AIB
المصرف العربي الدولي
ARAB INTERNATIONAL BANK

ANNUAL REPORT 2023

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General View

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Message from
The Chief Executive Officer - Managing Director

Mr. Hisham Ramez

Chief Executive Officer - Managing Director

Dear Shareholders,

It is with great pleasure that I present to you the 2023 Annual Report of the Arab International Bank.

During the past year, we have successfully maintained our position in the Egyptian banking market. The separate and consolidated financial statements of the Arab International Bank demonstrated that we have preserved the bank's position as one of the most prestigious banks within the Egyptian banking sector.

The bank demonstrated robust financial performance despite multiple challenges that faced the Egyptian economy including a surge in inflation, rising prices of essential goods, increasing interest rates as well as the fluctuation of exchange rates. The following is a summary of the bank's key performance indicators for the fiscal year which has ended on December 31, 2023.

The Bank's separate and consolidated financial statements have been prepared and presented. The separate net profit reached USD 68.6 million at the end of 2023, compared to USD 27.8 million at the end of 2022. Customer deposits reached USD 3,275 million at the end of 2023, and the coverage ratio for the expected credit loss provision for the loan portfolio stood at 31.1% at the end of 2023, compared to 30.9% at the end of the previous year.

The capital adequacy ratio for the banking group was 22.25% as of December 31, 2023. This exceeds the minimum rate set by the Central Bank of Egypt, inclusive of the conservation buffer, which is 12.50%.

The year 2023 witnessed the bank's commitment to expanding and developing digital services while recognizing the significance of technology as a strategic enabler and a competitive advantage for our individual and corporate clients. In this regard, we continued to enhance our digital offerings to meet the evolving and increasing needs of our customers. The bank has adopted major initiatives in preparation for the launch of the new phase of advanced internet and mobile banking services, which will incorporate the latest technologies available in the banking market.

Finally, I would like to express my sincere gratitude to the esteemed members of the Board of Directors for their ongoing efforts. We will continue to strive for excellence through cooperation and commitment in all our dealings. This equally goes out to the Senior Management team and to all employees for their tireless efforts. We look forward to an upcoming year filled with achievement and further progress.

On behalf of myself and the members of the Board of Directors, I would like to extend our gratitude to our stakeholders for their support and trust, which have always been greatly valued and appreciated. We reaffirm our commitment to providing you with the highest standard of banking services.

Message from
The Non - Executive Chairman

Mr. Amr Mohamed Kamel

Non-Executive Chairman

Dear Shareholders,

The Arab International Bank aims to protect the rights of all shareholders, customers, and employees, while ensuring the provision of high-quality financial services that meet their needs and aspirations. This is achieved through the implementation of governance policies and procedures, which serve as a general culture and a sustainably applied strategy.

Being a cornerstone of the bank's culture and an essential pillar for ensuring the trust of all our stakeholders, the Arab International Bank Board of Directors believes in the important role of governance as a fundamental value in conducting its business.

Accordingly, we have established a well-structured and robust governance framework designed to facilitate the decision-making process and foster strong relationships with the bank's stakeholders. This framework is embodied in a transparent organizational structure that clearly reflects the supervisory role of the Board of Directors and the executive role of the Senior Management. Additionally, it ensures high-quality disclosures and mitigates risks encountered by the bank in its regular operations.

The Board of Directors believes that this framework should possess characteristics that contribute to effective governance, support continuous development and apply best practices in a rapidly and continuously changing business environment while ensuring integrity and fairness for all parties. This framework aligns with the bank's strategic objectives and reflects the applicable regulatory and guiding principles, including the banking governance instructions issued by the Central Bank of Egypt and related complementary instructions concerning the regulatory environment.

In conclusion, I would like to express my sincere gratitude to the Board of Directors, who are the fundamental driving force and key partners in developing and achieving our desired plans and strategies. I also extend my appreciation to the Senior Management Team as well as the bank's employees, for being the main factor in achieving the bank's successes.

We look forward to exerting more efforts in the coming years, with greater creativity to maintain the distinguished position of the Arab International Bank in the Egyptian banking sector.

About AIB

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

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

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

- All transactions undertaken by the Bank shall be conducted in all currencies as specified by the Board of Directors.
- The Bank and its branches are not subject to the laws regulating general organizations or organizations of public utility, public sector companies and joint stock companies in Member States where the Bank or its branches operate.
- In a manner that is not in conflict with the above mentioned and with the rest of Bank Establishment Treaty, this Bank is subjected to the supervision of the Central Bank according to the law of Central Bank, the law of Banking and Monetary System in the headquarters hosting country. Furthermore, AIB branches in other member states are subjected to the supervision of the Central Banks, according to the applicable laws regulating banks and credit facilities in these member states.

