Suez Canal Bank S.A.E
Financial Statements
For the year ended 31 December 2023
And Auditors' 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 December 2023

Index | **Page**

KPMG Hazem Hassan
Public Accountants & Consultants

BDO Khaled & Co.
Public Accountants & Advisers

Translation of financial statements originally issued in Arabic

Auditors' Report

To the Shareholders of
Suez Canal Bank (S.A.E)

Report on the financial statements

We have audited the accompanying financial statements of Suez Canal Bank (S.A.E) which comprise the statement of financial position as of 31 December 2023 and the related statements of income, comprehensive income, cash flows, and changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

KPMG Hazem Hassan
Public Accountants & Consultants

BDO Khaled & Co.
Public Accountants & Advisers

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Suez Canal Bank (S.A.E) as of 31 December 2023, and of its financial performance and its cash flows for the year then ended, in accordance with Central Bank of Egypt's rules pertaining to the preparation and presentation of the financial statements and measurement and recognition bases approved by its Board of Directors on 16 December 2008 as amended by the regulations issued on 26 February 2019 and in light of the prevailing Egyptian laws and regulations.

Report on Legal and Other Regulatory Requirements

There were no contravention noted during the financial year ended on 31 December 2023 of Central Bank and Banking Sector Law No. 194 of 2020.

The bank keeps proper records, which include all that is required by law and the statues of the bank, and the accompanying financial statements are in agreement therewith.

The financial information contained in the Board of Directors' report prepared in confirmity with Law No. 159 of 1981 and its Executive Regulations and their amendments, is in agreement with the bank's accounting records within the limits that such information is recorded therein.

Auditors

Ahmed Abdel Aziz Helmy
FRA No. 379

حــازم حســن KPMG
محاسبون قانونيون ومستشارون
١

KPMG Hazem Hassan
Public Accountants & Consultants

Mohamed Mortada Abd El Hamed
Chartered Accountant
FRA No. 157

BDO Khaled & Co.
Public Accountants & Advisors

BDO Khaled & Co.
Public Accountants & Advisers

Cairo, 29 February 2024

		31 December 2023	31 December 2022
Assets:	**Note**	**EGP. 000**	**EGP. 000**
Cash and due from Central Bank of Egypt	(15)	**8 393 992**	8 769 051
Due from banks	(16)	**33 529 475**	7 655 000
Treasury bills	(17)	**7 421 352**	9 449 426
Loans and facilities to customers	(18)	**33 772 112**	29 617 315
Financial investment:			
-Fair value through other comprehensive income	(19)	**6 199 370**	4 552 368
- Amortized cost	(19)	**8 915 714**	10 281 726
- Fair value through profit or loss	(19)	**522 171**	334 790
Investments in associates	(20)	**229 181**	211 218
Intangible assets	(21)	**112 919**	62 539
Other assets	(22)	**2 715 547**	2 843 917
Property and equipment	(23)	**1 126 673**	890 127
Total assets		**102 938 506**	74 667 477
Liabilities and Equity:			
Liabilities:			
Due to banks	(24)	**17 659 773**	883 093
Customer deposits	(25)	**73 647 024**	65 802 788
Other loans	(26)	**946 956**	1 080 527
Other liabilities	(27)	**2 504 248**	1 264 661
Other provisions	(28)	**174 140**	34 076
Deferred tax liabilities	(29)	**193 222**	102 016
Total liabilities		**95 125 363**	69 167 161
Equity:			
Issued and paid-up capital	(30)	**4 600 000**	2 904 326
Retained amount for capital increase	(30)	**400 000**	695 674
Reserves	(31)	**480 211**	460 831
Difference between P.V. and face value for subordinate deposits	(32)	**1 119**	5 328
Retained earnings	(33)	**2 331 813**	1 434 157
Total equity		**7 813 143**	5 500 316
Total liabilities and equity		**102 938 506**	74 667 477

The attached notes from page (10) to page (43) are an integral part of these financial statements and to be read therewith.
(Auditors' report attached)

Dr. Ayman Fawzy
Chief Financial Officer

Hussein Ahmed Refaie
Chairman and Managing Director

	Note	From 1 January 2023 To 31 December 2023 EGP. 000	From 1 January 2022 To 31 December 2022 EGP. 000
Interest from loans and similar income	(6)	9 882 619	5 643 322
Cost of deposits and similar expenses	(6)	(6 639 630)	(3 753 025)
Net interest income		**3 242 989**	**1 890 297**
Fees and commissions income	(7)	719 036	346 603
Fee and commission expense	(7)	(58 356)	(50 352)
Net fees and commissions income		**660 680**	**296 251**
Net interest, fees and commissions income		**3 903 669**	**2 186 548**
Dividends income	(8)	31 611	27 487
Net trading income	(9)	360 441	171 181
Gain on financial investments	(19)	1 767 902	961 186
Share of results of associates	(20)	20 506	63 898
Impairment credit losses	(13)	(954 290)	(243 702)
Administrative expenses	(10)	(1 533 230)	(1 210 413)
Other operating (expenses) revenue	(11)	(210 918)	(323 161)
Profit before income tax		**3 385 693**	**1 633 024**
Income tax (expense)	(12)	(1 092 348)	(592 985)
Net profit		**2 293 345**	**1 040 039**
Earnings per share (EGP/share)	(14)	4.36	1.98

The attached notes from page (10) to page (43) are an integral part of these financial statements and to be read therewith.

	Note	From 1 January 2023 To 31 December 2023 EGP. 000	From 1 January 2022 To 31 December 2022 EGP. 000
Net profit		**2 293 345**	**1 040 039**
Items that will not be reclassified to income statement			
Change in fair value of investments	(17,19)	164 310	249 290
Income tax	(29)	(35 317)	(52 914)
		128 994	**196 376**
Items that might be reclassified to income statement			
Net changes in fair value	(17,19)	30 849	(3 491)
Net transfer to income statement		(1 071)	(49 511)
Income tax	(29)	(7 269)	(1 674)
Expected credit loss	(13)	(813)	3 238
		21 695	**(51 438)**
Total other comprehensive income		**150 689**	**144 938**
Total comprehensive income		**2 444 034**	**1 184 977**

The attached notes from page (10) to page (43) are an integral part of these financial statements and to be read therewith.

