	(498)	(2 509)
Net cash flows from (used in) operating activities		**10 371 282**	**11 323 191**

The attached notes from page (8) to page (41) are an integral part of these financial statements and to be read therewith.

	Note	31 March 2024	31 December 2023
		EGP.000	EGP.000
Cash flows from investing activities			
Payments for purchase property and equipment	(23)	13 176 826	(7 550)
Payments for purchase intangible assets	(21)	(63 123)	(76 027)
Proceeds from sale of property and equipment	(23)	20	-
Proceeds from selling of financial investments other than financial investment at FVTPL	(19)	645 757	2 007 987
Payments for purchase financial investments other than financial investment at FVTPL	(19)	(190 000)	(74 890)
Dividends income from financial investment	(8)	1 178	27 193
Net cash flows (used in) investing activities		**13 570 658**	**1 876 713**
Cash flows from financing activities			
Payment for other loans	(26)	(3 576)	(68 314)
Proceeds from other loans	(26)	501	65 094
Dividends	(33)	(250 738)	(119 291)
Net cash flows provided by (used in) financing activities		**(253 813)**	**(122 511)**
Net changes in cash and cash equivalent		23 688 126	13 077 393
Cash and cash equivalent at the beginning of the period		35 217 087	8 254 294
Cash and cash equivalent at the end of the period	(34)	**58 905 213**	**21 331 687**
Cash and cash equivalent are represented in			
Cash and due from Central Banks	(15)	10 738 704	10 034 354
Due from banks	(16)	57 777 290	20 307 644
Treasury bills	(17)	6 326 414	5 783 300
Due from Central Bank within the mandatory reserve	(15)	(10 132 078)	(9 583 651)
Due from banks with maturity more than three months	(16)	-	-
Treasury bills with maturity more than three months	(17)	(5 805 119)	(5 209 961)
Cash and cash equivalent at the end of the period	(34)	**58 905 211**	**21 331 687**

For the purpose of statement of cash flow preparation the following non cash transactions were excluded:

* Amout of EGP 13211 148 thousands represents transfers from other assets (assets under construction) to property and equipment.
* Amout of EGP 501 thousands represents net change in difference between the present value and face value of subordinate deposit.
* Amout of EGP 1500 000 thousands represents retained amount for capital increase from retained earnings.

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1- Activity

Suez Canal Bank (SAE) established as a commercial bank in pursuance of the ministerial decree no. 55 of 1978, issued in the official Gazette on 4 March 1978 and in accordance with provisions of investment law no. 43 of 1974 and its amendments, which was superseded by law no. (72) for year 2017 Of investment guarantees and incentives. The head office located In 7,9 Abdel Kader Hamza, Garden City , Cairo - commercial register no 9709 (Cairo Investment). The bank is subject to Investment Law and the bank is listed in the Egyptian stock exchange.

Suez Canal Bank (S.A.E) provides retail, corporate and investment banking services in Arab Republic of Egypt through 50 branches and served by 1492 staff member at the date of the financial statements.

These financial statements have been approved for publishing by the board of director in May, 12 2024

2-Summary of accounting policies

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

A- Basis of preparation of financial statements

The financial statements are prepared in accordance with Central Bank of Egypt instructions approved by its Board of Directors on 16 December 2008. and according to IFRS 9 "Financial Instruments-measurement and classification" in accordance with the instructions of the Central Bank of Egypt (CBE) dated on 26 February 2019.
Reference is made to what was not mentioned in the instructions of the Central Bank of Egypt to the Egyptian Accounting Standards.

These financial statements have been prepared according to relevant local laws and regulations.

B- Subsidiaries and Associates

B-1 Subsidiary firms

Subsidiaries are all companies including (special purpose entities/SPEs) over which the bank has owned directly or indirectly the power to control the financial and operating policies, generally the bank owns more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the bank has the ability to control the entity.

B-2 Associate firms

Associates are all companies over which the bank has owned directly or indirectly a major influence, but it doesn’t control them ,or joint control themgenerally the bank owns between 20% and 50% of the potential voting rights.

The purchase method is used to account for the acquisition of subsidiaries by the bank, The cost of an acquisition is measured as the fair value of the assets, and/or asset given and/or equity instruments issued and liabilities on the bank or liabilities for acquisition company loans assumed at the date of exchange, plus costs directly attributable to the acquisition. Net assets including contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the minority interest. The excess of acquisition cost over the bank’s share fair value in the net assets acquired is recorded as goodwill. If the acquisition cost is less than the fair value of the net assets, the difference is recognized directly in the income statement under the item "Other operating income/ expenses”.

Accounting for associate in the financial statements is recorded by using equity method, Dividends are recorded when declared and deducted from assets proven value.

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 by which, provide products or services within a particular economic environment that are subject to risks and returns different from those of segments operating in other economic environments.

D - Foreign currency translation

D-1 Functional and presentation currency

The financial statements are presented by Thousand Egyptian Pound, which is the bank’s functional and presentation currency.

D-2 Foreign currencies transactions and balances

The bank maintains its accounting records in Egyptian pound. Foreign currency transactions are translated into Egyptian pound using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities in foreign currencies are retranslated at the end of each year at the exchange rates then prevailing. Foreign exchange gains and losses resulting from settlement of such transactions and valuation differences are recognized in the income statement under the following items:

D - Foreign currency translation (follow)

- Net trading income assets /liabilities at FVTPL.
- Other operating income (expenses) for the other items.
- Investments in equity instrument recognized at fair value through other comprehensive income.
- Changes in the fair value of monetary financial instruments in foreign currencies classified as investments available for sale (debt instruments) are classified as valuation differences resulting from changes in amortized cost of the instrument and differences resulted from changes in applicable exchange rates and differences resulted from changes in the instrument fair value. Valuation differences relating to changes in amortized cost are recognized in income statement under ''Interest and similar income'' while differences relating to changes in exchange rates are recognized under item "other operating income (expenses)". Differences resulting from changes in fair value are recognized under "fair value for financial statement through other comprensive income " in the equity caption.
- Valuation differences resulting from non-monetary items include profits and losses resulting from changes in fair value such as equity instruments held at fair value through profits and losses, while valuation differences resulting from equity instruments classified as financial investments available for sale are recognized as "fair value for financial statement through other comprensive income" under the equity caption.

E-Financial assets

Financial assets classified as amortized cost, fair value through other comprehensive income (FVTOCI) and fair value through profit or loss (FVTPL).

The classification depends on the business model of the financial assets that are managed with its contractual cash flow and is determined by management at the time of initial recognition.

Financial assets classified as amortized cost

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

- A deterioration in the credit capacity of the source of financial
- Less sales in terms of periodicity and value.
- Clear and certified documentation of the justification for each sale and its compliance with the requirements of the standard.

Financial assets classified as fair value through other comprehensive income

The financial asset is retained in the business model of financial assets held to collect contractual cash flows and sales.held to collect contractual cash flows and sales are integrated to achieve the objective of the model.

Sales are high in terms of turnover and value as compared to the business model retained for the collection of contractual cash flows.

Financial assets classified as fair value through profit or loss

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

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

F – Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

G - Financial derivatives

Derivatives are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value.

Fair values are determined based on quoted market prices in active markets, including recent market transactions, or valuation techniques, including

discounted cash flow models and options pricing models, as appropriate. All derivatives are recognized as assets when their fair value is

H - Interest income and interest expense

Interest income and expense for all interest-bearing financial instruments, except for those classified as held for trading or designated at fair value through profit or loss, are recognized within 'interest income' and 'interest expense' in the income statement using the effective interest

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

When loans or debts are classified as non-performing or impaired, related interest income are not recognized but rather, are carried off balance sheet in statistical records and are recognized under revenues according to cash basis as per the following:

When collected and after recovery of all arrears for retail loans, personal loans, small and medium business loans., real estate loans for personal housing and small loans for businesses.

For loans granted to corporate, interest income is recognized on cash basis after the bank collects 25% of the scheduling installments and after the installments continued to be regular for at least one year. In case the client is continuing in performing the payment, the calculated interest is added to the loan's balance without the marginal interest not included in the income until after paying the loan's balance in the balance sheet before the reschedule.

I - Fees and commission income

Fees and commissions related to loan and facilities are recognized as income when the service is rendered. Fees and commission income related to non-performing or impaired loans or debts are suspended and are carried off balance sheet and are recognized under income according to the cash basis when interest income is recognized in accordance with note (H) above. Fees and commissions which represent part of the financial asset effective rate is recognized as adjustment to the effective interest rate.

I - Fees and commission income (follow)

Commitment fees are recognized as revenue when there is probability that this loan will be used by the customer, as commitment fees represent compensation for the continuing interference to own the financial asset. Subsequently it's recognized as adjustments to the effective interest rate of the loan. If the commitment period passed without issuing the loan, commitment fees is recognized as income at the end of the commitment period.

Fees and commission related to debt instruments measured by fair value is recognized as income at initial recognition. Fees and commission related to marketing of syndicated loans is recognized as income when the marketing is completed and the loan is fully used or the bank kept its share of the loan using the effective interest rate as used by the other participants.

Fees and commission arising from negotiation, or participating in a negotiation to the favor of a third party as in share acquisition arrangements or purchase of securities or purchase or sale of businesses are recognized as income when the transaction is completed. Commission and fees related to management advisory and other services are recognized as income based on the contract terms, usually on a time-appropriation basis. Asset management fees are recognized over the year in which the service is provided.

J- Dividends income

Dividends are recognized in the profit and loss when the bank's right to receive those dividends is established.

K- Sale and repurchase agreements (repos)

Financial instrument sold under repurchase agreements are not derecognised from the statement of financial position. The proceed are shown in the liability side in the statement of financial position.

L- Impairment of financial assets

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

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

Stage 1 : Financial assets that have not experienced a significant increase in credit risk since the date of initial recognition, and the expected credit loss is calculated for 12 months.

Stage 2 : Financial assets that have experienced a significant increase in credit risk since the initial recognition or the date on which the investments are made, and the expected credit loss is calculated over the life of the asset.

Stage 3 :Impairment of financial assets whose expected credit loss is to be recognized over the life of the asset on the basis of the difference between the carrying amount of the instrument and the present value of expected future cash flows.

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

- The low risk financial instrument is classified at initial recognition in the first stage and credit risk is monitored continuously by the Bank's credit risk
- If it is determined that there has been a significant increase in credit risk since the initial recognition, the financial instrument is transferred to the second stage where it is not yet considered impaired at this stage.

If there are indicators of impairment of the financial instrument, it is transferred to the third stage.

The financial assets created or acquired by the Bank and include a high credit risk ratio for the Bank's low risk financial assets are recognized on the initial recognition of the second stage directly and therefore the expected credit losses are measured on the basis of expected credit losses over the life of the asset.

Significant increase in credit risk

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

Quantitative factors

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

Retail loans,micro and small businesses

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

Corporate loans and medium businesses

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

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

Nonpayments

The loans and facilities of institutions, medium, small, micro and retail banking are included in stage two if the period of non-payment is more than (30) days and less than (90) days.

Transfer between the three stages (1,2,3)

Transfer from second stage to first stage:

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

Transfer from third stage to second stage:

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

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

M- Computer software

Expenses related to development or maintenance of computer software are recognized as expenses on Income Statement at the time of incurring them. They are recognized as intangible assets in the expenses correlated directly to specific software that are under the control of the Bank from which the generation of economic benefits is expected whose cost exceeds more than one year. Direct expenses include the cost of employees on the software team in addition to appropriate share in related general expenses.