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

The Shareholders

Ownership structure

1. 38.76% — Central Bank of EGYPT (on behalf of Arab Republic of Egypt)
2. 38.76% — LIBYAN Foreign Bank (on behalf of Libya)
3. 12.503% — ABU DHABI Investment Authority
4. 4.984% — QATAR Holding Company (on behalf of Qatar State)
5. 2.503% — International Capital Trading Co.(LLC)
6. 2.49% — OMAN Investment Authority (on behalf of Sultanate of Oman)

TOTAL

%100

Members of the Board of Directors AIB 2023

Mr. Amr Mohamed Kamel
Non-Executive Chairman

Mr. Hisham Ramez Abdel Hafez
Chief Executive Officer - Managing Director

Dr. Mostafa Kamal Madbouly
Member of the Board of Directors

Mr. Mohamed Abdel-Hamid Aboumoussa
Member of the Board of Directors

Mrs. May Sherif Abouelnaga
Member of the Board of Directors

Mr. Ashraf Mohamed Bahie Eldin
Member of the Board of Directors

Mr. Ali Salem El Hebry
Member of the Board of Directors

Mr. Essam Eldin Salem Allag
Member of the Board of Directors

Mr. Mustafa Mohamed Ali Elmanea
Member of the Board of Directors

Mr. Khaled Amr E. Algonsel
Member of the Board of Directors

Mr. Ali Mahmoud Hassan
Member of the Board of Directors

Mr. Khaled Mohamed Al Khajeh
Member of the Board of Directors

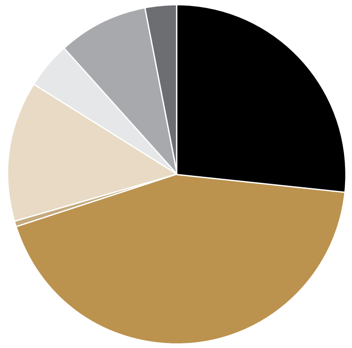
Mr. Matar Mubarak Almazrouei
Member of the Board of Directors

Mr. Hamad Rashed Al Noeimy
Member of the Board of Directors

Mr. Abdulla Ali M. A. Al-Kuwari
Member of the Board of Directors

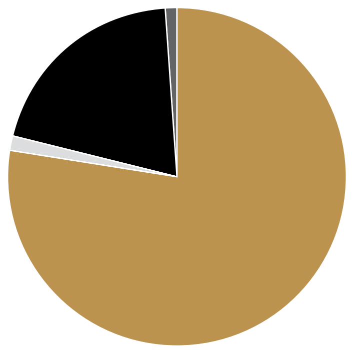
The Most Significant Financial Information & Indications

	2023	2022
Income Statement Items		(US$ Thousands)
Total operating income	138 682	100 868
Total operating expenses	(65 444)	(62 918)
Profit before provisions	73 238	37 950
Net profit	68 636	27 782
		(US$ Million)
Financial Position Items		
Total Assets	4 440	4 276
Cash & Placement with banks	1 661	1 144
Net loans and advances	494	568
Treasury bills	1 677	1 850
Investments at fair value through other comprehensive income	25	26
Financial investments at amortized cost	97	196
Investments in subsidiaries & associates	368	368
Customers' deposits	3 275	3 313
Shareholders' equity	909	861
Ratio (%)	%	%
Assets Quality		
Total assets growth rate	3.84	(20.17)
Loans provision to gross loans	31.09	30.85
Loans provision to non-performing loans	114.67	109.48
Capital Adequacy		
Total equity growth rate	5.61	1.64
Total equity to total assets	20.5	20.1
Liquidity		
Net loans to total deposits	14.18	16.84
Net loans to total customers' deposits	15.08	17.15
Total customers' deposits to total deposits	94.04	98.23
Liquid assets to total assets ratio	68.21	63.23
Profitability		
Operating income on average assets	1.57	0.58
Return to average equity	7.75	3.25
Return to paid in capital	11.44	4.63



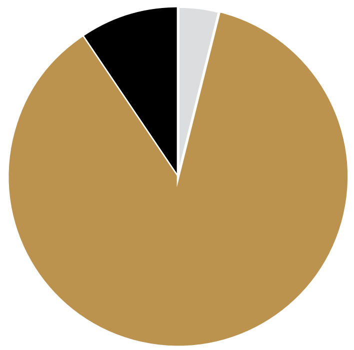
(US$ Thousands)