31 December 2022	**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	**2 200 000**	**704 326**	**92 525**	**24 117**	**45 158**	**69 330**	**(24 457)**	**38 851**	**35 902**	**19 283**	**1 195 089**	**4 400 124**
Transfer to reserves according to AGM	-	-	30 934	-	-	(14 002)	-	-	19 785	-	(36 717)	-
Transfer from R/E to capital increase	-	695 674	-	-	-	-	-	-	-	-	(695 674)	-
Transfer from capital increase to paid-in capital	704 326	(704 326)	-	-	-	-	-	-	-	-	-	-
Dividend for the year 2021	-	-	-	-	-	-	-	-	-	-	(71 383)	(71 383)
Transfer to banking sector support and development fund	-	-	-	-	-	-	-	-	-	-	(6 242)	(6 242)
Net change in OCI items	-	-	-	-	-	-	144 938	-	-	-	-	144 938
Net change in fair value transferred to R/E after tax deduction	-	-	-	-	-	-	(2 250)	-	-	-	2 250	-
Amortization of subordinate deposit difference	-	-	-	-	-	-	-	-	-	(13 955)	6 795	(7 160)
Net profit for the period	-	-	-	-	-	-	-	-	-	-	1 040 039	1 040 039
	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**

31 December 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 from general banking risk reserve to retained earnings	-	-	-	-	-	-	-	-	(14 165)	-	14 165	-
Transfer to reserves according to AGM	-	-	51 932	-	-	1 395	-	-	19 783	-	(73 110)	-
Transfer from legal reserve to capital increase	-	175 391	(175 391)	-	-	-	-	-	-	-	-	-
Transfer from R/E to capital increase	-	1 224 609	-	-	-	-	-	-	-	-	(1 224 609)	-
Transfer from capital increase to paid-in capital	1 695 674	(1 695 674)	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	150 689	-	-	-	-	150 689
Net change in fair value transferred to R/E after tax deduction	-	-	-	-	-	-	(14 863)	-	-	-	14 863	-
Net change of subordinate deposit difference	-	-	-	-	-	-	-	-	-	(4 209)	2 572	(1 637)
Net profit for the period	-	-	-	-	-	-	-	-	-	-	2 293 345	2 293 345
	4 600 000	**400 000**	**0**	**24 117**	**45 158**	**56 723**	**254 058**	**38 851**	**61 305**	**1 119**	**2 331 812**	**7 813 143**

The attached notes from page (10) to page (43) are an integral part of these financial statements and to be read therewith.

	Note	31 December 2023	31 December 2022
Cash flows from operating activities		**EGP.000**	**EGP.000**
Profit before tax		3 385 693	1 633 024
Adjustments to reconcile net profit to net cash flows from operating activities			
Depreciation of property and equipment	(23)	80 280	74 263
Amortization of intangible assets	(21)	114 855	57 350
Impairment credit losses	(13)	954 290	243 702
Revaluation of investment at FVTPL	(9)	(187 380)	(13 388)
Share of results of associates	(20)	(20 506)	(63 898)
Reversed impairment for associates	(20)	(17 298)	17 299
Net formed other provision	(28)	148 988	18 350
Gain on sale of property and equipment	(11)	(2 473)	(1 395)
Gain from selling financial investment other than financial investment at FVTPL	(19)	(1 740 200)	(978 485)
Translation differences of other provisions in foreign currencies	(28)	1 061	946
Translation differences of financial investment other than financial investment at FVTPL	(19)	(319 245)	(353 809)
Translation differences of impairment losses in foreign currencies		202 667	417 011
Gain on sale of investments in associate	(19)	(10 404)	-
Dividend income	(8)	(31 611)	(27 487)
Amortization of premium/discount of financial investment other than FVTPL	(19)	17 269	9 067
Reverse of amortization of subordinate deposit difference	(32)	2 573	6 795
Operating profits before changes in assets and liabilities from operating activities		**2 578 559**	**1 039 345**
Net (increase) decrease in assets and increase (decrease) in liabilities			
Due from Central Bank of Egypt within the mandatory reserve	(15)	498 565	(3 746 777)
Due from banks with maturity more than three months	(16)	1 551 641	(1 706 107)
Treasury bills	(17)	1 438 090	(4 382 109)
Loans and credit facilities to customers	(18)	(5 307 751)	(7 235 298)
Financial assets at FVTPL	(19)	( )	(19 267)
Other assets	(22)	(100 668)	(556 255)
Due to banks	(24)	16 776 680	(255 626)
Customers' deposits	(25)	7 844 236	15 215 936
Other liabilities	(27)	1 025 149	414 086
Income taxes paid		(837 734)	(548 561)
Other provisions used	(28)	(9 985)	(974)
Net cash flows from (used in) operating activities		**25 456 782**	**(1 781 607)**

The attached notes from page (10) to page (43) are an integral part of these financial statements and to be read therewith.

	Note	31 December 2023 EGP.000	31 December 2022 EGP.000
Cash flows from investing activities			
Payments for purchase property and equipment	(23)	(88 683)	(47 593)
Payments for purchase intangible assets	(21)	(165 235)	(62 850)
Proceeds from sale of property and equipment	(23)	3 368	1 395
Proceeds from selling of financial investments other than financial investment at FVTPL	(19)	5 315 360	8 002 382
Payments for purchase financial investments other than financial investment at FVTPL	(19)	(3 363 585)	(6 583 390)
Dividends received from investment in associate	(20)	2 326	-
Proceeds from sale of investments in associates	(20)	27 920	-
Dividends income from financial investment	(8)	31 611	27 487
Net cash flows (used in) investing activities		**1 763 082**	**1 337 431**
Cash flows from financing activities			
Payment for other loans	(26)	(203 177)	(262 780)
Proceeds from other loans	(26)	65 397	905 000
Dividends	(33)	(119 291)	(71 383)
Net cash flows provided by (used in) financing activities		**(257 071)**	**570 837**
Net changes in cash and cash equivalent		26 962 793	126 662
Cash and cash equivalent at the beginning of the period		8 254 294	8 127 632
Cash and cash equivalent at the end of the period	(34)	**35 217 087**	**8 254 294**
Cash and cash equivalent are represented in			
Cash and due from Central Banks	(15)	8 397 165	8 771 592
Due from banks	(16)	33 531 991	7 655 336
Treasury bills	(17)	7 421 887	9 449 620
Due from Central Bank within the mandatory reserve	(15)	(7 958 261)	(8 456 826)
Due from banks with maturity more than three months	(16)	(154 466)	(1 706 107)
Treasury bills with maturity more than three months	(17)	(6 021 230)	(7 459 321)
Cash and cash equivalent at the end of the period	(34)	**35 217 087**	**8 254 294**

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

* Amout of EGP 229 038 thousands represents transfers from other assets (assets under construction) to property and equipment.

* Amout of EGP 2 573 thousands represents net change in difference between the present value and face value of subordinate deposit.

* Amout of EGP 400 000 thousands represents retained amount for capital increase from retained earnings.

The attached notes from page (10) to page (43) are an integral part of these financial statements and to be read therewith.

	31 December 2023	31 December 2022	
	EGP.000	EGP.000	
Net profit for the year (according to income statement)	2 293 345	1 040 039	
Capital reserve	(2 473)	(1 395)	
General banking risk reserve	(35 095)	(19 783)	
Transfers to retained earnings during the year	31 599	9 045	
Distributable net profits for the year	**2 287 376**	**1 027 906**	
Beginning balance of retained earnings	6 868	385 073	
Total	**2 294 244**	**1 412 979**	
To be distributed as follows:			
Legal reserve	114 544	51 932	
Shareholders' first tier dividends 5% of paid-up capital (Stock dividends)*	250 000	180 000	
Staff profit share	228 738	102 791	
Remuneration of Board members	22 000	16 500	
Banking sector support and development fund**	22 873	10 279	
Shareholders' second tier dividends(Stock dividends)	750 000	1 044 609	***
Retained earnings at the end of the year	906 089	6 868	***
Total	**2 294 244**	**1 412 979**	

* The proposed dividend are bonus shares: 0.2 share / one share.

** According to article 178 of CBE law no. 194 for 2020 to deduct an amount of no more than 1% of net profit available for distribution for banking sector support and development fund

***Affected by general meeting resoulutions dated 13 August 2023.

The attached notes from page (10) to page (43) are an integral part of these financial statements and to be read therewith.