It is recognized as development cost in expenses if it leads to increasing or expanding the performance of the computer software above its original specifications, and is added to cost of the original software.

The amortization cost of computer software recognized as assets is for along the year from which it is expected to make use of in the manner not exceeding five years core system for the bank .

N- property and equipment

The bank represent land and buildings related to head office, branches and offices, and all property and equipment are reported at historical cost minus depreciation and impairment losses. The historical cost includes the charges directly related to acquisition of property and equipment 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 item will flow to the bank and the cost of the item can be measured reliably. Maintenance and repair expenses are charged to other operating expenses during the financial period in which they are incurred. Land is not depreciated, depreciation of other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Buildings and installations	30-50 years
Integrated automated systems	5 years
Vehicles	5 years
Machinery and equipment	3-10 years
Fixtures and fittings	8-10 years
Furniture	5-20 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Assets that are subject to amortization 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 written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The recoverable amount is the higher of the asset's fair value less costs to sell or value in use.

Gains and losses on disposals are determined by comparing proceeds with asset carrying amount. These gains and (losses) are included in other operating income (expenses) in the income statement.

O- Impairment of non-financial assets

Assets having no fixed useful life except for goodwill shall not be amortized, and their impairment shall be tested at least annually. The impairment of amortized assets is studied to determine if there are events or changes in the circumstances indicating that the book value may not be recoverable.

The impairment loss is recognized by the excess amount of book value over the realizable value. The recoverable value represents net realizable value of the asset or the usage amount whichever is higher. For the purpose of estimating the impairment, the asset is grouped with the smallest cash generating unit. At each balance sheet date, non-financial assets with impairment has to be reviewed to determine if there is impairment reversal made to the income statement at the date of preparing the financial statements .

P - Leasing

P -1 As a lessee

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

P -2 As a lessor

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

Q-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 Bank of Egypt other than the mandatory reserve, and current accounts at banks, treasury bills, and other governmental notes.

R- 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 will be required to settle the obligation and the amount has been reliably estimated. Where there are a number of similar obligations, the likelihood that an outflow is required to settle an obligation is determine 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 the group is minimal.the provision no longer required is recorded with other operating revenues (expenses) .

S- Staff Benefits

The Staff benefit consist of:

• Wages, salaries, paid annual leave and rewards (if accrued within 12 months form financial statement date).

• Non- cash benefits (transportation, medical care and insurance) for exiting staff.

All staff benefits expensed to the income statement for the period were incurred.

T- Income tax

The income taxes on the year's profits or losses include the tax of the current year and the deferred tax and they are recognized in the income statement with the exception of the income tax on the items of shareholder's equity which is directly recognized within equity.

The income tax is recognized on the basis of the net profit subject to tax through the application of enacted tax rates at the date of preparing the balance sheet in addition to the tax adjustments related to previous years.

Deferred taxes are recognized from temporary timing differences between the book value of assets and liabilities according to accounting bases and their values according to tax bases. Deferred tax assets and liabilities are measured at the tax rates that expected to apply in the period in which the ability is settled or the asset realized, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

The deferred tax assets are recognized when there is likelihood to achieve taxable profits in the future through which this asset can be utilized. The value of deferred tax assets is reduced by the portion which will not realize the expected taxable benefit in the coming years, in case of the increase in expected taxable benefits the deferred tax assets should be increased within the limit of previous reduction.

U- Borrowing

Loans obtained by the bank initially recognized at fair value net of transactions cost incurred in connection with obtaining the loan. Subsequently the loans are measured by amortized cost. The difference between net proceeds and the amount to be paid over the borrowing period using the effective interest rate is to be recognized to the income statement.

V- Capital

V-1 Cost of capital

Issuance cost directly related to issuing new shares or issuing shares related to acquisition or share options is charged to shareholders' equity of total proceeds net of tax.

V-2 Dividends

Dividends are charged when declared by the General Assembly of shareholders. Those dividends include employees' share in the profits and the Board of Directors' bonus as prescribed by the articles of association and law.

W- Comparative figures

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

3- Financial Risk Management:

The bank, as a result of the activities it exercises, is exposed to various financial risks. Since the basis of financial activity is to accept risks; some risks or group of risks are analyzed, evaluated and managed together. The bank intends to strike a balance between the risk and return and to reduce the probable adverse effects on the bank's financial performance. The most important types of risks are credit risk, market risk, liquidity risk and other operating risks. The market risk comprises foreign currency exchange rates, interest rate risk and other pricing risks.

The risk management policies have been laid down to determine and analyze the risks, set limits to the risk and control them through reliable methods and updated systems. The bank regularly reviews the risk management policies and systems and amend them to they reflect the changes in market, products and services and the best updated applications.Those risks are managed by risk department in the light of policies approved by Board of Directors.

The risk department determines, evaluates and covers the financial risks, in collaboration with the bank's various operating units, and the Board of Directors provides written policies for management of risks as a whole, in addition to written policies covering specific risk areas, like credit risk, foreign exchange rate risk, interest rate risk, and using the financial derivative and non–derivative instruments. Moreover, the risk department is independently responsible for periodical review of risk management and control environment.

A- Credit risk

The bank is exposed to the credit risk which is the risk resulting from failure of one party to meet its contractual obligations towards the bank. The credit risk is considered to be the most significant risks for the bank. The bank set specific procedures to manage that risk. The credit risk is in the lending and investments activities which are represented bank's assets contain debt instruments. The credit risk is also found in off balance sheet financial instruments, like loan commitment. The managing and monitoring process on credit risk is centralized at credit risk team management at credit risk department that prepare reports to Board of Directors and Head units on regular basis.

Credit risk measurement

Loans and credit facilities to customers

In measuring credit risk of loans and facilities to customers and to banks at a counterparty level, the bank reflects three components:

-The "probability of default" by the client or counterparty on its contractual obligations.

-Current exposures to the counterparty and its likely future development, from which the bank derive the 'exposure at default .

-The likely recovery ratio on the defaulted obligations (the 'loss given default').

A- Credit risk (follow)

The bank's daily operational management embedd these credit risk measurements, which reflect expected loss (the 'expected loss model') and are required by the Basel Committee on Banking Regulations and the Supervisory Practices (the Basel Committee).

The operational measurements can be contrasted with impairment allowances required under EAS 26, which are based on losses that have been incurred at the balance sheet date (the 'incurred loss model') rather than expected losses .

The bank assesses the probability of default of individual counterparties using internal rating tools tailored to the various categories of counterparty. They have been developed internally and combine statistical analysis with credit officer judgment and are validated, where appropriate, by comparison with externally available data. Clients of the bank are segmented into four rating classes. The bank's rating scale, which is shown below, reflects the range of default probabilities defined for each rating class. This means that, in principle, exposures migrate between classes as the assessment of their probability of default changes. The rating tools are kept under review and upgraded as necessary. The bank regularly validates the performance of the rating and their predictive power with regard to default events.

Bank's internal ratings scale

Bank's rating	Description of the grade
1	Performing loans
2	Normal watching
3	Watch list
4	Non-performing loans

The amount of default represent the outstanding balances at the time when a late settlement occurred for example the loans expected amount of default represent its book value. For commitments, the default amount represents all actual withdrawals in addition to any withdrawals occurred till the date of the late payment if any

Loss given default or loss severity represents the bank expectation of the extent of loss on a claim should default occur. It is expressed as percentage loss per unit of exposure and typically varies by type of debtor, type and seniority of claim and availability of collateral or other credit mitigation.

Debt instruments and treasury bills

For debt securities and other bills, external rating such as standard and poor's rating or their equivalents are used by bank treasury for managing of the credit risk exposures. The investments in those securities and bills are viewed as a way to gain a better credit quality mapping and maintain a readily available source to meet the funding requirement at the same time.

A-1 Limiting and preventing risks policies

The bank manages limits and controls concentrations of credit risk wherever they are identified in particular, to individual counterparties and banks, and to industries and countries.

The bank structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to geographical and industry segments. Such risks are monitored on a revolving basis and subject to an annual or more frequent review, when considered necessary. Limits on the level of credit risk by borrower /group, product, industry sector and by country are approved quarterly by the Board of Directors.

The exposure to any one borrower including banks and brokers is further restricted by sub-limits covering on- and off balance sheet exposures, and daily delivery risk limits in relation to trading items such as forward foreign exchange contracts. Actual exposures against limits are monitored daily.

Exposure to credit risk is also managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits where appropriate.

The following are other controls used by the bank to limit the credit risk:

Collaterals

The bank employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security for funds advances, which is common practice. The bank implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types for loans and facilities are:

- Mortgages over residential properties.
- Pledge on business assets like machinery and merchandise .
- Pledge in financial instruments like debt instrument and equity.

Longer-term finance and lending to corporate entities are generally secured; revolving individual credit facilities are generally unsecured. In addition, in order to minimize the credit loss the bank will seek additional collateral from the counterparty as soon as impairment indicators are noticed for the relevant individual loans and advances.

Collateral held as security for financial assets other than loans and facilities is determined by the nature of the instrument. Debt securities, treasury and other governmental notes are generally unsecured, with the exception of asset-backed securities and similar instruments, which are secured by portfolios of financial instruments.

Credit-related commitments

The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees and standby letters of credit carry the same credit risk as loans. Documentary and commercial letters of credit – which are written undertakings by the bank on behalf of a customer authorizing a third party to draw drafts on the bank up to a stipulated amount under specific terms and conditions – are collateralized by the underlying shipments of goods to which they relate and therefore carry less risk than a direct loan.

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

A-2 Impairment and provisioning policies

The internal rating systems described in note (A-1) focus more on credit-quality from the beginning of validation activities. only impairment provisions recognized at the balance sheet date for financial reporting purposes are losses that have been incurred and based on objective evidence of impairment as will be mentioned below. Due to the different methods applied, the amounts of incurred credit losses charged to the financial statements are usually lower than the expected amount determined by the expected loss used for Central Bank of Egypt's regulations (note A-5). the impairment provision appeared in the balance sheet at the end of the period is derived from the four internal rating grades. However, the majority of the impairment provision comes from the last two ratings. The table below shows the percentage of in-balance sheet items relating to loans and facilities and the related impairment provision for each rating:

A-3 Bank's rating

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

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

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

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

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

The impairment loss allowance reported in the financial position is derived from the four internal ratings. However, the majority of allowance derived from last two rating.