%	Assets Breakdown	31-Dec-2023
37.4	Cash & Cash at Banks	1 660 967
37.8	Treasury Bills	1 676 790
0.6	Investments at fair value through OCI	24 865
11.1	Loans & Advances	493 884
2.2	Investments at amortized cost	96 610
8.3	Investments in Associates	367 917
2.7	Others	119 062
100		4 440 095



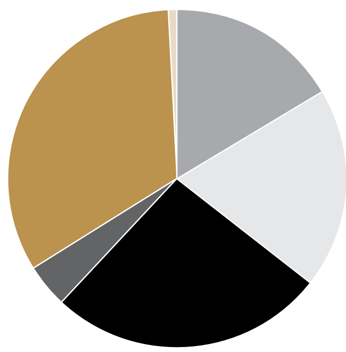
(US$ Thousands)

%	Resources Breakdown	31-Dec-2023
73.8	Customers Deposits	3 274 763
4.7	Banks deposits	207 499
20.5	Shareholders' equity	909 190
1.1	Others	48 643
100		4 440 095



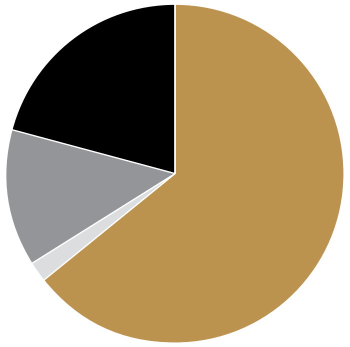
(US$ Thousands)

%	Gross Loans and Advances by Type	31-Dec-2023
2.9	Individuals	20 524
89.2	Corporates	639 323
7.9	Banks	56 832
100		716 679
	Provisions	(222 795)



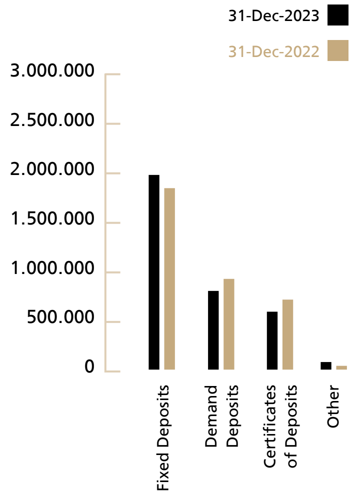
(US$ Thousands)

%	Distribution of Net Loans According to Sectors	31-Dec-2023
14.67	Financials	105 142
15.49	Industrial	111 048
25.93	Petroleum & Gas	185 820
1.60	Commercial	11 449
35.18	Tourism	252 094
0.00	Electricity	-
0.50	Construction	3 589
6.63	Others	47 537
100	Total	716 679



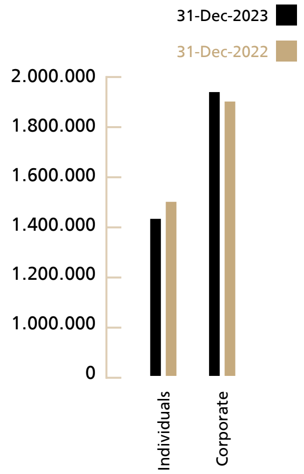
(US$ Thousands)

%	Associates by Sectors	31-Dec-2023
65	Financial institutions	237 397
2	Tourism	6 800
13	Commercials & Industrial	48 000
21	Technology & Education	75 720
100	**Total**	**367 917**



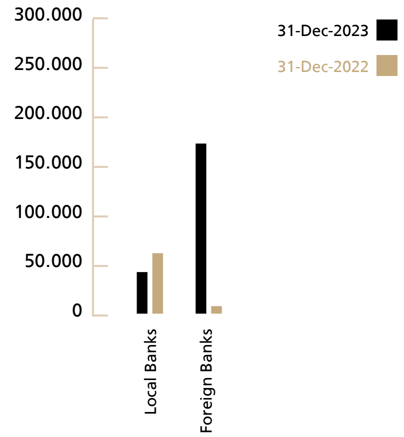
(US$ Thousands)

Customers Deposits	31/12/2023	31/12/2022
Fixed Deposits	1 910 009	1 857 186
Demand Deposits	746 069	803 762
Certificates of Deposits	575 308	625 564
Other	43 377	28 244
Total	**3 274 763**	**3 314 756**