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 49 branches and served by 1473 staff member at the date of the financial statements.

These financial statements have been approved for publishing by the board of director in February 28, 2023.

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

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 rate method

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 system	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 December 2023		31 December 2022	
	Loans & credit facilities	**Provision for impairment loss**	**Loans & credit facilities**	**Provision for impairment loss**
1-Performing loans	78.78%	23.99%	78.08%	6.15%
2-Regular watching	11.17%	18.31%	10.43%	10.01%
3-Watch List	0.97%	3.31%	5.93%	16.24%
4-Non performing loans	9.08%	54.39%	5.56%	67.60%
	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	8 397 165	-	-	8 397 165
Expected credit loss provision	(3 173)	-	-	(3 173)
	8 393 992	-	-	**8 393 992**
Due from banks	33 531 991	-	-	33 531 991
Expected credit loss provision	(2 516)	-	-	(2 516)
	33 529 475	-	-	**33 529 475**
Treasury bills	7 421 352	-	-	7 421 352
Expected credit loss provision	-	-	-	-
	7 421 352	-	-	**7 421 352**
Debt instruments at amortized cost	8 924 029	-	-	8 924 029
Expected credit loss provision	(8 315)	-	-	(8 315)
	8 915 714	-	-	**8 915 714**
Investment at fair value through comprehensive income	6 199 370	-	-	6 199 370
Expected credit loss provision	(2 425)	-	-	(2 425)
	6 199 370	**-**	**-**	**6 199 370**
Loans and credit facilities				
Financial institutions	23 448 961	2 242 764	738 809	26 430 534
Medium enterprises	1 388 261	1 002 772	64 554	2 455 587
Small and micro enterprises	1 844 908	158 628	2 510 912	4 514 448
Retail	3 541 544	117 631	54 278	3 713 453
	30 223 674	**3 521 795**	**3 368 553**	**37 114 022**
Expect credit loss provision	(539 370)	(585 268)	(1 526 543)	(2 651 181)
Interest in suspense		(25 963)	(664 766)	(690 729)
	29 684 304	**2 910 564**	**1 177 244**	**33 772 112**

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-c) 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 December 2023**	**31 December 2022**
	EGP.000	**EGP.000**
Due from Central Bank of Egypt (Net)	7 955 088	8 454 285
Due from banks (Net)	33 529 475	7 655 000
Treasury bills (Net)	7 421 352	9 449 426
Loans and credit facilities to banks (Net)	-	-
Loans and facilities to customers:		
A-Individuals loans:		
Overdraft	73 451	124 874
Credit cards	47 955	36 463
Personal loans	3 592 047	2 595 357
B-Corporate loans including SMEs		
Overdraft	18 129 806	13 081 208
Direct loans	4 337 435	6 692 092
Syndicated loans	10 933 328	9 607 228
Provision for impairment loss	(2 651 180)	(1 961 682)
Interest in suspense	(690 729)	(558 225)
Interest under settlement	-	-
Debt instruments (Net):		
At fair value through comprehensive income	4 989 513	3 548 817
At amortized cost	8 915 714	10 281 726
Other financial assets	784 950	772 904
	97 368 205	**69 779 473**

Off balance sheet items exposed to credit risk:	**31 December 2023**	**31 December 2022**
	EGP.000	**EGP.000**
Letters of guarantee and financial guarantees	10 496 104	9 664 646
Letters of credits	1 979 778	2 579 279
Total	**12 475 882**	**12 243 925**

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 7.62 % of the maximum limit exposed to credit risk arises from treasury bills against 13.54% in previous year. 34.44 % due from banks against 10.97% 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 3 369 million (against EGP 1 786 million in previous year).

More than76.60 % (against 85.50 % 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 December 2023**	**31 December 2022**
	EGP.000	**EGP.000**
Neither past due nor impaired	33 282 447	29 583 898
Past due not subject to impairment	463 022	767 519
Individually impaired	3 368 553	1 785 805
	37 114 022	**32 137 222**
Less		
Provision for impairment loss	(2 651 181)	(1 961 682)
Interest in suspense	(690 729)	(558 225)
	33 772 112	**29 617 315**

The total provision for impairment losses for loans and facilities at the end of the current fiscal period amounted to 2 651 182 thousand Egyptian pounds, compared to 1 961 682 thousand Egyptian pounds at the end of the comparison year. Of these, 1 740 415 thousand Egyptian pounds represents the provision for impairment losses for individual loans (stage 3) compared to 1 326 243 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 1 016 373 thousand Egyptian pounds.compared to 635 440 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 December 2023	**Retail**			**Corporate**			**EGP.000**
Assessment	**Overdraft**	**Credit Cards**	**Personal loans**	**Overdraft**	**Direct loans**	**Syndicated loans**	**Total**
Performing	68 574	38 291	3 426 987	14 072 515	3 549 667	7 967 885	29 123 918
Regular watch-list	-	-	-	509 052	621 131	2 693 603	3 823 786
Special watch-list	999	880	115 460	217 116	287	-	334 743
	69 573	**39 171**	**3 542 448**	**14 798 683**	**4 171 085**	**10 661 488**	**33 282 448**

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 2022	**Retail**			**Corporate**			**Total**
Assessment	**Overdraft**	**Credit Cards**	**Personal loans**	**Overdraft**	**Direct Loans**	**Syndicated Loans**	**EGP.000**
Performing	88 878	34 949	2 377 657	9 894 901	4 983 809	7 466 929	24 847 123
Regular watch-list	-	-	-	784 380	218 878	2 140 299	3 143 557
Special watch-list	32 692	-	194 385	98 983	1 267 158	-	1 593 218
	121 570	**34 949**	**2 572 042**	**10 778 264**	**6 469 845**	**9 607 228**	**29 583 898**

Past due not subject to impairment

31 December 2023	**Retail**			**Corporate**			**EGP.000**
Assessment	**Overdraft**	**Credit Cards**	**Personal loans**	**Overdraft**	**Direct loans**	**Syndicated loans**	**Total**
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**

31 December 2022	**Retail**			**Corporate**			**Total**
Assessment	**Overdraft**	**Credit Cards**	**Personal loans**	**Overdraft**	**Direct loans**	**Syndicated loans**	**EGP.000**
Up to 30 days	-	-	-	236 838	9 212	-	246 050
More than 30 to 60 days	-	706	-	208 077	354	-	209 137
More than 60 to 90 days	-	216	-	277 641	34 475	-	312 332
	-	**922**	**-**	**722 556**	**44 041**	**-**	**767 519**

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 2 159 279 thousand (EGP EGP 1 785 805 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 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**

31 December 2022	**Retail**			**Corporate**		**Total**
	Overdraft	**Credit Cards**	**Personal Loans**	**Overdraft**	**Direct Loans**	**EGP.000**
Impaired loans	3 304	592	23 315	1 580 389	178 205	1 785 805
The fair value of collaterals	**714**	**-**	**1 779**	**21 814**	**5 456**	**29 763**

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 December 2023 EGP 000	31 December 2022 EGP 000
Treasury Bills	(17)	B-	7 421 352	9 449 426
Treasury Bond at FVTOCI	(19)	B-	-	172 310
Treasury Bond at amortized cost	(19)	B-	8 915 714	10 281 726
Total			**16 337 066**	**19 903 462**