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

	31 March 2024		31 December 2023	
	Loans & credit facilities	**Provision for impairment loss**	**Loans & credit facilities**	**Provision for impairment loss**
1-Performing loans	74.54%	9.55%	78.78%	23.99%
2-Regular watching	5.28%	6.50%	11.17%	18.31%
3-Watch List	9.64%	18.93%	0.97%	3.31%
4-Non performing loans	10.54%	65.02%	9.08%	54.39%
	100%	**100%**	**100%**	**100%**

A-4 Quality of financial assets

The following table reflect the quality of financial assets:

	Stage 1 12 months EGP . 000	Stage 2 Life time EGP . 000	Stage 3 Life time EGP . 000	Total EGP . 000
Cash and due from Central Bank of Egypt	10 738 704	-	-	10 738 704
Expected credit loss provision	(4 586)	-	-	(4 586)
	10 734 118	-	-	**10 734 118**
Due from banks	57 777 290	-	-	57 777 290
Expected credit loss provision	(1 398)	-	-	(1 398)
	57 775 892	-	-	**57 775 892**
Treasury bills	6 390 090	-	-	6 390 090
Expected credit loss provision	-	-	-	-
	6 390 090	-	-	**6 390 090**
Debt instruments at amortized cost	9 464 099	-	-	9 464 099
Expected credit loss provision	(12 671)	-	-	(12 671)
	9 451 428	-	-	**9 451 428**
Investment at fair value through comprehensive income	6 584 889	-	-	6 584 889
Expected credit loss provision	(5 178)	-	-	(5 178)
	6 584 889	**-**	**-**	**6 584 889**
Loans and credit facilities				
Financial institutions	27 837 609	4 001 561	841 804	32 680 974
Medium enterprises	1 921 491	24 609	94 009	2 040 109
Small and micro enterprises	1 742 128	52 262	3 675 203	5 469 593
Retail	3 848 589	188 711	56 946	4 094 246
	35 349 817	**4 267 143**	**4 667 962**	**44 284 922**
Expect credit loss provision	(568 233)	(670 530)	(2 302 469)	(3 541 232)
Interest in suspense		(52 460)	(877 694)	(930 154)
	34 781 584	**3 544 153**	**1 487 799**	**39 813 536**

A-5 The General model for measuring banking risks

In addition to the four categories of credit rating indicated in note (A-1), the management makes more detailed groups in accordance with the Central Bank of Egypt requirements.assets exposed to credit risk in these categories are classified according to detailed conditions and terms depending on information related to the customer, it's activity, financial position and payment schedules.

The bank calculates the provisions required for impairment of assets exposed to credit risk, including commitments relating to credit on the basis of rates determined by Central Bank of Egypt. In case, the provision required for impairment losses as per Central Bank of Egypt regulations exceeds the provision required for financial statements preparation purposes according to the Egyptian Accounting Standards, this increase shall be debited from the retained earnings to and credited to the "general banking risk reserve" under the equity caption .this reserve is regularly adjusted with this increase and decrease, to equal the amount of increase in the two provisions. This reserve is not distributable.

Note (31-b) shows the "general banking risk reserve" movement during the financial year.

Below is a statement of credit rating for firms as per internal valuation basis compared to Central Bank of Egypt valuation basis and the percentages of provisions required for impairment of assets exposed to credit risk.

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

A/6 Maximum limits for credit risk before collaterals

Items exposed to credit risk	**31 March 2024 EGP.000**	**31 December 2023 EGP.000**
Due from Central Bank of Egypt (Net)	10 127 492	7 955 088
Due from banks (Net)	57 775 892	33 529 475
Treasury bills (Net)	6 390 090	7 421 352
Loans and facilities to customers:		
A-Individuals loans:		
Overdraft	63 556	73 451
Credit cards	75 245	47 955
Personal loans	3 955 445	3 592 047
B-Corporate loans including SMEs		
Overdraft	20 991 738	18 129 806
Direct loans	4 912 784	4 337 435
Syndicated loans	14 286 154	10 933 328
Provision for impairment loss	(3 541 232)	(2 651 180)
Interest in suspense	(930 154)	(690 729)
Debt instruments (Net):		
At fair value through comprehensive income	4 849 874	4 989 513
At amortized cost	9 451 428	8 915 714
Other financial assets	1 205 921	784 950
	129 614 233	**97 368 205**

Off balance sheet items exposed to credit risk:	**31 March 2024 EGP.000**	**31 December 2023 EGP.000**
Letters of guarantee and financial guarantees	12 477 810	10 496 104
Letters of credits	4 639 735	1 979 778
Total	**17 117 545**	**12 475 882**

The previous table represents the maximum limit of exposure without taking into consideration any financial guarantees. As for the balance sheet items, the listed amounts depend on the net book value presented in the balance sheet.

As illustrated in the previous table 4.93 % of the maximum limit exposed to credit risk arises from treasury bills against 7.62% in previous year. 44.58 % due from banks against 34.44% in previous year. 34.68 % from loans and facility to customers against 42.44% in previous year 14.28% investment of debt instruments against 19.82% in previous year.

The management has confidence in its abilities to continue of controlling and maintaining the minimum limit of credit risk resulted from loans, facilities and debt instruments portfolios on the basis of the following:

90.02% of the loans and facilities portfolio is classified in the highest two categories of the internal assessment (against 89.49 % in previous year).

89.68% of the loans and facilities portfolio is neither past due nor impaired (against 92.05 % in previous year).

Loans and facilities individually impaired reach EGP 4 668 million (against EGP 3 369 million in previous year).

More than76.49 % (against 76.60 % in previous year), of the investment in debt instruments represent treasury bills and bonds on the Egyptian Government .

A/7 Loans and facilities

Loans and facilities are summarized according to the credit worthiness as follows:

Loans and facilities to Customers	**31 March 2024 EGP.000**	**31 December 2023 EGP.000**
Neither past due nor impaired	39 465 972	33 282 447
Past due not subject to impairment	150 988	463 022
Individually impaired	4 667 962	3 368 553
	44 284 922	**37 114 022**
Less		
Provision for impairment loss	(3 541 232)	(2 651 181)
Interest in suspense	(930 154)	(690 729)
	39 813 536	**33 772 112**

The total provision for impairment losses for loans and facilities at the end of the current fiscal period amounted to 3 541 231 thousand Egyptian pounds, compared to 2 651 182 thousand Egyptian pounds at the end of the comparison year. Of these, 2 302 469 thousand Egyptian pounds represents the provision for impairment losses for individual loans (stage 3) compared to 1 527 898 thousand Egyptian pounds at the end of the comparison year, and the rest represents the provision for impairment losses component (stage 1 and 2) in the credit portfolio of 1 238 763 thousand Egyptian pounds.compared to 1 123 284 thousand Egyptian pounds at the end of the comparison year.

Disclosure no.(18) includes further information on the impairment losses provision of loans and facilities to customers.

Loans and facilities to customers :

Loans and facilities neither past due nor impaired

The credit quality of the loans and advances portfolio with no past dues nor impairment is assessed with reference to the internal assessment adopted by the bank .

31 March 2024	**Retail**			**Corporate**			**EGP.000**
Assessment	**Overdraft**	**Credit Cards**	**Personal loans**	**Overdraft**	**Direct loans**	**Syndicated loans**	**Total**
Performing	60 860	72 216	3 715 514	14 748 192	3 883 985	10 446 704	32 927 470
Regular watch-list	-	-	-	727 929	721 807	822 209	2 271 945
Special watch-list	1 071	1 718	185 432	1 051 148	46 753	2 980 434	4 266 556
	61 930	**73 934**	**3 900 946**	**16 527 269**	**4 652 545**	**14 249 347**	**39 465 972**

Non-performing loans secured against collaterals in the form of cash and cash equivalent are not considered subject to impairment taking into consideration the collectibility of these collaterals.

31 December 2023	**Retail**			**Corporate**			**Total**
Assessment	**Overdraft**	**Credit Cards**	**Personal loans**	**Overdraft**	**Direct Loans**	**Syndicated Loans**	**EGP.000**
Performing	68 574	38 291	3 426 987	14 072 515	3 549 667	7 967 885	29 123 919
Regular watch-list	-	-	-	509 052	621 131	2 693 603	3 823 786
Special watch-list	999	880	115 460	217 116	287	-	334 742
	69 573	**39 171**	**3 542 447**	**14 798 683**	**4 171 085**	**10 661 488**	**33 282 447**

Past due not subject to impairment

31 March 2024	**Retail**			**Corporate**			**EGP.000**
Assessment	**Overdraft**	**Credit Cards**	**Personal loans**	**Overdraft**	**Direct loans**	**Syndicated loans**	**Total**
Up to 30 days	-	-	-	64 793	18 300	-	83 093
More than 30 to 60 days	-	-	-	27 781	2 722	36 806	67 309
More than 60 to 90 days	-	490	-	96	-	-	586
	-	**490**	**-**	**92 669**	**21 022**	**36 806**	**150 988**

31 December 2023	**Retail**			**Corporate**			**Total**
Assessment	**Overdraft**	**Credit Cards**	**Personal loans**	**Overdraft**	**Direct loans**	**Syndicated loans**	**EGP.000**
Up to 30 days	-	7 698	-	1 211	5 653	100 402	114 964
More than 30 to 60 days	-	-	-	148 581	1 528	171 438	321 547
More than 60 to 90 days	-	285	-	26 226	-	-	26 511
	-	**7 983**	**-**	**176 018**	**7 181**	**271 840**	**463 022**

Loans and facilities individually impaired

Loans and facilities to customers

The balance of loans & facilities which are subject to impairment on an individual basis, before taking into account the cash flow from collaterals, amounted to EGP 4 667 961 thousand (EGP 3 368 553 thousand in previous year) .

Below is the analysis of the total value of loans and facilities subject to impairment on individual basis including fair value of collaterals obtained against these loans

31 March 2024	**Retail**			**Corporate**		**Total**
	Overdraft	**Credit Cards**	**Personal Loans**	**Overdraft**	**Direct Loans**	**EGP.000**
Impaired loans	1 626	821	54 499	4 371 799	239 217	4 667 962
The fair value of collaterals	**851**	**-**	**18 948**	**1 120 854**	**61 331**	**1 201 983**

31 December 2023	**Retail**			**Corporate**		**Total**
	Overdraft	**Credit Cards**	**Personal Loans**	**Overdraft**	**Direct Loans**	**EGP.000**
Impaired loans	3 878	801	49 600	3 155 105	159 169	3 368 553
The fair value of collaterals	**173**	**-**	**1 831**	**599 440**	**30 241**	**631 684**

A-8 Debt instruments and treasury bills

The following table represents an analysis of debt instruments, treasury bills and other governmental notes (before deduction of any loss impairment) according to evaluation agencies at the end of the financial period.

	Note	Evaluation	31 March 2024 EGP 000	31 December 2023 EGP 000
Treasury Bills	(17)	B-	6 390 090	7 421 352
Treasury Bond at amortized cost	(19)	B-	9 451 428	8 915 714
Total			**15 841 518**	**16 337 066**

A-9 Acquisition of collateral

During the current fiscal year, the bank has acquired certain guarantees as follows :

Nature of asset	31 March 2024 EGP.000	31 December 2023 EGP.000
Land and Building	-	-

Assets acquired are classified under other assets in the balance sheet and sold whenever practicable

A/10 The concentration of financial assets' risks exposed to credit risk

Geographical segments

The following table represents an analysis of the bank's most important boundaries of credit risk at book value, Risks distributed on geographical segments in accordance with areas related to the bank

	Cairo	Alex,Delta and Sinai	Upper Egypt	Other countries	EGP 000 Total
Due from Central Bank of Egypt	10 132 078	-	-	-	**10 132 078**
Treasury bills	6 390 090	-	-	-	**6 390 090**
Due from banks	52 249 799	-	-	5 527 490	**57 777 289**
Loans and credit facilities to banks					
Individuals Loans					
Overdraft	20 943	38 882	3 731	-	**63 556**
Credit cards	53 912	18 235	3 098	-	**75 245**
Personal loans	2 321 767	1 245 019	388 659	-	**3 955 445**
Corporate Loans					
Overdraft	18 324 507	2 650 075	17 156	-	**20 991 738**
Direct loans	3 748 147	1 115 250	49 387	-	**4 912 784**
Syndicated loans	14 286 154	-	-	-	**14 286 154**
Financial investments					
Debt instruments	14 313 973	-	-	-	**14 313 973**
Other assets	1 157 931	42 757	5 233	-	**1 205 921**
31 March 2024	**122 999 302**	**5 110 218**	**467 264**	**5 527 490**	**134 104 274**
31 December 2023	**92 601 004**	**4 555 790**	**408 986**	**3 158 338**	**100 724 118**

-Activities Segments

The following table represents an analysis of the bank main credit exposure at book value, distributed according to the customers' business and activities.