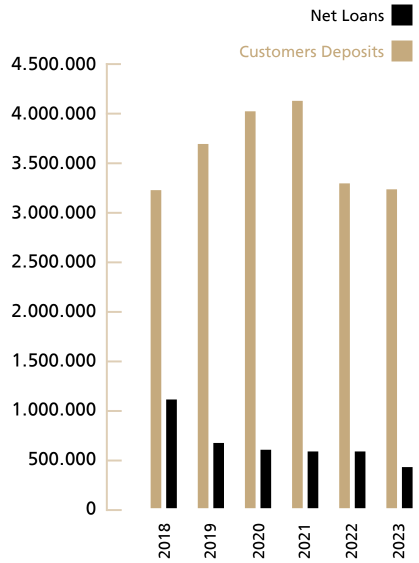
(US$ Thousands)

Distribution of Customers Deposits by Client Type	31/12/2023	31/12/2022
Individuals	1 410 354	1 473 968
Corporate	1 864 409	1 840 788
Total	**3 274 763**	**3 314 756**



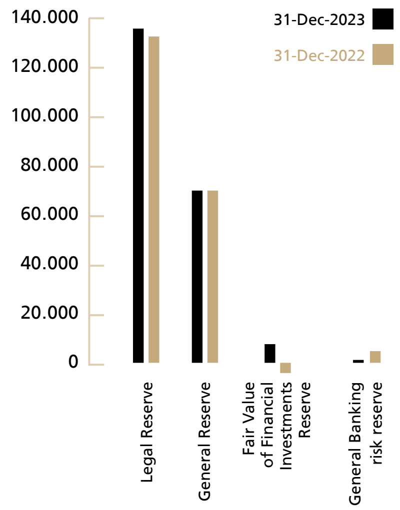
(US$ Thousands)

Distribution of Interbanks Deposits by Region	31/12/2023	31/12/2022
Local Banks	40 375	50 674
Foreign Banks	167 124	9 181
Total	**207 499**	**59 855**



(US$ Thousands)

Net Loans Versus Customers Deposits	Net Loans	Customers Deposits
2018	1 061 472	3 317 048
2019	608 167	3 786 645
2020	595 029	4 030 604
2021	557 080	4 212 211
2022	568 044	3 314 756
2023	493 884	3 274 763



(US$ Thousands)

Reserves Distribution	31/12/2023	31/12/2022
Legal Reserve	139 761	136 983
General Reserve	73 582	73 582
Fair Value of Financial Investments Reserve	(3 030)	3 971
General Banking risk reserve	31	204
Total	**210 344**	**214 740**

02

Board of Directors' Report

20 Financial Position

26 Income Statement

The Board of Directors' Report on the Bank's activities as at December 31, 2023

Executive Summary

The total assets in the financial statements as at December 31, 2023 amounted to $ 4.440 billion, compared to $ 4.276 billion as at December 31, 2022, with an increase amounted to 164 million US$ that represents a percentage of increase amounted to 3.8%. The main reason for the increase in total assets this year compared to the previous year is the increase of FCY assets amounted to 286 million US$ and the increase of EGP assets amounted to 9 billion EGP, this was offset by a decrease in the price of the exchange of the Egyptian pound against the US dollar (30.89 at the end of December 2023 compared to 24.74 at the end of December 2022), as this affected the decrease in the equivalent in US dollars of the total assets in the Egyptian pound, equivalent to an amount of 389 million US dollars.

The following is a statement of the impact of the decrease in the exchange rate of the Egyptian pound against the US dollar on assets and liabilities on December 31, 2023:

Liabilities & Equity

Per Million US$

Description	31-Dec-23		31-Dec-22		Change (-)/+		The impact of decrease in exchange rate of the Egyptian pound
	value	%	value	%	value	%	value
Equity	909	20.5	861	20.1	48	6	(8)
Customer's deposits	3 275	73.7	3 315	77.5	(40)	(1)	(378)
Due to banks	207	4.7	60	1.5	147	247	-
Other liabilities & provisions	49	1.1	40	1.0	9	23	(3)
Total	**4 440**	**100**	**4 276**	**100**	**164**	**4**	**(389)**

Assets

Per Million US$

Description	31-Dec-23		31-Dec-22		Change (-)/+		The impact of decrease in exchange rate of the Egyptian pound
	value	%	value	%	value	%	value
Cash balances &due from banks	1 661	37.4	1 144	26.8	517	32	(59)
Financial investments	1 798	40.5	2 072	48.4	(274)	(14)	(289)
Loans to customers & banks (net)	494	11.1	568	13.3	(74)	(11)	(26)
Investments in associates	368	8.3	368	8.6	0.37	-	-
Other assets	119	2.7	124	2.9	(5)	(4)	(15)
Total	**4 440**	**100**	**4 276**	**100**	**164**	**4**	**(389)**

The net profit as at December 31, 2023 amounted to US$ 68.6 million, compared to US$ 27.8 million as at December 31, 2022, with an increase of US$ 40.8 million that represents an increase of 147%. The reason for the increase in net profit for the Bank this year compared to the previous year is, the increase in net income from interest with an amount of US$ 37.5 million over the previous year, and a decrease of US$ 7 million in Expected credit losses ECL provisions (ECL provisions charge amounted to US$ 4.6 million in 31 December 2023 compared to US$ 11.6 million in 31 December 2022) and an increase of US$ 1.1 million in dividends income from investments, this was offset by an increase of US$ 2.5 million in other administrative expenses and an increase of US$ 2.7 million in other net operating "income/expenses".