A-9 Acquisition of collateral

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

Nature of asset	31 December 2023 EGP.000	31 December 2022 EGP.000
Land and Building	-	31 197

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	7 958 261	-	-	-	**7 958 261**
Treasury bills	7 421 352	-	-	-	**7 421 352**
Due from banks	30 373 653	-	-	3 158 338	**33 531 991**
Loans and credit facilities to banks	-	-	-	-	-
Individuals Loans					
Overdraft	26 471	44 845	2 135	-	**73 451**
Credit cards	35 492	10 908	1 555	-	**47 955**
Personal loans	2 126 380	1 122 665	343 002	-	**3 592 047**
Corporate Loans					
Overdraft	15 752 738	2 360 169	16 899	-	**18 129 806**
Direct loans	3 299 136	997 192	41 107	-	**4 337 435**
Syndicated loans	10 933 328	-	-	-	**10 933 328**
Financial investments					
Debt instruments	13 913 542	-	-	-	**13 913 542**
Other assets	760 651	20 011	4 288	-	**784 950**
31 December 2023	**92 601 004**	**4 555 790**	**408 985**	**3 158 338**	**100 724 118**
31 December 2022	**66 250 037**	**3 874 314**	**276 489**	**1 907 727**	**72 308 567**

-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	8 393 992	-	-	-	-	-	-	-	-	8 393 992
Treasury bills	7 421 352	-	-	-	-	-	-	-	-	7 421 352
Due from banks	2 239 518	-	-	31 289 957	-	-	-	-	-	33 529 475
Loans and credit facilities to banks	-	-	-	-	-	-	-	-	-	-
Loans and facilities to customers										
Individuals Loans										
Overdraft	-	73 451	-	-	-	-	-	-	-	73 451
Credit cards	-	47 955	-	-	-	-	-	-	-	47 955
Personal loans	-	3 592 047	-	-	-	-	-	-	-	3 592 047
Corporate Loans										
Over draft	-	-	333 405	3 907 979	2 629 800	7 163 433	1 314 476	2 476 027	304 686	18 129 806
Direct loans	-	-	7 236	880 146	223 353	605 397	216 351	2 019 750	385 202	4 337 435
Syndicated loans	-	-	1 914 028	108 435	1 517 810	1 898 072	68 840	945 702	4 480 441	10 933 329
Financial investments :										
Debt instruments	8 915 714	-	-	-	4 989 513	-	-	-	-	13 905 227
Other assets	436 703	-	-	147 862	-	-	-	-	200 385	784 950
31 December 2023	**27 407 279**	**3 713 453**	**2 254 669**	**36 334 379**	**9 360 476**	**9 666 902**	**1 599 667**	**5 441 480**	**5 370 714**	**101 149 019**
31 December 2022	**29 178 362**	**2 756 694**	**2 360 448**	**10 754 515**	**10 799 198**	**7 387 850**	**1 568 921**	**7 318 140**	**496 331**	**72 620 457**

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 December 2023			31 December 2022		
	Average	Highest	Lowest	Average	Highest	Lowest
Foreign exchange risk	1 898	3 649	175	1 175	3 357	17
Equity instrument risk	8 416	16 454	7 003	8 364	10 248	6 927
Matual funds	3 672	4 602	3 003	2 374	3 046	2 039

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 December 2023						EGP.000
Financial assets	**EGP**	**USD**	**EURO**	**GBP**	**Other Currencies**	**Total**
Cash and due from Central Bank of Egypt	5 016 877	3 338 464	29 761	7 206	1 683	8 393 992
Due from banks	2 271 603	29 195 216	1 965 123	64 078	33 455	33 529 475
Treasury bills	5 472 577	617,801.00	1 330 974	-	-	7 421 352
Loans and facilities to customers	23 251 233	10 205 562	315 263	20	34	33 772 112
Financial Investments						
At fair value through comprehensive income (FVTOCI)	5 314 015	885 355	-	-	-	6 199 370
At amortized cost	7 871 654	719 182	324 878	-	-	8 915 714
At fair value through profit or loss (FVTPL)	411 853	110 318	-	-	-	522 171
Other financial assets	1 003 173	154 984	23 313	61	-	1 181 531
Total financial assets	**50 612 985**	**45 226 882**	**3 989 312**	**71 365**	**35 172**	**99 935 716**
Financial liabilities						
Due to banks	18 361	16 430 567	1 201 374	9 461	10	17 659 773
Customers' deposits	42 723 004	28 118 899	2 712 146	60 347	32 628	73 647 024
Other loans	946 956	-	-	-	-	946 956
Other financial liabilities	2 409 173	385 548	76 466	67	356	2 871 610
Total financial liabilities	46 097 494	44 935 014	3 989 986	69 875	32 994	95 125 362
Currency concentration risk on financial instruments	**4 515 491**	**291 868**	**(674)**	**1 490**	**2 177**	**4 810 354**
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**	**-**

31 December 2022	**EGP**	**USD**	**Euro**	**GBP**	**Other Currencies**	**Total**
Total financial assets	47 602 112	22 169 352	1 842 714	88 731	32 119	71 735 028
Total financial liabilities	45 172 983	22 042 463	1 832 101	88 319	31 295	69 167 161
Other non- financial assets	2 932 449	-	-	-	-	2 932 449
Other non- financial liabilities and equity	5 500 316	-	-	-	-	5 500 316
Net financial position	**(138 738)**	**126 889**	**10 613**	**412**	**824**	**-**

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 December 2023	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	2 278 717	3 207 045	-	-	-	5 234 732	**10 720 495**
Due from banks	29 893 691	1 378 055	160 511	-	-	-	**31 432 257**
Treasury bills	4 965 462	638 775	1 967 369	-	-	-	**7 571 606**
Loans and facilities to customers	22 042 985	6 285 291	2 747 259	4 053 983	2 272 100	-	**37 401 617**
Financial Investments							-
At fair value through comprehensive income	248 335	2 197 890	2 747 690	211 780	3 711	1 202 435	**6 611 841**
At amortized cost	161 984	72 168	5 033 312	5 988 529	216 100	-	**11 472 093**
At fair value through profit or loss	-	-	-	-	-	522 171	**522 171**
Other financial assets	-	-	-	-	-	229 181	**229 181**
Total financial assets	**59 591 174**	**13 779 224**	**12 656 141**	**10 254 292**	**2 491 911**	**7 188 518**	**105 961 260**
Financial liabilities							
Due to banks	16 553 158	1 205 147	-	-	-	-	**17 758 305**
Customers' deposits	37 516 055	14 646 215	10 221 265	15 262 904	-	-	**77 646 439**
Other loans	-	556 707	148 006	472 370	-	-	**1 177 083**
Other financial liabilities	157	-	10 523	6 091	-	-	**16 771**
Total financial liabilities	**54 069 371**	**16 408 069**	**10 379 794**	**15 741 365**	-	-	**96 598 598**
The interest re-pricing gap	**5 521 804**	**(2 628 845)**	**2 276 347**	**(5 487 073)**	**2 491 911**	**7 188 518**	**9 362 662**
31 December 2022							
Total financial assets	36 075 270	11 587 662	7 882 838	12 506 896	1 833 867	7 799 060	**77 685 593**
Total financial liabilities	32 232 719	13 330 232	13 271 161	11 166 415	-	-	**70 000 527**
Re-pricing gab	**3 842 551**	**(1 742 570)**	**(5 388 323)**	**1 340 481**	**1 833 867**	**7 799 060**	**7 685 066**

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	16 502 468	1 193 344	-	-	-	-	17 695 812
Customers' deposits	27 092 005	13 824 345	5 076 779	6 533 618	21 071 496	48 780	73 647 024
Other loans	-	-	-	-	946 956	-	946 956
Other financial liabilities	852 792	-	-	-	-	-	852 792
Total financial liabilities	44 447 265	15 017 689	5 076 779	6 533 618	22 018 452	48 780	93 142 584

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 to the bank at the end of the current period amounted to EGP 4.6 billion Egyptian pounds. In the light of compliance to this requirement and according to reconciliation plan the increase of EGP 0.4 billion of paid capital was approved and record in commercial registry. after the increase the paid capital will become EGP 5 billion according to the aporoval of general meeting dated 21 January 2024 .