	Governmental	Retail	Real Estate	Financial	Services	Manufactures	Commercial	Tourism	Others	Total EGP 000
Due from Central Bank of Egypt	10 734 118	-	-	-	-	-	-	-	-	10 734 118
Treasury bills	6 390 090	-	-	-	-	-	-	-	-	6 390 090
Due from banks	4 493 264	-	-	53 282 628	-	-	-	-	-	57 775 892
Loans and facilities to customers										
Individuals Loans										
Overdraft	-	63 556	-	-	-	-	-	-	-	63 556
Credit cards	-	75 245	-	-	-	-	-	-	-	75 245
Personal loans	-	3 955 445	-	-	-	-	-	-	-	3 955 445
Corporate Loans										
Over draft	-	-	305 107	3 987 352	3 254 426	7 885 980	1 448 460	3 622 544	487 869	20 991 738
Direct loans	-	-	10 917	1 294 220	327 070	697 359	306 513	1 769 895	506 810	4 912 783
Syndicated loans	-	-	1 903 036	165 726	1 513 190	2 287 764	206 800	1 448 117	6 761 521	14 286 155
Financial investments :										
Debt instruments	9 451 428	-	-	-	4 862 545	-	-	-	-	14 313 973
Other assets	537 822	-	-	338 992	-	-	-	-	329 107	1 205 921
31 March 2024	**31 606 722**	**4 094 246**	**2 219 061**	**59 068 918**	**9 957 231**	**10 871 103**	**1 961 773**	**6 840 556**	**8 085 307**	**134 704 916**
31 December 2023	**27 407 279**	**3 713 453**	**2 254 669**	**36 334 379**	**9 360 476**	**9 666 902**	**1 599 667**	**5 441 479**	**5 370 714**	**101 149 018**

B- Market risk

The bank exposed to market risks which is the risk that the fair value or future cash flow fluctuation resulted from changes in market prices. Market risks arise 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.

Bank risk division is responsible for managing the market risks arising from trading and non-trading activities of which monitored by two separate teams. Regular reports are submitted to the Board of Directors and each business unit head periodically.

Trading portfolios include transactions where the bank deals direct with clients or with the market; non-trading portfolios primarily arise from managing assets and liabilities interest rate relating to retail transactions. These non-trading portfolios 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 fixed-rate long-term loans if the fair value option been applied. The major measurement techniques used to measure and control market risk are outlined below:

Value at Risk

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 separately and monitored on daily basis by the bank's management.

VAR is a statistical estimation of the expected losses on the current portfolio from adverse market movements in which it represents the 'maximum' amount the bank expect to lose using confidence level (98%). Therefore there is statistical probability of (2%) that actual losses could be greater than the VAR estimation. The VAR module assumes that the holding period is ten days before closing the opening position. It also assumes that market movements during the holding period will be the same as ten days before. The bank's assessment of past movements is based on data for the past five years. The bank applies these historical changes in rates prices indicators directly to its current positions - this approach called historical simulation. Actual outcomes are monitored regularly to test the validity of the assumptions and factors used in the VAR calculation.

The use of this approach does not prevent losses from exceeding these limits if there are significant market movements.

As VAR considered a primary part of the bank's market risk control technique, VAR limits are established by the Board of Directors annually for all trading and non-trading transactions and allocated to business units. Actual values exposed to market risk are compared to the limits established by the bank and reviewed by the bank risk division on daily basis.
The quality of the VAR model is continuously monitored through examining the VAR results for trading portfolio and results are reported to the top management and Board of Directors.

Stress testing

Stress tests provide an indication of the potential size of losses that could arise under extreme market conditions. Therefore, the bank computes on daily basis trading stress VAR, combined with trading normal VAR, to capture the abnormal movements in the financial markets and to give more comprehensive picture of risk .the results of the stress tests are reviewed by executive management and Board of Directors.

Value Exposed to risk for trading portofolio according to type of risk:

EGP.000

Description	31 March 2024			31 December 2023		
	Average	Highest	Lowest	Average	Highest	Lowest
Foreign exchange risk	2 014	3 649	118	1 898	3 649	175
Equity instrument risk	9 577	16 454	7 158	8 416	16 454	7 003
Matual funds	4 042	5 099	3 341	3 672	4 602	3 003

The increase in value exposure to risk is related to the increase in rate of return in global market.

The above results for the value exposed to risk are calculated separately from said positions and historical cost for markets. The total value exposed to risk for trading and non-trading is not represent the value exposed to risk for the bank. This because the relation among kinds of portfolios and risks and different effect applied.

B-2 Foreign exchange rates fluctuations risk

The bank is exposed to the risk of fluctuations in foreign exchange rates on its financial position and cash flows. The board of directors has set limits of foreign currencies in total value for each position at the end of the day and also intraday which are controlled on the spot. The following table summarizes the extent of the bank's exposure to fluctuations in exchange rates risk at the end of the fiscal period. The said table includes the book value of financial instruments broken down into its component currencies:

The concentration of currency risk of financial instruments

31 March 2024						**EGP.000**
Financial assets	**EGP**	**USD**	**EURO**	**GBP**	**Other Currencies**	**Total**
Cash and due from Central Bank of Egypt	5 740 340	4 934 771	45 438	9 491	4 078	10 734 118
Due from banks	4 500 914	48 945 364	4 197 257	90 210	42 147	57 775 892
Treasury bills	4 380 870	-	2 009 220	-	-	6 390 090
Loans and facilities to customers	25 093 672	14 259 046	460 769	0	50	39 813 538
Financial Investments						
At fair value through comprehensive income (FVTOCI)	5 208 334	1 376 555	-	-	-	6 584 889
At amortized cost	7 856 104	1 103 898	491 426	-	-	9 451 428
At fair value through profit or loss (FVTPL)	418 744	180 734	-	-	-	599 478
Other financial assets	1 509 998	269 469	45 977	60	-	1 825 504
Total financial assets	**54 708 976**	**71 069 837**	**7 250 087**	**99 761**	**46 275**	**133 174 936**
Financial liabilities						
Due to banks	14 529	28 555 504	1 807 668	14 534	16	30 392 251
Customers' deposits	45 887 431	42 167 951	5 448 559	82 928	40 696	93 627 565
Other loans	944 382	-	-	-	-	944 382
Other financial liabilities	2 194 141	221 120	24 068	46	606	2 439 981
Total financial liabilities	49 040 483	70 944 576	7 280 295	97 508	41 318	127 404 179
Currency concentration risk on financial instruments	**5 668 493**	**125 260**	**(30 208)**	**2 253**	**4 957**	**5 770 757**
Other non- financial assets	2 839 921	-	-	-	-	2 839 921
Other non- financial liabilities and equity	8 610 678	-	-	-	-	8 610 678
Net financial position	**(102 264)**	**125 261**	**(30 208)**	**2 253**	**4 957**	**-**

31 December 2023	**EGP**	**USD**	**Euro**	**GBP**	**Other Currencies**	**Total**
Total financial assets	50 612 985	45 226 882	3 989 312	71 365	35 172	99 935 716
Total financial liabilities	46 097 494	44 935 014	3 989 986	69 875	32 994	95 125 363
Other non- financial assets	3 002 789	-	-	-	-	3 002 789
Other non- financial liabilities and equity	7 813 143	-	-	-	-	7 813 143
Net financial position	**(294 863)**	**291 868**	**(674)**	**1 490**	**2 177**	**-**

B-3 Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. 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 may profit decrease in the event that unexpected movements arise. The Board sets limits on the level of mismatch of interest rate reprising that may be undertaken which is monitored daily by bank risk division.

B-3 Interest rate risk (follow):

The table below summarizes the bank's exposure to interest rate risks. It includes the bank's financial instruments at carrying amounts categorized by the earlier of re-pricing or maturity dates:

31 March 2024	Up to 1 month	More than 1 month up to 3 months	More than 3 months up to 1 year	More than 1 year up to 5 year	More than 5 years	Free Interest	EGP.000 Total
Financial assets							
Cash and due from Central Bank of Egypt	-	4 735 279	-	-	-	6 066 731	**10 802 010**
Due from banks	56 433 886	1 269 175	-	-	-	-	**57 703 061**
Treasury bills	504 675	509 725	6 243 963	-	-	-	**7 258 363**
Loans and facilities to customers	28 066 862	6 556 146	2 487 704	4 296 449	2 596 201	-	**44 003 363**
Financial Investments							
At fair value through comprehensive income	317 089	4 066 918	807 977	176 409	3 895	1 727 226	**7 099 512**
At amortized cost	549 830	45 269	4 626 018	6 487 167	216 100	-	**11 924 384**
At fair value through profit or loss	-	-	-	-	-	599 478	**599 478**
Other financial assets	-	-	-	-	-	263 947	**263 946**
Total financial assets	**85 872 343**	**17 182 512**	**14 165 662**	**10 960 025**	**2 816 196**	**8 657 382**	**139 654 118**
Financial liabilities							
Due to banks	29 434 962	771 944	-	-	-	-	**30 206 906**
Customers' deposits	50 226 263	15 372 110	13 738 289	18 208 065	-	-	**97 544 727**
Other loans	-	634 076	79 015	460 374	-	-	**1 173 465**
Other financial liabilities	123	-	9 035	4 045	-	-	**13 204**
Total financial liabilities	**79 661 349**	**16 778 130**	**13 826 339**	**18 672 484**	**-**	**-**	**128 938 302**
The interest re-pricing gap	**6 210 994**	**404 382**	**339 322**	**(7 712 459)**	**2 816 196**	**8 657 382**	**10 715 815**
31 December 2023							
Total financial assets	59 591 174	13 779 224	12 656 141	10 254 292	2 491 911	7 188 519	**105 961 260**
Total financial liabilities	54 069 370	16 408 069	10 379 794	15 741 365	-	-	**96 598 598**
Re-pricing gab	**5 521 804**	**(2 628 845)**	**2 276 347**	**(5 487 073)**	**2 491 911**	**7 188 517**	**9 362 662**

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 results in failure in fulfilling the bank obligation to repay to the depositors and fulfilling lending commitments.

Liquidity risk management process

The bank's liquidity management process carried out by the bank risk division includes:

- Daily funding managed by monitoring future cash flows to ensure that all obligations can be met when due. This includes availability of liquidity as they due or to be borrowed to customers. the bank maintains an active presence in global money markets to ensure that the bank met its objective.
- 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 compared to the internal requirements and Central Bank of Egypt requirements.
- Managing loans concentration and maturities.
- 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 financial liabilities contractual dues and expected collections dates for the financial assets .