Suspense Interest amounted to US$ 50.4 million this year compared to US$ 37.6 million during the previous year.

It is worth noting that, the following items affected the net profit by a decrease of US$ 28.3 million as per the separate financial statements for the year 2023:

- Revaluation of profits in Egyptian pounds against US dollars that caused a decrease in net profit with an amount equivalent to US$ 17.8 million.
- Increasing the mandatory reserve in Egyptian pounds from 14% to 18% that caused a decrease in net profit with an amount equivalent to US$ 10.5 million.

It is also worth noting that, the separate net profit as at December 31, 2023 did not include the Bank's share in the profits of the associate companies due to the fact that Bank's preparation of the consolidated financial statements, as the Bank's share in the profits of the subsidiaries and associate companies is not recognized except when cash distribution is made only. when assuming that the Bank's share in the profits of subsidiaries and associate companies is taken into consideration until December 31, 2023, the net profit becomes US$ 114.6 million as appear in the consolidated financial statements excluding of the effect of the previously mentioned decrease of US$ 28.3 million.

The Detailed Report

Introduction

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

The said separate and consolidated financial statements were audited by external auditors in accordance with the rules and instructions mentioned above and they issued an unqualified opinion (a clean opinion report) to the effect that the financial statements present fairly, in all material respects, the financial position of Arab International Bank as at December 31, 2023, its financial performance and its cash flows for the year then ended.

The Board of Directors of the Arab International Bank is honored to introduce the results of the Bank's activities and its performance according to the financial statements for the year ended as at December 31, 2023:

First: Financial Position

(1) Liabilities and owners' equity:

The total amount of liabilities and owners' equity as at December 31, 2023 amounted to US$ 4 440 million corresponding to US$ 4 276 million as at December 31, 2022 with an increase of US$ 164 million (despite the decrease in the exchange rate of the Egyptian pound against the US dollar on EGP liabilities and equity on December 31, 2023 equivalent to an amount of US$ 389 million) as showed in the following table:

Per Million US$

Description	31-Dec-23		31-Dec-22		Change (-)/+	
	Value	%	Value	%	Value	%
Shareholders' equity	909	20.5	861	20.1	48	6
Customers' deposits	3 275	73.7	3 315	77.5	(40)	(1)
Balances due to banks	207	4.7	60	1.4	147	247
Other liabilities & provisions	49	1.1	40	1.0	9	23
Total	**4 440**	**100**	**4 276**	**100**	**164**	**4**

(A) Shareholders' Equity

The total shareholders' equity as at December 31, 2023 amounted to US$ 909 million corresponding to US$ 861 million, as at December 31, 2022 with an increase amounting to US$ 48 million. Hereunder, is an analysis of the shareholder's equity items as at December 31, 2023 & December 31, 2022:

Per Million US$

Description	31-Dec-2023	31-Dec-2022	Change (-)/+	
			Value	%
Paid- in capital	600.00	600.00	-	-
Legal reserve	139.76	136.98	3	2
General reserve	73.58	73.58	-	-
Financial investments fair value reserve through other comprehensive income	(3.03)	3.97	(7)	(176)
Banking risk reserve	0.03	0.20	(0)	(85)
Retained earnings including net profit for the year	98.85	46.19	53	114
Total	**909.19**	**860.93**	**48**	**6**

(A/1) Capital

The issued and paid-in capital of the Bank as at December 31, 2023 amounts to US$ 600 million, distributed over 30,000 ordinary shares, the value of each share is US$ 20 thousand.

The issued & paid in capital is as follows:

Per Million US$

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

The capital adequacy ratio reached 22.25 % as of December 31, 2023 (as a banking group) after the provisional exemption granted to banks by the Central Bank of Egypt from calculating the risks of concentration of the credit portfolio with the largest 50 clients and related parties, while the minimum requirements of the Central Bank of Egypt, including the conservation buffer until that date is 12.5%.