- 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 December 2023 EGP.000	31 December 2022 EGP.000 *
Tier one (basic and additional capital)		
Share Capital earnings	5 000 000	3 600 000
Reserves	80 840	253 441
General risk reserve	38 851	38 851
Retained earnings	29 580	1 242 344
Net profit from period	2 293 345	-
Total OCI items	254 057	118 231
Total exclusions from basic and supplementary capital	(127 881)	(72 140)
Total Tier one after exclusions	**7 568 792**	**5 180 727**
Tier two (Supplementary capital)		
45% Balance of special reserve	20 321	20 321
subordinate deposits/loans	925 000	1 075 000
Total provision for impairment losses on contingent liabilities	585 143	125 410
Total deductions from tier two	-	-
Total Tier two after deduction	**1 530 463**	**1 220 731**
Total capital	**9 099 255**	**6 401 458**
Risk weighted assets and contingent liabilities		
Credit risk	46 888 178	39 270 524
Risk of top 50 clients exposures	3 142 210	-
Market risk	1 363 966	813 361
Operational risk	5 100 891	3 608 091
Total risk weighted assets and contingent liabilities	**56 495 245**	**43 691 976**
Capital adequacy ratio	**16.11%**	**14.65%**

* After bank's AGM approval.

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 December 2023 EGP.000	31 December 2022 EGP.000*
Trer 1 Capital after exclusions	**7 568 792**	**5 268 854**
Total exposures on Financial position statement.	98 178 289	71 240 172
Total exposures off Financial position statement.	12 250 491	9 597 163
Total exposures on Financial position and off- Financial position statement	**110 428 780**	**80 837 335**
Leverage financial ratio	**6.85%**	**6.52%**

*After bank's AGM approval.

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	3 616 934	2 180 004	76 275	5 873 213
Geographical segment expense	(2 302 565)	(158 003)	(26 952)	(2 487 520)
Net profit before tax	**1 314 369**	**2 022 001**	**49 324**	**3 385 693**
Income tax	(626 300)	(454 950)	(11 098)	(1 092 348)
Net profit	**688 068**	**1 567 051**	**38 226**	**2 293 345**

For the period ended 30 September 2022	Great Cairo	Alex. ,Delta & Sinai	Upper Egypt	Total
Geographical segment income	2 178 544	854 147	54 448	3 087 139
Geographical segment expense	(1 309 021)	(121 337)	(23 757)	(1 454 115)
Net profit before tax	**869 523**	**732 810**	**30 691**	**1 633 024**
Income tax	(421 198)	(164 882)	(6 905)	(592 985)
Net profit	**448 325**	**567 928**	**23 786**	**1 040 039**

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**

Assets and liabilities to geographical segment

31 December 2022	Great Cairo	Alex. ,Delta & Sinai	Upper Egypt	Total
Geographical segment assets	70 223 122	4 099 136	345 219	74 667 477
Total of assets	**70 223 122**	**4 099 136**	**345 219**	**74 667 477**
Geographical segment liabilities	57 507 442	10 654 297	1 005 422	69 167 161
Total of liabilities	**57 507 442**	**10 654 297**	**1 005 422**	**69 167 161**

6 - Net Interest Income	From 1 January 2023 To 31 December 2023 EGP.000	From 1 January 2022 To 31 December 2022 EGP.000
Interest from loans and similar income		
Loans and facilities to Customers	5 083 945	2 812 686
Treasury bills	1 539 239	599 985
Bonds:		
Governmental bonds	1 320 641	1 457 269
Other bonds	478 595	459 202
Deposits and current accounts with banks	1 460 199	314 180
	9 882 619	**5 643 322**
Cost of deposits and similar expenses		
Current accounts and deposits :		
Customers	(6 125 646)	(3 422 288)
Banks	(328 695)	(208 931)
Other	(185 289)	(121 806)
	(6 639 630)	**(3 753 025)**
	3 242 989	**1 890 297**

7 -Net Fees and Commissions Income	From 1 January 2023 To 31 December 2023 EGP.000	From 1 January 2022 To 31 December 2022 EGP.000
Fees and Commissions Income		
Credit fees and commissions	70 874	56 307
Trade finance fees and commissions	628 692	279 345
Custody fees	3 472	3 115
Other fees	15 998	7 836
	719 036	**346 603**
Fees and Commissions Expenses		
Other paid fees	(58 356)	(50 352)
	(58 356)	**(50 352)**
	660 680	**296 251**

8 – Dividends Income	From 1 January 2023 To 31 December 2023 EGP.000	From 1 January 2022 To 31 December 2022 EGP.000
Financial instrument at FVTPL	15 173	14 230
Financial instrument at FVTOCI	16 438	13 257
	31 611	**27 487**

9 - Net Trading Income	From 1 January 2023 To 31 December 2023 EGP.000	From 1 January 2022 To 31 December 2022 EGP.000
Gains from dealing in foreign currencies	173 061	157 793
Translation differences of financial investment at FVTPL	187 380	13 388
	360 441	**171 181**

10 - Administrative Expenses	**From 1 January 2023 To 31 December 2023**	**From 1 January 2022 To 31 December 2022**
	EGP.000	**EGP.000**
Wages and salaries	(713 403)	(633 403)
Social Insurance	(143 887)	(122 434)
Other administrative expenses	(675 940)	(454 576)
	(1 533 230)	**(1 210 413)**

11- Other operating income (expense)	**From 1 January 2023 To 31 December 2023**	**From 1 January 2022 To 31 December 2022**
	EGP.000	**EGP.000**
Gain (loss) on sale of property and equipment	2 473	1 395
Other income / (expenses)	146 207	29 013
Foreign exchange translation differences of non-monetary items	(210 610)	(335 219)
Release (charge) of other provisions	(148 988)	(18 350)
	(210 917)	**(323 161)**

12 - Income tax expense	**From 1 January 2023 To 31 December 2023**	**From 1 January 2022 To 31 December 2022**
	EGP.000	**EGP.000**
Current taxes	(1 041 893)	(625 319)
Deferred taxes (note 29)	(50 455)	32 334
	(1 092 348)	**(592 985)**