Liquidity risk management process (follow)

Assets and liabilities department monitors the mismatch between medium term assets, the level and nature of unused loans limits, overdraft utilizations, and the effect of contingent liabilities such as letters of guarantees and letters of credit.

	Up to 1 month	More than 1 month up to 3 months	More than 3 months up to 6 months	More than 6 months up to 1 year	More than 1 year up to 3 year	More than 3 years	EGP.000
Financial liabilities							
Due to banks	29 376 613	764 396	-	-	-	-	30 141 009
Customers' deposits	28 912 012	19 742 757	7 254 943	10 872 460	26 789 692	76 017	93 647 881
Other loans	-	-	-	-	944 382	-	944 382
Other financial liabilities	820 996	-	-	146 285	5 635 531	-	6 602 812
Total financial liabilities 31 March 2024	59 109 621	20 507 152	7 254 943	11 018 746	33 369 605	76 017	131 336 084
Total financial liabilities 31 December 2023	44 447 265	15 017 689	5 076 779	6 533 618	22 018 452	48 780	93 142 583

Funding approach

Sources of liquidity are regularly reviewed by bank risk division to maintain a wide diversification by currency, geography, source,

D- Fair value of financial assets and liabilities

D-1 Financial instruments measured at fair value

The carrying amount of financial assets held for trading represents by fair value according to announced prices as at financial statements date. Changes in fair value of those assets are recognized in income statement included in net income from trading. Also the carrying amount of quoted financial assets that classified as FVOCI represents by fair value according to announced prices as at financial statements date . Changes in fair value of those assets are recognized in the statement of comprehensive income. Regarding unquoted financial assets or in case of no active market the valuation technique used (Discounted Cash Flow, Multiples Method). Changes in fair value of those assets are recognized in the statement of other comprehensive income.

D-2 financial instruments not measured at fair value

Due from banks

All Due from Banks are current balances with maturity of less than one year

Loans and facilities to customers

Loans and facilities to customers is presented less provisions for Impairment losses

Investment by amortised cost

Including governmental debt instrument listed in market therefore fair value can be determined according to market price.

Due to banks

All Due to Banks are current balances with maturity of less than one year

Customer deposits

Represent deposits with unspecified maturityies which include non-interest bearing deposits

E -Capital management

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

- Compliance with capital legal requirements in 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 uses are reviewed on a daily basis according to the regulatory authority's requirements (Central Bank in Arab Republic of Egypt) by the bank's management through models based Basel committee for banking control instructions, these data are submitted to Central Bank of Egypt on quarterly basis.

Central Bank of Egypt requires the following from the bank:

- Maintaining a minimum amount of 5 billion pounds for the issued and paid up capital. The paid-up capital of the bank at the end of the current period amounted to EGP 5 billion Egyptian pound

- Maintaining a minimum capital adequacy ratio of 10%, calculated on the basis of the ratio between the sum of the capital elements and the sum of the elements of the assets and contingent liabilities weighted by the risk weights - the prudential pillar, and the minimum capital adequacy criterion is 12.5% .

The numerator in capital adequacy comprises the following 2 tiers:

- **Tier 1**: basic capital which comprises paid-up capital (net of treasury stock), plus: retained earnings and reserves resulting from profit appropriations (other than general reserve for banking risks & special reserve), less: any goodwill previously recognized and any carried forward losses, plus: the carrying amount of other comprehensive income.

- **Tier 2**: subordinated capital which comprises with equivalent amount of the loans provision for debt instrument / Loans and credit facilities at stage 1 which does not exceed 1.25% from the total risk-weighted average of assets and contingent liabilities, plus: the carrying amount of subordinated loans/deposits maturing over more than 5 years (provided that such carrying amount shall be reduced by 20 % of its value in each of the last five years of their maturity),in calculating number of the capital adequacy ratio, total value of tier 2 should not exceed total value of tier 1. also,total value of subordinated loan (deposits) should not exceed 50% of tier 1 .

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

Capital adequacy Standard had been prepared based on Basel II requirements, and Central Bank of Egypt Board of Directors had approved in its meeting held on December 18, 2012, in accordance with the instructions of the Central Bank of Egypt for the capital adequacy ratio (Basel II)

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

Capital Adequacy Ratio	31 March 2024 EGP.000	31 December 2023 EGP.000
Tier one (basic and additional capital)		
Share Capital earnings	6 500 000	5 000 000
Reserves	197 857	80 840
General risk reserve	38 851	38 851
Retained earnings	401 852	29 580
Net profit from period	611 248	2 293 345
Total OCI items	709 303	254 057
Total exclusions from basic and supplementary capital	(178 542)	(127 881)
Total Tier one after exclusions	**8 280 569**	**7 568 792**
Tier two (Supplementary capital)		
45% Balance of special reserve	20 321	20 321
subordinate deposits/loans	874 000	925 000
Total provision for impairment losses on contingent liabilities	622 257	585 143
Total deductions from tier two	(25 104)	-
Total Tier two after deduction	**1 491 474**	**1 530 464**
Total capital	**9 772 043**	**9 099 256**
Risk weighted assets and contingent liabilities		
Credit risk	58 864 043	46 888 178
Risk of top 50 clients exposures	6 738 776	3 142 210
Market risk	1 258 334	1 363 966
Operational risk	5 100 891	5 100 891
Total risk weighted assets and contingent liabilities	**71 962 044**	**56 495 245**
Capital adequacy ratio	**13.58%**	**16.11%**

Leverage financial ratio

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

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

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

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

II- The denominator elements
The denominator consists of all bank assets (on financial position and off-financial position) according to financial statements called "Bank exposures" which include total the following:
On balance sheet exposure items after deducting some of Tier I Exclusions for capital base.

Derivatives contracts exposures.

Financing Financial papers operations exposures.

Off-financial position items (weighted by credit conversion factor).

Leverage financial ratio	31 March 2024 EGP.000	31 December 2023 EGP.000
Trer 1 Capital after exclusions	**8 280 569**	**7 568 792**
Total exposures on Financial position statement.	131 434 464	98 178 289
Total exposures off Financial position statement.	13 306 591	12 250 491
Total exposures on Financial position and off- Financial position statement	**144 741 055**	**110 428 780**
Leverage financial ratio	**5.72%**	**6.85%**

4-Significant accounting estimates and assumptions

In the application of the bank's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.the estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future years if the revision affects both current and future periods.

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

A) Impairment of Loans and credit facilities (Expected Credit Loss)

The Bank reviews its Loans and credit facilities portfolio, at least, on a quarterly basis. Management uses its discretionary judgment in determining whether it is necessary to recognize impairment loss in the income statement. This requires it to identify any reliable evidence indicating measurable decline in the expected future cash flows from loan portfolio before identifying any decline for each individual loan.this evidence includes data indicating negative change in the ability of a portfolio of borrowers to repay the bank, or local and economic circumstances related to default. On scheduling future cash flows, the management use estimates based on previous experience related to impairment of assets having similar credit risks. Such experience refers to impairment similar to that of the portfolio in question. The methods and assumptions used in estimating both the amount and timing of the future cash flows are reviewed on a regular basis to minimize any discrepancy between the estimated loss and actual loss based on management given experience.

B) Debit instruments with amortized cost

Non-derivatives financial assets with fixed or determinable payments and fixed maturity are classified as held to maturity. This classification requires high degree of judgment; in return the bank tests the intent and ability to hold such investments to maturity. If the bank fails to hold such investments till maturity except for certain circumstances like selling an insignificant amount of held-to-maturity investments near to maturity date, then all held to maturity investment portfolio should be reclassified as available for sale which will be measured at fair value instead of amortized cost. In addition the bank should suspend classifying investments as held to maturity caption.

C) Income Tax

The Bank is subject to income taxes in several tax departments which require the use of a significant estimate to determine the total provision of the income taxes. There are some accounts and operations that are difficult to comprehensively determine the final tax on them. the Bank records obligations derived from the expected results of tax inspection based on estimates of the emergence probability of additional taxes. When there is a variance between the final taxes' result and the amounts previously recorded, these variances will affect the income tax and the deferred tax provision for the year in which the variance is identified

5 - Geographical segment analysis

Income and expenses to geographical segment

For the period ended 30 September 2023	Great Cairo	Alex. ,Delta & Sinai	Upper Egypt	EGP.000 Total
Geographical segment income	985 130	484 146	27 220	1 496 496
Geographical segment expense	(608 740)	(43 219)	(7 862)	(659 821)
Net profit before tax	**376 390**	**440 927**	**19 358**	**836 675**
Income tax	(121 862)	(99 209)	(4 356)	(225 427)
Net profit	**254 528**	**341 718**	**15 002**	**611 248**

For the period ended 30 September 2022	Great Cairo	Alex. ,Delta & Sinai	Upper Egypt	Total
Geographical segment income	790 992	540 141	18 948	1 350 081
Geographical segment expense	(697 446)	(36 586)	(6 655)	(740 687)
Net profit before tax	**93 546**	**503 555**	**12 293**	**609 394**
Income tax	(242 461)	(113 300)	(2 766)	(358 527)
Net profit	**(148 915)**	**390 255**	**9 527**	**250 867**

Assets and liabilities to geographical segment

31 March 2024	Great Cairo	Alex. ,Delta & Sinai	Upper Egypt	Total
Geographical segment assets	130 106 492	5 368 674	539 689	136 014 855
Total of assets	**130 106 492**	**5 368 674**	**539 689**	**136 014 855**
Geographical segment liabilities	101 287 092	24 551 187	1 565 900	127 404 179
Total of liabilities	**101 287 092**	**24 551 187**	**1 565 900**	**127 404 179**

Assets and liabilities to geographical segment

31 December 2023	Great Cairo	Alex. ,Delta & Sinai	Upper Egypt	Total
Geographical segment assets	97 595 522	4 865 068	477 916	102 938 506
Total of assets	**97 595 522**	**4 865 068**	**477 916**	**102 938 506**
Geographical segment liabilities	77 614 395	16 238 853	1 272 115	95 125 363
Total of liabilities	**77 614 395**	**16 238 853**	**1 272 115**	**95 125 363**

6 - Net Interest Income	From 1 January 2024 To 31 March 2024 EGP.000	From 1 January 2023 To 31 March 2023 EGP.000
Interest from loans and similar income		
Loans and facilities to Customers	1 569 223	1 126 080
Treasury bills	411 409	298 468
Bonds:		
Governmental bonds	316 244	335 461
Other bonds	257 008	126 039
Deposits and current accounts with banks	660 507	255 299
	3 214 391	**2 141 347**
Cost of deposits and similar expenses		
Current accounts and deposits :		
Customers	(1 767 340)	(1 334 152)
Banks	(307 470)	(56 340)
Other	(48 874)	(43 609)
	(2 123 683)	**(1 434 101)**
	1 090 708	**707 246**

7 -Net Fees and Commissions Income	From 1 January 2024 To 31 March 2024 EGP.000	From 1 January 2023 To 31 March 2023 EGP.000
Fees and Commissions Income		
Credit fees and commissions	20 772	16 789
Trade finance fees and commissions	185 337	215 440
Custody fees	1 895	795
Other fees	8 983	2 887
	216 987	**235 911**
Fees and Commissions Expenses		
Other paid fees	(18 519)	(11 822)
	(18 519)	**(11 822)**
	198 468	**224 089**