(A/2) Financial investments fair value reserve through other comprehensive income

Financial investments fair value reserve through other comprehensive income is represented in the losses from revaluation of outstanding financial investments through other comprehensive income amounting to US$ 3.03 million (losses) as at December 31, 2023 against the amount of US$ 3.97 million (profits) as of December 31, 2022, with a decrease of US$ 7 million due to a decrease in investments in treasury bills at fair value through other comprehensive income and a decrease in equity instruments at fair value through other comprehensive income (Egyptian Takaful & Arab Financial Services Co. - Bahrain).

(A/3) Retained Earnings

The retained earnings including the net profit of the year as at December 31, 2023 amounted to US$ 98.85 million corresponding to US$ 46.19 million as at December 31, 2022 with an increase of US$ 52.66 million.

(B) Deposits

(B/1) Customers' Deposits & Certificates of Deposits

The customers' deposits & certificates of deposits as at December 31, 2023 amounted to US$ 3 275 million corresponding to US$ 3 315 million as at December 31, 2022 with a decrease of US$ 40 million at a rate of decrease of 1.2 % as the decrease rate in differences of currency revaluation in customers' deposits in Egyptian pounds becomes equivalent to US$ 378 million, this was offset by an increase in customers' deposits in foreign currencies amounting to US$ 76.6 million and an increase in customers' deposits in Egyptian pounds amounting to L.E 8 083 million.

The interest paid in return for customers' deposits as at 31 December 2023 amounted to US$ 246.1 million corresponding to US$ 232.6 million as at 31 December 2022 at an average interest rate that reached 15.9% for the Egyptian pound and 2.4% for foreign currencies during the current financial year corresponding to 10.9 % for the Egyptian pound and 1.4 % for foreign currencies during the comparative year.

(B/2) Placements from Banks

The Placements from Banks as at December 31, 2023 amounted to US$ 207 million corresponding to US$ 60 million as at December 31, 2022 with an increase amounting to US$ 147 million at a rate of increase of 245 % when compared to last year.

The interest paid on Placements from Banks as at December 31, 2023 amounted to US$ 5.8 million at an average interest rate that amounted to 16.5 % for the Egyptian pound and 4.9 % for foreign currencies corresponding to US$ 8.4 million as at December 31, 2022 at an average interest rate of 11.4 % for the Egyptian pound and 1.8 % for foreign currencies during the comparative year.

(C) Other Liabilities

The Total amount of other liabilities as at December 31, 2023 amounted to US$ 46.7 million corresponding to US$ 36.2 million by an increase amounted to US$ 10.5 million. The said increase is attributed to the increase in the interest income due to customers with an amount of US$ 8.1 million and an increase in the balances of employees' alternative pension scheme (end of service compensation) with an amount of US$ 3.1 million and an increase in staff pension fund with an amount of US$ 1.1 million, this was offset by a decrease of US$ 1.8 million in other credit balances.

(D) Other Provisions

The total other provisions as at December 31, 2023 amounted to US$ 1.9 million corresponding to the amount of US$ 3.9 million as at December 31, 2022 with a decrease of US$ 2 million. The said decrease is due to the transfer from the provision for contingent liabilities to the loans' provision.

(2) Assets

The total assets as at December 31, 2023 amounted to US$ 4 440 million corresponding to US$ 4 276 million as at December 31, 2022 with an increase amounted to US$ 164 million with an increase rate amounted to 3.8% (despite the decrease in the exchange rate of the Egyptian pound against the US dollar on EGP Assets on December 31, 2023 equivalent to an amount of US$ 389 million), as follows:

Per Million US$

Description	31-Dec-23		31-Dec-22		Change (-)/+	
	Value	%	Value	%	Value	%
Cash balances, balances with CBE and deposits due from banks	1 661	37.4	1 144	26.8	517	45
Financial investments	1 798	40.5	2 072	48.4	(274)	(13)
Loans to customers and banks (net)	494	11.1	568	13.3	(74)	(13)
Investments in associates	368	8.3	368	8.6	0.370	
Fixed assets, intangibles & other assets	119	2.7	124	2.9	(5)	(4)
Total	**4 440**	**100**	**4 276**	**100**	**164**	**4**

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

Cash Balances, Balances with the Central Bank of Egypt & Deposits Due From Banks as at December 31, 2023 amounted to US$ 1 661 million corresponding to US$ 1 144 million as at December 31, 2022 with an increase of US$ 517 million at an increase rate of 45.2 %, the said increase represents an increase in local banks' deposits by US$ 534.6 million and increase in Cash by US$ 7 million and increase in the balances with the Central Bank within the mandatory reserve percentage in Egyptian pound, that is equivalent to US$ 18.5 million, this was offset by a decrease in foreign banks' deposits amounting to US$ 28.9 million and a decrease in foreign banks' current accounts that amounted to US$ 11.8 million and a decrease in local banks' current accounts that amounted to US$ 2.8 million. The percentage of those balances as at December 31, 2023, amounted to about 50.7% of the volume of customers' deposits, compared to 34.5% as at December 31, 2022.