Note (29) includs additional information about deferred income tax

Adjustments to calculate the effective tax rate	**From 1 January 2023 To 31 December 2023**	**From 1 January 2022 To 31 December 2022**
	EGP.000	**EGP.000**
Profit before income tax	3 385 693	1 633 024
Tax rate	22.50%	22.50%
Income tax calculated based on accounting profit	**761 781**	367 430
Add /(deduct)		
Non-deductible expenses	166 193	221 576
Tax exemptions	(262 049)	(155 797)
Provisions impact	69 425	38 952
Depreciation impact	13 941	6 603
Tax pool	257 925	158 119
Others	85 133	(43 899)
Income tax expenses	**1 092 349**	**592 985**
Effective tax rate	**32.26%**	**36.31%**

13 - Charge of impairment credit losses	From 1 January 2023 To 31 December 2023 EGP.000	From 1 January 2022 To 31 December 2022 EGP.000
Loans and credit facilities to banks	-	6
Loans and advances to customers	(952 671)	(236 155)
Due from Central Bank of Egypt	0	(1 152)
Due from banks	(2 087)	(286)
Debt instruments at FVTOCI	814	(3 239)
Treasury bills	-	-
Debt instruments at amortized cost	(346)	(2 876)
	(954 290)	**(243 702)**

14 - Earnings per share	From 1 January 2023 To 31 December 2023 EGP.000	From 1 January 2022 To 31 December 2022 EGP.000
Net profit	2 293 345	1 040 039
Profit share of Staff, board members and Banking system support & development fund*	(288 611)	(129 570)
Profit available	2 004 734	910 469
Weighted average for outstanding shares (thousand)	460 000	460 000
Earnings per share (EGP/share) **	**4.36**	**1.98**

*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 December 2023 EGP.000	31 December 2022 EGP.000
Cash	438 904	314 766
Due from CBE mandatory reserve	7 958 261	8 456 826
Less: Allowance for impairment losses	(3 173)	(2 541)
	8 393 992	**8 769 051**
Non-interest bearing balances	5 234 731	6 238 511
Fixed interest bearing balances	3 162 434	2 533 081
Less: Allowance for impairment losses	(3 173)	(2 541)
	8 393 992	**8 769 051**

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

	31 December 2023 EGP.000	31 December 2022 EGP.000
Opening balance	2 541	767
Charge (release) of impairment credit loss	-	1 152
Foreign exchanges revaluation differences	632	622
	3 173	**2 541**

16 - Due from banks	31 December 2023 EGP.000	31 December 2022 EGP.000
Current accounts	371 068	223 290
Deposits	33 160 923	7 432 045
Less: Allowance for impairment losses	(2 516)	(335)
	33 529 475	7 655 000
Due from CBE other than those under the mandatory reserve	2 239 518	17 895
Local banks	28 134 135	5 729 711
Foreign banks	3 158 338	1 907 729
Less: Allowance for impairment losses	(2 516)	(335)
	33 529 475	7 655 000
Non-interest bearing balances	371 068	223 290
Fixed balances at floating interest bearing	33 160 923	7 432 045
Less: Allowance for impairment losses	(2 516)	(335)
	33 529 475	7 655 000
Current balances	**33 529 475**	7 655 000

Movement of allowance for impairment losses for due from banks	31 December 2023 EGP.000	31 December 2022 EGP.000
Opening balance	335	20
Charge (release) of impairment loss	2 087	286
Foreign exchanges revaluation differences	94	29
	2 516	**335**

17 - Treasury bills	31 December 2023 EGP.000	31 December 2022 EGP.000
Treasury bills at FVTOCI		
Maturity 91 days	1 423 050	2 004 925
Maturity 182 days	1 466 825	4 500 650
Maturity 273 days	550	501 100
More the 364 day maturity	4 681 181	2 609 570
Total	**7 571 606**	**9 616 245**
Less :		
Unearned interest less than 91 days	(22 395)	(14 626)
Unearned interest more than 91 days	(127 325)	(151 999)
	7 421 886	**9 449 620**
Revaluation reserve	(534)	**(194)**
Total	**7 421 352**	**9 449 426**

18 - Loans and facilities to customers

	31 December 2023			31 December 2022		
	Total	**Provision**	**Net**	**Total**	**Provision**	**Net**
	EGP.000	**EGP.000**	**EGP.000**	**EGP.000**	**EGP.000**	**EGP.000**
Retail						
Overdraft	73 451	(1 378)	72 073	124 874	(3 114)	121 760
Credit cards	47 955	(8 079)	39 876	36 463	(2 641)	33 822
Personal loans	3 592 047	(171 003)	3 421 044	2 595 357	(85 052)	2 510 305
Total (1)	**3 713 453**	**(180 460)**	**3 532 992**	**2 756 694**	**(90 807)**	**2 665 887**
Corporate including SMEs						
Overdraft	18 129 806	(1 688 638)	16 441 168	13 081 208	(1 360 436)	11 720 772
Direct loans	4 337 435	(406 398)	3 931 037	6 692 092	(380 092)	6 312 000
Syndicated loans	10 933 328	(375 685)	10 557 643	9 607 228	(130 347)	9 476 881
Total (2)	**33 400 569**	**(2 470 721)**	**30 929 848**	**29 380 528**	**(1 870 875)**	**27 509 653**
Total loans and facilities to customers (1+2)	**37 114 022**	**(2 651 182)**	**34 462 841**	**32 137 222**	**(1 961 682)**	**30 175 540**
Less:						
Interest in suspense			(690 729)			(558 225)
Net loans and facilities to customers			**33 772 111**			**29 617 315**
Current balances			30 236 878			26 938 980
Non-current balances			3 535 234			2 678 335
			33 772 112			**29 617 315**

Allowance of impairment losses

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

31 December 2023

	Retail			
	Overdraft EGP.000	**Credit Cards EGP.000**	**Personal Loans EGP.000**	**Total 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**

	Corporate			
	Overdraft EGP.000	**Direct Loans EGP.000**	**Syndicated Loans EGP.000**	**Total EGP.000**
Opening balance	1 360 436	380 092	130 347	1 870 875
Impairment Charge	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
	1 688 637	**406 398**	**375 685**	**2 470 721**
				2 651 182

31 December 2022

	Retail			
	Overdraft EGP.000	**Credit Cards EGP.000**	**Personal Loans EGP.000**	**Total EGP.000**
Opening balance	17 614	7 088	64 995	89 697
Impairment Charge	(14 513)	(4 447)	20 070	1 110
Used	-	-	(13)	(13)
Foreign exchange translation differences	13	-	-	13
	3 114	**2 641**	**85 052**	**90 807**

31 December 2022

	Corporate			
	Overdraft EGP.000	**Direct Loans EGP.000**	**Syndicated Loans EGP.000**	**Total EGP.000**
Opening balance	1 800 769	228 275	91 849	2 120 893
Charge (release) of impairment loss	148 037	67 410	19 599	235 046
Used	(902 915)	-	-	(902 915)
Proceeds from previously written off debts	3 512	-	-	3 512
Foreign exchange translation differences	311 033	84 407	18 899	414 339
	1 360 436	**380 092**	**130 347**	**1 870 875**
				1 961 682