8 – Dividends Income	From 1 January 2024 To 31 March 2024 EGP.000	From 1 January 2023 To 31 March 2023 EGP.000
Financial instrument at FVTPL	154	13 965
Financial instrument at FVTOCI	1 024	13 228
	1 178	**27 193**

9 - Net Trading Income	From 1 January 2024 To 31 March 2024 EGP.000	From 1 January 2023 To 31 March 2023 EGP.000
Gains from dealing in foreign currencies	166 180	67 204
Translation differences of financial investment at FVTPL	77 307	30 398
	243 488	**97 602**

10 - Administrative Expenses	From 1 January 2024 To 31 March 2024 EGP.000	From 1 January 2023 To 31 March 2023 EGP.000
Wages and salaries	(215 407)	(180 542)
Social Insurance	(40 520)	(33 847)
Other administrative expenses	(186 016)	(148 419)
	(441 943)	**(362 808)**

11- Other operating income (expense)	From 1 January 2024 To 31 March 2024 EGP.000	From 1 January 2023 To 31 March 2023 EGP.000
Gain (loss) on sale of property and equipment	18	-
Other income / (expenses)	120 974	11 031
Foreign exchange translation differences of non-monetary items	(526 065)	(210 774)
Release (charge) of other provisions	6 970	(6 274)
	(398 103)	**(206 017)**

12 - Income tax expense	From 1 January 2024 To 31 March 2024 EGP.000	From 1 January 2023 To 31 March 2023 EGP.000
Current taxes	(261 110)	(314 521)
Deferred taxes (note 29)	35 683	(44 006)
	(225 427)	**(358 527)**

Note (29) includs additional information about deferred income tax

Adjustments to calculate the effective tax rate	From 1 January 2024 To 31 March 2024 EGP.000	From 1 January 2023 To 31 March 2023 EGP.000
Profit before income tax	836 675	609 394
Tax rate	22.50%	22.50%
Income tax calculated based on accounting profit	**188 252**	137 114
Add /(deduct)		
Non-deductible expenses	69 939	114 949
Tax exemptions	(129 984)	(47 894)
Provisions impact	43 533	16 975
Depreciation impact	6 313	2 808
Tax pool	54 441	40 617
Others	(7 044)	93 957
Income tax expenses	**225 427**	**358 526**
Effective tax rate	**26.95%**	**58.83%**

13 - Charge of impairment credit losses	From 1 January 2024 To 31 March 2024 EGP.000	From 1 January 2023 To 31 March 2023 EGP.000
Loans and advances to customers	(217 702)	(377 099)
Due from Central Bank of Egypt	264	410
Due from banks	2 363	(1 196)
Debt instruments at FVTOCI	(2 753)	196
Debt instruments at amortized cost	(50)	(190)
	(217 878)	**(377 879)**

14 - Earnings per share	From 1 January 2024 To 31 March 2024 EGP.000	From 1 January 2023 To 31 March 2023 EGP.000
Net profit	611 248	250 867
Profit share of Staff, board members and Banking system support & development fund*	(72 926)	(29 930)
Profit available	538 322	220 937
Weighted average for outstanding shares (thousand)	500 000	500 000
Earnings per share (EGP/share) **	**1.08**	**0.44**

*Proposed dividends distribution and subject to the approval of AGM. after fiscal year end.

**No. of shares adjusted in comparative year according to the accounting standard.

15- Cash and Due from Central Bank of Egypt	31 March 2024 EGP.000	31 December 2023 EGP.000
Cash	606 626	438 904
Due from CBE mandatory reserve	10 132 078	7 958 261
Less: Allowance for impairment losses	(4 586)	(3 173)
	10 734 118	**8 393 992**
Non-interest bearing balances	6 066 730	5 234 731
Fixed interest bearing balances	4 671 974	3 162 434
Less: Allowance for impairment losses	(4 586)	(3 173)
	10 734 118	**8 393 992**

Movement of allowance for impairment losses for due from Central Bank of Egypt

	31 March 2024 EGP.000	31 December 2023 EGP.000
Opening balance	3 173	2 541
Charge (release) of impairment credit loss	(264)	-
Foreign exchanges revaluation differences	1 677	632
	4 586	**3 173**

16 - Due from banks	31 March 2024 EGP.000	31 December 2023 EGP.000
Current accounts	761 292	371 068
Deposits	57 015 998	33 160 923
Less: Allowance for impairment losses	(1 398)	(2 516)
	57 775 892	33 529 475
Due from CBE other than those under the mandatory reserve	4 493 264	2 239 518
Local banks	47 756 536	28 134 135
Foreign banks	5 527 490	3 158 338
Less: Allowance for impairment losses	(1 398)	(2 516)
	57 775 892	33 529 475
Non-interest bearing balances	761 292	371 068
Fixed balances at floating interest bearing	57 015 998	33 160 923
Less: Allowance for impairment losses	(1 398)	(2 516)
	57 775 892	33 529 475
Current balances	**57 775 892**	33 529 475

Movement of allowance for impairment losses for due from banks	31 March 2024 EGP.000	31 December 2023 EGP.000
Opening balance	2 516	335
Charge (release) of impairment loss	(2 363)	2 087
Foreign exchanges revaluation differences	1 245	94
	1 398	**2 516**

17 - Treasury bills	31 March 2024 EGP.000	31 December 2023 EGP.000
Treasury bills at FVTOCI		
Maturity 91 days	525 050	1 423 050
Maturity 182 days	36 800	1 466 825
Maturity 273 days	50	550
More the 364 day maturity	6 696 463	4 681 181
Total	**7 258 363**	**7 571 606**
Less :		
Unearned interest less than 91 days	(3 756)	(22 395)
Unearned interest more than 91 days	(928 194)	(127 325)
	6 326 413	**7 421 886**
Revaluation reserve	63 677	**(534)**
Total	**6 390 090**	**7 421 352**

18 - Loans and facilities to customers	31 March 2024			31 December 2023		
	Total	Provision	Net	Total	Provision	Net
	EGP.000	EGP.000	EGP.000	EGP.000	EGP.000	EGP.000
Retail						
Overdraft	63 556	(708)	62 848	73 451	(1 378)	72 073
Credit cards	75 245	(5 260)	69 985	47 955	(8 079)	39 876
Personal loans	3 955 445	(162 571)	3 792 874	3 592 047	(171 003)	3 421 044
Total (1)	**4 094 246**	**(168 538)**	**3 925 707**	**3 713 453**	**(180 460)**	**3 532 993**
Corporate including SMEs						
Overdraft	20 991 738	(2 194 847)	18 796 891	18 129 806	(1 688 638)	16 441 168
Direct loans	4 912 784	(717 397)	4 195 387	4 337 435	(406 398)	3 931 037
Syndicated loans	14 286 154	(460 448)	13 825 706	10 933 328	(375 685)	10 557 643
Total (2)	**40 190 676**	**(3 372 692)**	**36 817 985**	**33 400 569**	**(2 470 721)**	**30 929 848**
Total loans and facilities to customers (1+2)	**44 284 921**	**(3 541 231)**	**40 743 692**	**37 114 022**	**(2 651 181)**	**34 462 841**
Less:						
Interest in suspense			(930 154)			(690 729)
Net loans and facilities to customers			**39 813 538**			**33 772 112**
Current balances			35 204 668			30 236 878
Non-current balances			4 608 870			3 535 234
			39 813 538			**33 772 112**

Allowance of impairment losses

Analysis of the movement of the impairment loss provision for loans and facilities to customers :

31 March 2024

	Retail			
	Overdraft	**Credit Cards**	**Personal Loans**	**Total**
	EGP.000	**EGP.000**	**EGP.000**	**EGP.000**
Opening balance	1 378	8 079	171 003	180 460
Impairment Charge	(676)	(2 685)	(8 474)	(11 835)
Used	-	(134)	-	(134)
Foreign exchange translation differences	6	-	42	48
	708	**5 260**	**162 571**	**168 539**

	Corporate			
	Overdraft	**Direct Loans**	**Syndicated Loans**	**Total**
	EGP.000	**EGP.000**	**EGP.000**	**EGP.000**
Opening balance	1 688 638	406 398	375 685	2 470 721
Impairment Charge	108 713	98 023	22 800	229 536
Used	-	-	-	-
Proceeds from previously written off debts	-	-	-	-
Foreign exchange translation differences	397 497	212 976	61 963	672 436
	2 194 848	**717 397**	**460 447**	**3 372 693**
				3 541 232

31 December 2023	Retail			
	Overdraft	**Credit Cards**	**Personal Loans**	**Total**
	EGP.000	**EGP.000**	**EGP.000**	**EGP.000**
Opening balance	3 114	2 641	85 052	90 807
Impairment Charge	(1 739)	5 438	85 994	89 693
Used	-	-	(43)	(43)
Foreign exchange translation differences	3	-	-	3
	1 378	**8 079**	**171 003**	**180 460**

31 December 2023	Corporate			
	Overdraft	**Direct Loans**	**Syndicated Loans**	**Total**
	EGP.000	**EGP.000**	**EGP.000**	**EGP.000**
Opening balance	1 360 436	380 092	130 347	1 870 875
Charge (release) of impairment loss	578 432	49 958	234 588	862 978
Used	(448 265)	(76 151)	-	(524 416)
Proceeds from previously written off debts	61 002	3	-	61 005
Foreign exchange translation differences	137 033	52 496	10 750	200 279
	1 688 638	**406 398**	**375 685**	**2 470 721**
				2 651 181

19 –Financial investments

	31 March 2024 EGP.000	31 December 2023 EGP.000
At FVTOCI		
a) Debt instruments at FVTOCI		
Listed in the market*	4 849 874	4 989 513
	4 849 874	**4 989 513**
b) Equity instruments at FVTOCI		
Listed in the market	3 123	3 123
Unlisted in the market	1 588 171	1 099 997
	1 591 294	**1 103 120**
c) Mutual funds		
Unlisted in the market **	143 721	106 737
	143 721	**106 737**
Total financial investments at FVTOCI (1)	**6 584 889**	**6 199 370**
At Amortized Cost		
a) Debt instruments		
Listed in the market	9 464 099	8 924 029
Less: Allowance for impairment losses	(12 671)	(8 315)
Total financial investments at Amortized Cost (2)	**9 451 428**	**8 915 714**
At FVTPL		
a) Equity instruments at FVTPL		
Listed in the market	394 616	321 721
	394 616	**321 721**
b) Mutual funds		
Non-listed in the market	204 862	200 450
	204 862	**200 450**
Total financial investments at FVTPL (3)	**599 478**	**522 171**
Total Financial investments (1+2+3)	**16 635 795**	**15 637 255**
Current balances	5 247 614	5 314 357
Not-current balances	11 388 182	10 322 898
Total Financial investments	**16 635 796**	**15 637 255**
Fixed interest rates debt instruments	9 746 380	9 263 648
Floating interest rates debt instruments	4 567 594	4 641 579

*Including securitized bonds and sukuk of EGP 2 337 993 (EGP 3 376 507 in previous year).