(B) Financial Investments

The balances of financial investments at fair value through other comprehensive income, financial investments at amortized cost and treasury bills as at December 31, 2023 amounted to US$ 1 798 million corresponding to US$ 2 072 million as at December 31, 2022 with a decrease of US$ 274 million (including a decrease as a result of the currency revaluation differences of the financial investments in Egyptian pound, that is equivalent to the amount of US$ 289 million). The value of such investments represents 40.5 % of the total assets as at December 31, 2023 corresponding to 48.4 % as at December 31, 2022.

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

(C) Loans to Customers and Banks (Net)

The net loans and facilities portfolio (after deducting the impairment provision) amounted to US$ 494 million as at December 31, 2023 corresponding to US$ 568 million as at December 31, 2022 with a decrease amounting to US$ 74 million (including a decrease as a result of the currency revaluation differences of the net loans and facilities in Egyptian pound, that is equivalent to the amount of US$ 25.7 million).

The non-performing loans portfolio (stage 3) after excluding the suspense interests, and the fair value of collaterals amounted to US$ 194.3 million on December 31, 2023, corresponding to US$ 231.5 million during the previous year. The coverage ratio of loans and advances impairment provisions to the net credit portfolio (excluding the suspense interests) was 31.1 % on December 31, 2023 corresponding to 30.9 % as at December 31, 2022 while the coverage ratio of the non-performing loans impairment provision (stage 3) to the net non-performing loans portfolio was 67.7 % as at December 31, 2023 corresponding to 71.3 % as at December 31, 2022.

The total amount of the interest income from loans and facilities portfolio amounted to US$ 52 million as at December 31, 2023 corresponding to US$ 41.4 million as at December 31, 2022 at an average interest rate of 20.6 % for the Egyptian pound and 6.3 % for foreign currencies as at December 31, 2023 corresponding to an average interest rate of 13.8 % for the Egyptian pound and 4.5 % for foreign currencies for the comparative year.

(D) Investments in Subsidiaries & Associates

The volume of the direct participations in the capital of the subsidiary and associate companies as at December 31, 2023 reached the amount of US$ 367.9 million corresponding to US$ 367.5 million as at December 31, 2022. The following is an analytical statement of such participations:

Per thousand US$

Description of Companies	Business Activity	Participation Percentage	31-Dec 2023	31-Dec 2022	Change (-)/+	
					Value	%
Investments in Subsidiaries & Associates						
Participation Percentage 20% and More						
A-Subsidiaries						
Société Arabe Internationale de Banque (SAIB) *	Banking	51.020	83 064	82 694	370	0.4
B-Associates						
World Trade Center Company (WTC)	Housing – Administrative	50	48 000	48 000	-	-
Suez Canal Bank	Banking	41.5	154 332	154 332	-	-
Suez Canal Company for Technology	Educational Institutions	24.08	75 720	75 720	-	-
International Company for Tourist Investments (ICTI)	Housing – Hotels	20	6 800	6 800	-	-
Total Investments in Subsidiaries and Associates			**367 916**	**367 546**	**370**	**0.1**

* Increase of US$ 370 thousand due to the Bank's direct participation in the capital of the Arab International Banking Company "SAIB" to be 51.02% instead of 50.438%.

(E) Other Assets

On 31 December 2023, the other assets amounted to US$ 53.1 million corresponding to US$ 59.3 million as at December 31, 2022 with a decrease of US$ 6.2 million. The said decrease is due to a decrease of payments in advance under the account of fixed assets purchase, with the amount of US$ 5.6 million (a decrease as a result of the currency revaluation differences for those amounts disbursed under the purchase account of the Bank's Headquarters in the Administrative Capital in Egyptian pounds, in addition to fixed assets equivalent to US$ 4 million) as well as a decrease in the acquired assets with the amount of US$ 1.9 million (settlement of Ismailia Land that was sold in an auction dated November 16, 2021and settlement of Dokki appartement that was sold in an auction dated November 9,2023) this was offset by an increase of US$ 0.8 million in accrued interests.

(F) Fixed Assets

The net value of the fixed assets after depreciation as at December 31, 2023 reached the amount of US$ 62.8 million corresponding to US$ 64.4 million as at December 31, 2022 with a decrease that amounted to US$ 1.6 million.

(G) Intangible Assets

The net intangible assets after depreciation that amounted to US$ 3.2 million as at December 31, 2023, that are represented in computer software corresponding to US$ 0.5 million as at December 31, 2022 with an increase amounted to US$ 2.7 million.