19 –Financial investments

	31 December 2023 EGP.000	31 December 2022 EGP.000
At FVTOCI		
a) Debt instruments at FVTOCI		
Listed in the market*	4 989 513	3 548 817
	4 989 513	**3 548 817**
b) Equity instruments at FVTOCI		
Listed in the market	3 123	3 124
Unlisted in the market	1 099 997	923 914
	1 103 120	**927 038**
c) Mutual funds		
Unlisted in the market **	106 737	76 513
	106 737	**76 513**
Total financial investments at FVTOCI (1)	**6 199 370**	**4 552 368**
At Amortized Cost		
a) Debt instruments		
Listed in the market	8 924 029	10 288 036
Less: Allowance for impairment losses	(8 315)	(6 310)
Total financial investments at Amortized Cost (2)	**8 915 714**	**10 281 726**
At FVTPL		
a) Equity instruments at FVTPL		
Listed in the market	321 721	194 236
	321 721	**194 236**
b) Mutual funds		
Non-listed in the market	200 450	140 554
	200 450	**140 554**
Total financial investments at FVTPL (3)	**522 172**	**334 790**
Total Financial investments (1+2+3)	**15 637 256**	**15 168 884**
Current balances	5 314 357	3 746 177
Not-current balances	10 322 898	11 422 707
Total Financial investments	**15 637 256**	**15 168 884**
Fixed interest rates debt instruments	9 263 648	11 064 641
Floating interest rates debt instruments	4 641 579	2 765 903

*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 December 2023	**EGP.000**	**EGP.000**	**EGP.000**
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)
	6 199 370	**8 915 714**	**15 115 084**
31 December 2022			
Opening balance	**9 480 024**	**5 275 016**	**14 755 040**
Addition	1 235 912	5 347 478	6 583 390
Disposal maturity (redemption)	(6 452 172)	(639 358)	(7 091 530)
Foreign exchange translation differences	44 988	307 103	352 091
Net change in fair value reserve	249 047	-	249 047
Discount (premium) amortization	(5 431)	(3 636)	(9 067)
Release /(charge) Allowance for impairment losses	-	(4 877)	(4 877)
	4 552 368	**10 281 726**	**14 834 094**

Gain on Financial Investments	From 1 January 2023 To 31 December 2023	From 1 January 2022 To 31 December 2022
	EGP.000	EGP.000
Gain on sale of associate	10 404	-
Gain on sale of debt instrument and treasury bills	1 740 200	978 485
Release (charge) of impairment losses of associates	17 298	(17 299)
	1 767 902	**961 186**

Movement of allowance for impairment losses for Investments at Amortized Cost

	31 December 2023	31 December 2022
	EGP.000	EGP.000
Opening balance	6 310	1 433
Charge (release) of impairment loss	346	2 876
Foreign exchanges revaluation differences	1 659	2 001
	8 315	**6 310**

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

	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 December 2023	31 December 2022
	EGP.000	EGP.000
Opening balance	170 301	107 452
Additions	165 235	62 850
Total cost	**335 537**	**170 302**
Accumulated amortization	(107 762)	(50 413)
Amortization expenses	(114 855)	(57 350)
Accumulated amortization	**(222 617)**	**(107 763)**
	112 919	**62 539**

22 – Other assets	31 December 2023	31 December 2022
	EGP.000	EGP.000
Accrued revenues	784 950	772 904
Prepaid expenses	33 663	46 224
Advance payment for acquisition of property and equipment	1 042 351	1 224 131
Asset reverted to the bank in settlement of debts	687 181	709 427
Insurance and custodies	6 226	4 510
Others	161 176	86 719
	2 715 548	**2 843 917**

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	585 533	171 194	20 378	139 068	197 757	56 129	1 258 993
Accumulated depreciation	-	(110 825)	(93 217)	(16 355)	(58 664)	(89 141)	(23 780)	(391 982)
Net book value as at 1 January 2022	**88 934**	**474 708**	**77 977**	**4 023**	**80 404**	**108 616**	**32 349**	**867 011**
Additions	-	46 422	2 518	1 980	15 130	27 279	4 050	97 379
Disposals	-	-	(59)	(1 449)	(1 421)	-	-	(2 929)
Depreciation	-	(14 834)	(23 461)	(2 454)	(16 984)	(11 805)	(4 725)	(74 263)
Accumulated depreciation of disposals	-	-	59	1 449	1 421	-	-	2 929
Net book value as at 31 December 2022	**88 934**	**506 296**	**57 034**	**3 549**	**78 550**	**124 090**	**31 675**	**890 127**
Cost	88 934	631 955	173 653	20 909	152 777	225 036	60 179	1 353 443
Accumulated depreciation	-	(125 659)	(116 619)	(17 360)	(74 227)	(100 946)	(28 505)	(463 316)
Net book value as at 31 December 2022	**88 934**	**506 296**	**57 034**	**3 549**	**78 550**	**124 090**	**31 675**	**890 128**
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**	**71 456**	**13 104**	**82 642**	**140 760**	**33 526**	**1 126 674**
Cost	269 045	657 728	211 131	32 259	175 647	243 360	65 789	1 654 959
Accumulated depreciation	-	(141 587)	(139 675)	(19 155)	(93 006)	(102 600)	(32 262)	(528 286)
Net book value as at 31 December 2023	**269 045**	**516 141**	**71 455**	**13 104**	**82 641**	**140 760**	**33 526**	**1 126 673**

*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 December 2023	31 December 2022
	EGP.000	EGP.000
Current accounts	138 710	191 676
Deposits	17 504 833	658 050
Treasury bills sold with re-purchase agreement	16 230	33 367
	17 659 773	**883 093**
Central banks of Egypt	96 492	93 622
Local banks	1 199 598	659 705
Foreign banks	16 363 683	129 766
	17 659 773	**883 093**
Non interest rate accounts	125 885	98 781
Fixed interest rate accounts	17 533 888	784 312
	17 659 773	**883 093**
Current balances	**17 659 773**	**883 093**

25 - Customer's deposits	31 December 2023	31 December 2022
	EGP.000	EGP.000
Demand deposits	20 467 001	18 965 822
Time deposits and call accounts	40 436 808	34 468 490
Term saving certificates	8 607 156	8 098 888
Savings deposits	2 127 307	2 310 173
Other deposits	2 008 752	1 959 415
	73 647 024	**65 802 788**
Corporate deposits	59 269 549	52 994 094
Retail deposits	14 377 475	12 808 694
	73 647 024	**65 802 788**
Non interest bearing accounts	9 911 103	573 482
Fixed interest rate accounts	61 910 530	64 485 422
Floating interest rate accounts	1 825 391	743 884
	73 647 024	**65 802 788**
Current balances	64 510 980	57 512 575
Non-current balances	9 136 044	8 290 213
	73 647 024	**65 802 788**

26 - Other Loans	Maturity date	31 December 2023	31 December 2022
		EGP.000	EGP.000
Project development authority loans*	Feb. 2024	3 075	10 855
Subordinate deposits **	May 2024	64 339	125 528
Subordinate deposits ***	Dec. 2024	39 542	39 144
Subordinate Loans ****	Jun. 2027	520 000	650 000
Subordinate deposits *****	Jan. 2028	255 000	255 000
Subordinate deposits ******	April 2028	65 000	-
		946 956	1 080 527
Current balances		212 656	133 400
Non-current balances		734 300	947 127
		946 956	1 080 527