**Includes seed capital in mutual funds established by the bank (note38)

Summary of the financial investment movement	**At FTVOCI**	**At Amortized Cost**	**Total**
31 March 2024	**EGP.000**	**EGP.000**	**EGP.000**
Opening balance	**6 199 371**	**8 915 714**	**15 115 085**
Addition	190 000	-	190 000
Disposal / maturity (redemption)	(321 410)	-	(321 410)
Foreign exchange translation differences	446 808	547 480	994 288
Net change in fair value reserve	70 120	-	70 120
Discount (premium) amortization	-	(7 410)	(7 410)
Release /(charge) Allowance for impairment losses	-	(4 356)	(4 356)
	6 584 889	**9 451 428**	**16 036 317**
31 December 2023			
Opening balance	**4 552 368**	**10 281 726**	**14 834 094**
Addition	3 288 694	74 890	3 363 585
Disposal maturity (redemption)	(1 878 399)	(1 699 667)	(3 578 066)
Foreign exchange translation differences	41 206	278 038	319 245
Net change in fair value reserve	195 501	-	195 501
Discount (premium) amortization	-	(17 269)	(17 269)
Release /(charge) Allowance for impairment losses	-	(2 005)	(2 005)
	6 199 371	**8 915 714**	**15 115 085**

Gain on Financial Investments	From 1 January 2024 To 31 March 2024 EGP.000	From 1 January 2023 To 31 March 2023 EGP.000
Gain on sale of debt instrument and treasury bills	325 991	499 968
	325 991	**499 968**

Movement of allowance for impairment losses for Investments at Amortized Cost

	31 March 2024 EGP.000	31 December 2023 EGP.000
Opening balance	8 315	6 310
Charge (release) of impairment loss	50	346
Foreign exchanges revaluation differences	4 306	1 659
	12 671	**8 315**

20- Investments in associates **EGP.000**

	Share Precentage	31 December 2023	Share of profit in associates in income statement	Dividend	Disposal	31 March 2024
	%	EGP.000	EGP.000	EGP.000	EGP.000	EGP.000
Al Maadi for touristic investments and entertainment	29.69%	10 648	502	-	-	11 150
Credit guarantee company	9.09%	190 107	31 068	-	-	221 175
Orientals for industrial projects	11.83%	1 992	1 423	-	-	3 415
Elshorouk for markets and shops	39.18%	26 434	1 773	-	-	28 207
		229 181	**34 766**	**-**	**-**	**263 947**
Allowance for impairment losses		**-**				**-**
		229 181				**263 947**

	Share Precentage	31 December 2022	Share of profit in associates in income statement	Dividend	Disposal	31 December 2023
	%	EGP.000	EGP.000	EGP.000	EGP.000	EGP.000
Al Maadi for touristic investments and entertainment	29.69%	10 607	456	(416)	-	10 648
Credit guarantee company	9.09%	169 895	20 212	-	-	190 107
Orientals for industrial projects	11.83%	4 882	(2 890)	-	-	1 992
Elshorouk for markets and shops	39.18%	43 133	2 728	(1 910)	(17 516)	26 434
		228 517	**20 507**	**(2 326)**	**(17 516)**	**229 181**
Allowance for impairment losses		(17 299)				-
		211 218				**229 181**

21 – Intangible assets	31 March 2024	31 December 2023
	EGP.000	EGP.000
Opening balance	335 537	170 301
Additions	63 123	165 235
Total cost	**398 660**	**335 536**
Accumulated amortization	(222 617)	(107 762)
Amortization expenses	(37 953)	(114 855)
Accumulated amortization	**(260 570)**	**(222 617)**
	138 090	**112 919**

22 – Other assets	31 March 2024	31 December 2023
	EGP.000	EGP.000
Accrued revenues	1 205 921	784 950
Prepaid expenses	91 653	33 663
Advance payment for acquisition of property and equipment	1 082 037	1 042 351
Asset reverted to the bank in settlement of debts	389 018	687 181
Insurance and custodies	7 423	6 226
Others	348 211	161 176
	3 124 263	**2 715 547**

23 – property and equipment

	Lands	Buildings and installations	Integrated automated systems	Vehicles	Machinery & Equipment	Fixtures & fitting	Furniture	Total
	EGP.000	EGP.000	EGP.000	EGP.000	EGP.000	EGP.000	EGP.000	EGP.000
Cost	88 934	631 955	173 653	20 909	152 777	225 036	60 179	1 353 443
Accumulated depreciation	-	(125 659)	(116 620)	(17 360)	(74 227)	(100 945)	(28 505)	(463 316)
Net book value as at 1 January 2023	**88 934**	**506 296**	**57 034**	**3 549**	**78 550**	**124 090**	**32 349**	**890 127**
Additions	180 111	25 773	37 478	11 350	23 742	32 047	7 220	317 721
Disposals	-	-	-	-	(872)	(13 723)	(1 610)	(16 205)
Depreciation	-	(15 928)	(23 056)	(1 795)	(19 576)	(14 588)	(5 337)	(80 280)
Accumulated depreciation of disposals	-	-	-	-	797	12 934	1 580	15 311
Net book value as at 31 December 2023	**269 045**	**516 141**	**71 455**	**13 104**	**82 642**	**140 760**	**33 527**	**1 126 673**
Cost	269 045	657 728	211 131	32 259	175 647	243 360	65 789	1 654 959
Accumulated depreciation	-	(141 587)	(139 676)	(19 155)	(93 006)	(102 600)	(32 262)	(528 286)
Net book value as at 31 March 2024	**269 045**	**516 141**	**71 455**	**13 104**	**82 641**	**140 760**	**33 526**	**1 126 673**
Additions	-	7 046	4 674	-	4 548	16 045	2 009	34 322
Disposals	-	-	(15)	-	-	-	-	(15)
Depreciation	-	(4 021)	(6 197)	(865)	(5 344)	(4 029)	(1 414)	(21 870)
Accumulated depreciation of disposals	-	-	13	-	-	-	-	13
Net book value as at 31 March 2024	**269 045**	**519 166**	**69 930**	**12 239**	**81 846**	**152 776**	**34 121**	**1 139 123**
Cost	269 045	664 774	215 790	32 259	180 195	259 405	67 798	1 689 265
Accumulated depreciation	-	(145 608)	(145 860)	(20 020)	(98 350)	(106 628)	(33 676)	(550 142)
Net book value as at 31 March 2024	**269 045**	**519 166**	**69 930**	**12 239**	**81 845**	**152 776**	**34 122**	**1 139 123**

*property and equipment balance at the financial position includes an amount of EGP 73 million represent assets not registered yet as the legal department is in-process to register these assets.

24 - Due to banks	31 March 2024	31 December 2023
	EGP.000	EGP.000
Current accounts	1 352 498	138 710
Deposits	29 026 933	17 504 833
Treasury bills sold with re-purchase agreement	12 820	16 230
	30 392 251	**17 659 773**
Central banks of Egypt	112 097	96 492
Local banks	1 821 200	1 199 598
Foreign banks	28 458 954	16 363 683
	30 392 251	**17 659 773**
Non interest rate accounts	832 597	125 885
Fixed interest rate accounts	29 559 654	17 533 888
	30 392 251	**17 659 773**
Current balances	**30 392 251**	**17 659 773**

25 - Customer's deposits	31 March 2024	31 December 2023
	EGP.000	EGP.000
Demand deposits	31 769 866	20 467 001
Time deposits and call accounts	48 378 356	40 436 808
Term saving certificates	9 260 238	8 607 156
Savings deposits	2 458 740	2 127 307
Other deposits	1 760 365	2 008 752
	93 627 565	**73 647 024**
Corporate deposits	77 034 555	59 269 549
Retail deposits	16 593 010	14 377 475
	93 627 565	**73 647 024**
Non interest bearing accounts	11 497 069	9 911 103
Fixed interest rate accounts	79 917 945	61 910 530
Floating interest rate accounts	2 212 551	1 825 391
	93 627 565	**73 647 024**
Current balances	80 803 206	64 510 980
Non-current balances	12 824 359	9 136 044
	93 627 565	**73 647 024**

26 - Other Loans	Maturity date	31 March 2024	31 December 2023
		EGP.000	EGP.000
Project development authority loans*	Feb. 2024	-	3 075
Subordinate deposits **	May 2024	64 732	64 339
Subordinate deposits ***	Dec. 2024	39 650	39 542
Subordinate Loans ****	Jun. 2027	520 000	520 000
Subordinate deposits *****	Jan. 2028	255 000	255 000
Subordinate deposits ******	April 2028	65 000	65 000
		944 382	946 956
Current balances		208 382	212 656
Non-current balances		736 000	734 300
		944 382	946 956

*A loan contract had been signed with the Projects development Authority to obtain a stake in loans to develop small projects. The loan bears interest paid to Projects development Authority in order to provide low cost finance for the bank's client according to agreed upon contract.

** In accordance with the bank`s AGM approval dated 31 January 2019, a subordinated deposit contract were signed on February 2019 with Arab Contractors Employees Insurance Fund amounted to EGP 325 Million to support tier two of the bank Capital Base in the calculation of Capital Adequacy Ratio in accordance with basel guidelines and to maintain CBE enacted ratio. Amendment contaract signed on 13 December 2022 to amend the sum of deposit to become EGP 130 Million. Then, amendment contaract signed on 13 March 2023 to amend the sum of deposit to become EGP 65 Million.

The duration of the subordinated deposit is 63 months starts from February 2019 and to be paid at the end of the period in full, and interest to be paid every three months.

*** In accordance with the bank`s AGM approval dated 31 January 2019, a subordinated deposit contract were signed on September 2019 with Arab Contractors Employees pension Fund amounted to EGP 100 Million to support tier two of the bank capital base in the calculation of Capital Adequacy Ratio in accordance with basel guidelines and to maintain CBE enacted ratio. Amendment contaract signed on 13 December 2022 to amend the sum of deposit to become EGP 40 Million.

The duration of the subordinated deposit is 63 months starts from September 2019 and to be paid at the end of the period in full, and interest to be paid every three months.

**** In accordance with the bank`s AGM approval dated 24 March 2022, a subordinated Loan contract were signed on June 2022 with Arab International Bank amounted to EGP 650 Million to support tier two of the bank Capital Base in the calculation of Capital Adequacy Ratio in accordance with basel guidelines and to maintain CBE enacted ratio.

The duration of the subordinated loan is five years starts from June 2022 due at June 2027, to be paid at the end of the period in full. Suez canal bank can make partial repayments on an annual base with a maximum 20% of total loan.Then, amendment on 9 July 2023 to become EGP 520 Million.

*****On December 13, 2022, a modification contract has been signed to modify subordinate deposits of Arab Contractors Employees Insurance Fund hereby amount of deposits decreased by EGP 255 Million and new deposits issued with a maturity of 61 months till January 12,2028. This modification has a positive effect on capital base as it increases bank's financing ability and enhance competitive position.

******On March 13, 2023, a modification contract has been signed to modify subordinate deposits of Arab Contractors Employees Insurance Fund hereby amount of deposits decreased by EGP 65 Million and new deposits issued with a maturity of 61 months till April 6,2028. This modification has a positive effect on capital base as it increases bank's financing ability and enhance competitive position.

27 - Other liabilities

	31 March 2024 EGP.000	31 December 2023 EGP.000
Accrued interest	673 538	852 792
Unearned revenues	3 525	30 794
Accrued expenses	140 734	134 874
Creditors	13 178	13 186
Other payables	1 155 289	1 472 602
	1 986 264	**2 504 248**

28 - Other Provisions

	31 March 2024 EGP.000	31 December 2023 EGP.000
Opening balance	174 140	34 076
Net foreign currencies exchange differences	7 150	1 061
Charge (release) povision	(6 970)	148 988
Used	(498)	(9 985)
	173 822	**174 140**

29 - Deferred tax assets and liabilities

Deferred tax has been calculated on temporary tax differences using the balance sheet method and using the expected tax rate on a time that the Bank will recognize benefit from assets / incurre liabilities for current financial period .

Balance of deferred tax assets and liabilities are as follows:	31 March 2024 EGP.000		31 December 2023 EGP.000	
	Asset	Liability	Asset	Liability
Depreciation of property and equipment	-	(33 756)	-	(24 093)
Other provisions (other than loan provision)	44 472	-	42 956	-
Debt instruments at FVTOCI	-	(2 560)	5 811	-
Equity instruments at FVTOCI	-	(231 310)	-	(117 326)
Other	116 836	(173 577)	47 395	(147 965)
Total deferred tax asset (liability)	**161 308**	**(441 203)**	**96 162**	**(289 384)**
Net tax deferred tax asset (liability)	**-**	**(279 896)**	**-**	**(193 222)**

Movement of deferred tax assets and liabilities are as follows:	31 March 2024 EGP.000		31 December 2023 EGP.000	
	Asset	Liability	Asset	Liability
Opening balance	96 162	(289 384)	102 175	(204 191)
Depreciation of property and equipment	-	(9 663)	-	13 424
Other provisions (other than loan provision)	1 516	-	29 285	-
Debt instruments at FVTOCI	(5 811)	(2 560)	(7 269)	-
Disposal of debt instruments at FVTOCI	-	-	-	-
Equity instruments at FVTOCI	-	(115 334)	-	(35 317)
Disposal of equity instruments at FVTOCI	-	1 350	-	1 835
Other	69 441	(25 613)	(28 029)	(65 135)
	161 308	**(441 203)**	**96 162**	**(289 384)**

30- Capital

(A) Authorized Capital

Authorized capital amounted to EGP 5 billion. on 31 March 2024, Extra ordinary assembly meeting approved an increase in authorized capital by EGP 5 billion to be EGP 10 billion and record has been marked at commercial registry.

(B) Issued and paid - up capital

Issued and paid – up capital amounted to EGP 5 billion distributed on 500 million shares in cash with nominal value of EGP 10 each.

(C) Retained amount for capital increase

Amount of EGP 1500 Million has retained for capital increase.
On 31 March 2024 the bank's AGM has approved the capital increase by EGP1 500 Million with anominal value of EGP 10 through distributions of 0.3 bonus share for each one outstanding share.The capital increased wil be recording in commercial registry of the bank .

31- Reserves

	31 March 2024 EGP.000	31 December 2023 EGP.000
Legal reserve	114 544	-
General reserve *	24 117	24 117
Special reverse	45 158	45 158
Capital reserve	59 196	56 722
Fair value reserve (a)	709 303	254 057
General risk reserves	38 851	38 851
General bank risk reserve **(b)	96 400	61 305
	1 087 569	**480 211**

*The value of residual amount from issuing expenses of capital increase from EGP. 1 billion to EGP. 2 billion.

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

31/a- Fair Value reserve	**31 March 2024**	**31 December 2023**
	EGP.000	**EGP.000**
Opening balance	254 057	118 231
Net change in fair value transferred to R/E	(4 650)	(14 863)
Net change in FVOCI	459 896	150 689
	709 303	**254 057**

31/b- General banking risk reserve	**31 March 2024**	**31 December 2023**
	EGP.000	**EGP.000**
Opening balance	61 305	55 687
Transferred from retained earnings	35 095	19 783
	96 400	**61 305**

32- Difference between the present value and face value for subordinate deposits	**31 March 2024**	**31 December 2023**
	EGP.000	**EGP.000**
Opening balance	1 119	5 328
No more required	-	(1 637)
Amortization of difference of subordinate deposit	(501)	(2 572)
	618	**1 119**

33- Retained earnings	**31 March 2024**	**31 December 2023**
	EGP.000	**EGP.000**
Opening balance	2 331 813	1 434 157
Transferred to legal reserve	(114 544)	(51 932)
Transferred to capital reserve	(2 473)	(1 395)
Transferred to general banking risk reserve	(35 095)	(19 783)
Transferred to retained amount for capital increase	(1 500 000)	(1 224 609)
Transferred from general banking reserve	-	14 165
Amortization of difference of subordinate deposit	501	2 572
Staff profit share	(228 738)	(102 791)
Banking system support and development fund	(22 873)	(10 279)
Board Members' bonus	(22 000)	(16 500)
Net change in fair value transferred to R/E	4 650	14 863
Net profit	611 248	2 293 345
	1 022 489	**2 331 813**

34- Cash and cash equivalents

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

	31 March 2024	**31 December 2023**
	EGP.000	**EGP.000**
Cash and due from CBE (note 15)	606 626	450 703
Due from banks (note 16)	57 777 290	20 307 644
Treasury bills (note 17)	521 295	573 340
	58 905 211	**21 331 687**

35- Contingent and commitments liabilities
(A)-Legal claims :

There is a few cases against the bank without provision as the bank doesn't expect to incur losses from it at financial statement date . A provision for legal cases that are expected to incur losses has been charged amount of EGP 33 812 thousand as at financial statement date (In 31 Dec. 2022 : amounted to EGP 15 274 thousand)

B-Capital commitments:

B/1 - property and equipment and branches of equipment

The Bank has a commitment to contracts for property and equipments purchase and branches preparations and new head office in New Capital City (building, furniture, integrated system and, fixtures&fitting) amounting to EGP 933 714 as current period (EGP 684 686 thousand prior year). Management is sufficiently confident that net profit shall be realized and finance shall be made available to cover these commitments.

B/2 - Financial Investments

The capital commitments for the financial investments reached on the date of financial position as follows:

	Amount of commitment	Amount Paid	Remaining
Financial investments in associate	12 000	3 000	9 000
Financial investments through OCI	197 000	104 884	92 116

C-Contingent liabilities:	**31 March 2024 EGP.000**	**31 December 2023 EGP.000**
Letters and financial of guarantees	8 984 600	7 605 619
Letter of credits import, export and facilities to suppliers	1 412 924	19 599
Other Contingent Liabilities	410 692	48 472
	10 808 216	**7 673 690**

D- Credit facilities commitments	**31 March 2024 EGP.000**	**31 December 2023 EGP.000**
Not more than one year	207 372	94 135
More than one year	420 115	460 299
	627 487	**554 434**

E- Commitments operating lease contracts	**31 March 2024 EGP.000**	**31 December 2023 EGP.000**
Not more than one year	44 538	39 514
More than one year and less than 5 years	193 095	178 985
More than 5 years	25 640	37 313
	263 273	255 812

36- Related party transactions

The bank deals with its related parties on the same basis as with others in compliance with accepted banking rules and regulations. The nature of these transactions and its balances are represented on the balance sheet date as follows:

A) Loans and credit facilities to related parties: **Loans and facilities to customers**	**31 March 2024 EGP.000**	**31 December 2023 EGP.000**
Balance at beginning of the year	0	2
Issued loans	-	-
Collected loans	-	(2)
	0	**0**

B) Deposits from related parties:	**31 March 2024 EGP.000**	**31 December 2023 EGP.000**
Balance at beginning of the year	92 452	72 012
Deposits received	75 860	58 733
Deposits redeemed	(55 006)	(39 532)
Net foreign exchange difference	2 129	1 239
	115 435	**92 452**

C) Other	**31 March 2024 EGP.000**	**31 December 2023 EGP.000**
Due from banks	-	5 053
Investment in associates	263 947	229 181
Due to banks	-	9
Other loans	944 382	943 881
Other payables	372	372

37 -Tax position

A. Corporate income tax:

- For the years from 1978 till 2004, inspection completed and the bank has paid amounts due .
- For the year from 2005 to 2020 inspection completed and the bank paid all taxes due except for retained tax losses for year 2010 which will be settled as part of the agreement between tax authority and Egyptian Bank federation, thus no taxes due regarding this period.
- For the year 2021 the bank had submitted the annual tax return in due date and there is no taxes due .

B . Salaries tax:

- For the years from 1978 till 2020,inspection completed for the employees salary tax, and the bank has paid all the amounts due.
- For the year 2022 the salary tax is deducted and paid regularly to the Tax Authority in accordance to law 91 for 2005.

C . Stamp duty tax:

- For the periods beginning from the activity commencing date and till 31 July 2006 , the inspection completed for all branches in accordance with law no. 111 of the year 1980 and the bank have paid all the amounts due .
- For the period from 1 August 2006 to 31 December 2021, the bank has been completed inspection, in accordance with law no. 111 of the year 1980 and the bank have paid all the amounts due .
- From the years 2023, the bank paid stamp duty tax (Bank and customers shares) based on highest utilization of debit balance for each quarter period in accordance to Law .

38-Mutual Funds

	Suez Canal Bank First Fund "With Cumulative Periodical Return" and Distribution	Suez Canal Bank Second Fund "Agial - With Cumulative Periodical Return"	Suez Canal Bank Monetary Fund for Liquidity " With Cumulative Daily Return"
Registration number and est. date	No. 143 , in 24 March 1996	No. 355, in 30 June 2008	No. 790 in 10 August 2020
Under the license of the capital market law and its executive regulations	Financial markets law no. 95 of 1992 and its executive regulations no. 22 for 2014		
Fund manager	HC for managing funds.	Beltone for managing funds.	CI Assets Management.
Currency	EGP	EGP	EGP
A-Fund shares upon issuance:			
Number of investment certificates (ICs)	200 000	10 000 000	25 000 000
Nominal value of IC	500	10	10
Total nominal value of ICs	100 000 000	100 000 000	250 000 000
The nominal value of the bank's ICs in the fund	35 900 000	7 096 710	5 000 000
B-At financial position date :			
Market price per IC	1 062	33	16
Total market value of ICs	79 917 181	36 862 370	383 964 757
No.of outstanding ICs	75 253	1 123 427	24 647 822
Total Bank's ICs classified as investment at FVTOCI	10 000	500 000	500 000
Total Bank's ICs classified as investment at FVTPL	61 800	209 671	-
	71 800	**709 671**	**500 000**
Total Fair value of bank's ICs classified as investment at FVTOCI	10 619 800	16 406 215	7 789 020
Total Fair value of bank's ICs classified as investment at FVTPL	65 630 364	6 879 815	-
	76 250 164	**23 286 030**	**7 789 020**
Fees and Commission for supervising fund and other services through PL	177 716	54 586	313 203

39- Subsequent events

On March 31,2024, the capital increase of EGP 1 500 000 thousand has been recorded in commercial registry of the bank thus the paid capital reached EGP 6 500 000 thousand.

40- Important events

The Monetary Policy Committee (MPC) decided in its special meeting on 1 February 2024, to raise the CBE’s overnight deposit rate, the overnight lending rate, and the rate of the main operation by 200 basis points to 21.25 percent, 22.25 percent, and 21.75 percent, respectively, effective from 4 February 2024. On 6 March 2024, the Monetary Policy Committee (MPC) decided in its special meeting to raise the CBE’s overnight deposit rate, the overnight lending rate, and the rate of the main operation by 600 basis points to 27.25 percent, 28.25 percent, and 27.75 percent, respectively, effective March 6, 2024.

41- Translation

These financial statements are translation into English from original Arabic statements. The original Arabic statements are the official financial statements.