*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 December 2023 EGP.000	31 December 2022 EGP.000
Accrued interest	852 792	422 300
Unearned revenues	30 794	27 040
Accrued expenses	134 874	80 786
Creditors	13 186	13 179
Other payables	1 472 602	721 356
	2 504 248	**1 264 661**

28 - Other Provisions

	31 December 2023 EGP.000	31 December 2022 EGP.000
Opening balance	34 076	15 754
Net foreign currencies exchange differences	1 061	946
Charge (release) povision	148 988	18 350
Used	(9 985)	(974)
	174 140	**34 076**

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 December 2023 EGP.000		31 December 2022 EGP.000	
	Asset	**Liability**	**Asset**	**Liability**
Depreciation of property and equipment	-	(24 093)	-	(37 517)
Other provisions (other than loan provision)	42 956	-	13 671	-
Debt instruments at FVTOCI	5 811	-	13 080	-
Equity instruments at FVTOCI	-	(117 326)	-	(83 844)
Other	47 395	(147 965)	75 424	(82 830)
Total deferred tax asset (liability)	**96 162**	**(289 384)**	**102 175**	**(204 191)**
Net tax deferred tax asset (liability)	**-**	**(193 221)**	**-**	**(102 016)**

Movement of deferred tax assets and liabilities are as follows:	31 December 2023 EGP.000		31 December 2022 EGP.000	
	Asset	**Liability**	**Asset**	**Liability**
Opening balance	102 175	(204 191)	4 044	(101 928)
Depreciation of property and equipment	-	13 424	-	8 907
Other provisions (other than loan provision)	29 285	-	9 627	-
Debt instruments at FVTOCI	(7 269)	-	-	(1 674)
Disposal of debt instruments at FVTOCI	-	-	13 081	4 983
Equity instruments at FVTOCI	-	(35 317)	-	(52 914)
Disposal of equity instruments at FVTOCI	-	1 835	-	58
Other	(28 029)	(65 135)	75 424	(61 625)
	96 162	**(289 384)**	**102 176**	**(204 191)**

30- Capital

(A) Authorized Capital

Authorized capital amounted to EGP 5 billion. on 4 April 2019, Extra ordinary assembly meeting approved an increase in authorized capital by EGP 3 billion to be EGP 5 billion and record has been marked at commercial registry.

(B) Issued and paid - up capital

Issued and paid – up capital amounted to EGP 4.6 billion distributed on 460 million shares in cash with nominal value of EGP 10 each.

(C) Retained amount for capital increase

Amount of EGP 400 Million has retained for capital increase.
On 13 August 2023 the bank's AGM has approved the capital increase by EGP 400 Million with anominal value of EGP 10 through distributions of 0.08695652 bonus share for each one outstanding share.This increase was financed from legal reserve of EGP 175 391 thousand and retained earnings of EGP 224 609 thousand. The capital increased is recording in commercial registry of the bank On 21 Janurary 2024 .

31- Reserves

	31 December 2023 EGP.000	31 December 2022 EGP.000
Legal reserve	-	123 459
General reserve *	24 117	24 117
Special reverse	45 158	45 158
Capital reserve	56 722	55 328
Fair value reserve (a)	254 057	118 231
General risk reserves	38 851	38 851
General bank risk reserve **(b)	61 305	55 687
	480 210	**460 831**

*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 December 2023**	**31 December 2022**
	EGP.000	**EGP.000**
Opening balance	118 231	(24 457)
Net change in fair value transferred to R/E	(14 863)	(2 250)
Net change in FVOCI	150 689	144 938
	254 058	**118 231**

31/b- General banking risk reserve	**31 December 2023**	**31 December 2022**
	EGP.000	**EGP.000**
Opening balance	55 687	35 902
Transferred from retained earnings	19 783	19 785
	61 305	**55 687**

32- Difference between the present value and face value for subordinate deposits	**31 December 2023**	**31 December 2022**
	EGP.000	**EGP.000**
Opening balance	5 328	19 283
No more required	(1 637)	(7 160)
Amortization of difference of subordinate deposit	(2 572)	(6 795)
	1 119	**5 328**

33- Retained earnings	**31 December 2023**	**31 December 2022**
	EGP.000	**EGP.000**
Opening balance	1 434 157	1 195 089
Transferred to legal reserve	(51 932)	(30 934)
Transferred to capital reserve	(1 395)	14 002
Transferred to general banking risk reserve	(19 783)	(19 785)
Transferred to retained amount for capital increase	(1 224 609)	(695 674)
Transferred from general banking reserve	14 165	-
Amortization of difference of subordinate deposit	2 572	6 795
Staff profit share	(102 791)	(54 883)
Banking system support and development fund	(10 279)	(6 242)
Board Members' bonus	(16 500)	(16 500)
Net change in fair value transferred to R/E	14 863	2 250
Net profit	2 293 345	1 040 039
	2 331 812	**1 434 157**

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 December 2023	**31 December 2022**
	EGP.000	**EGP.000**
Cash and due from CBE (note 15)	438 904	314 766
Due from banks (note 16)	33 377 526	5 949 229
Treasury bills (note 17)	1 400 657	1 990 299
	35 217 087	**8 254 294**

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 -32 910 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 684 686 as current period (EGP 533 829 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 December 2023 EGP.000	31 December 2022 EGP.000
Letters and financial of guarantees	7 605 619	6 737 532
Letter of credits import, export and facilities to suppliers	19 599	732 481
Other Contingent Liabilities	48 472	13 957
	7 673 691	**7 483 970**

D- Credit facilities commitments	31 December 2023 EGP.000	31 December 2022 EGP.000
Not more than one year	94 135	3 381
More than one year	460 299	1 497 151
	554 434	**1 500 532**

E- Commitments operating lease contracts	31 December 2023 EGP.000	31 December 2022 EGP.000
Not more than one year	39 514	30 854
More than one year and less than 5 years	178 985	147 103
More than 5 years	37 313	54 647
	255 812	232 604

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 December 2023 EGP.000	31 December 2022 EGP.000
Balance at beginning of the year	2	9 828
Issued loans	-	-
Collected loans	(2)	(9 826)
Net foreign exchange difference		-
	0	**2**

B) Deposits from related parties:	31 December 2023 EGP.000	31 December 2022 EGP.000
Balance at beginning of the year	72 012	40 165
Deposits received	58 733	45 222
Deposits redeemed	(39 532)	(14 618)
Net foreign exchange difference	1 239	1 243
	92 452	**72 012**

C) Other	31 December 2023 EGP.000	31 December 2022 EGP.000
Due from banks	5 053	5 033
Investment in associates	229 181	211 218
Due to banks	9	9
Other loans	943 881	1 069 672
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 2021 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 2022, 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	1 091	30	15
Total market value of ICs	82 081 084	29 484 132	371 064 542
No.of outstanding ICs	75 243	969 266	24 997 325
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	10 908 800	15 209 515	7 422 085
Total Fair value of bank's ICs classified as investment at FVTPL	67 416 384	6 377 988	-
	78 325 184	**21 587 503**	**7 422 085**
Fees and Commission for supervising fund and other services through PL	389 400	136 841	947 652

39- Subsequent events

On January 21,2024, the capital increase of EGP 400 000 thousand has been recorded in commercial registry of the bank thus the paid capital reached EGP 5 000 000 thousand.

40- Translation

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