(H) Contingent Liabilities and Commitments

The net total amount of contingent liabilities and commitments after deducting the cash collaterals as at December 31, 2023 reached US$ 91.3 million corresponding to US$ 126 million as at December 31, 2022.

The total contingent liabilities provision that represents an obligation on the Bank as at December 31, 2023 amounted to US$ 1 million corresponding to US$ 2.8 million as at December 31, 2022 with a decrease that amounted to US$ 1.8 million The said decrease is due to the transfer from the provision for contingent liabilities to the loans' provision. (The net revenues gained from fees and commissions of letters of credit & letters of guarantee as at December 31, 2023 amounted to US$ 2.9 million corresponding to US$ 1.5 million as at December 31, 2022).

Second: Income Statement

The Bank achieved net profits this year that amounted to US$ 68.6 million as at December 31, 2023 corresponding to US$ 27.8 million as at December 31, 2022 with an increase of US$ 40.8 million, the said increase is due to an increase in net income from interest by US$ 37.5 million, and a decrease of US$ 7 million in Expected credit losses ECL provisions (ECL provisions charge amounted to US$ 4.6 million in 31 December 2023 compared to US$ 11.6 million in 31 December 2022) and an increase of US$ 1.1 million in dividends income, this was offset by an increase of US$ 2.5 million in other administrative expenses and an increase of US$ 2.7 million in other net operating "income/ expenses". Moreover, the currency revaluation differences affected the net profit during the year 2023, by a decrease equivalent to US$ 17.8 million. The following is a detailed statement of the revenues and expenses items as at December 31, 2023 & 2022:

Per thousand US$

Description	31-Dec-2023	31-Dec-2022	Change (-)/+	
			Value	%
Operating income	390 515	343 311	47 204	14
Operating expenses	(251 833)	(241 048)	(10 785)	4
Total operating income	138 682	102 263	36 420	36
Administrative & general expenses	(65 444)	(62 918)	(2 526)	4
Net profits before provisions	**73 238**	**39 345**	**33 894**	**86**
Charge of impairment for credit losses	(4 602)	(11 563)	6 961	(60)
Net profit	**68 636**	**27 782**	**40 854**	**147**

(1) Revenues

The Bank achieved total operating income as at December 31, 2023 that amounted to US$ 390.5 million corresponding to US$ 343.3 million as at December 31, 2022 according to the following:

Per thousand US$

Description	31-Dec-23		31-Dec-22		Change (-)/+	
	Value	%	Value	%	Value	%
Interest income & similar revenues	376 448	96.4	328 166	95.6	48 282	15
Net income from fees & commissions	5 974	1.5	5 220	1.5	754	14
Dividends	6 934	1.8	5 808	1.7	1 126	19
Net trading income	1 438	0.4	1 537	0.4	(99)	(6)
Financial investments profits (losses)	37	0.0	240	0.1	(203)	(85)
Other operating income (expenses)	(316)	(0.1)	2 340	0.7	(2 656)	(114)
Total	**390 515**	**100**	**343 311**	**100**	**47 204**	**14**

(A) Interest Income from loans & Similar Revenues

The interest income from loans and similar revenues represents 96.4 % of the total revenues as at December 31, 2023 compared to 95.6 % as at December 31, 2022.

The following is a detailed statement of the interest received as at December 31, 2023/2022:

Per thousand US$

Description	31-Dec-23		31-Dec-22		Change (-) / +	
	Value	%	Value	%	Value	%
From cash balances and deposits with banks (A)	64 351	17	15 338	5	49 013	320
From loans to customers & banks (B)	51 974	14	41 439	13	10 535	25
From investments portfolio (C)	260 123	69	271 388	83	(11 265)	(4)
Total	**376 448**	**100**	**328 166**	**100**	**48 282**	**15**

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

(B) The increase this year is due to the increase in the average balances of loans and facilities in Egyptian pound, in addition to the increase in the average rate of interest on loans and facilities in foreign currencies, and the increase in the average rate of interest on loans and facilities in Egyptian pound.

(C) The decrease this year is due to the decrease as a result of the currency revaluation differences of the returns of the investment portfolio in Egyptian pound by the equivalent of US$ 88.4 million, this was offset by the increase in the return of the investment portfolio by the equivalent of US$ 77.1 million (Increase in the returns in Egyptian pound by the amount of L.E 2 330 million and increase in the returns in foreign currencies by the amount of US$ 4.4 million).

(B) Net Income from Fees & Commissions

The net income from fees & commissions amounted to US$ 5.9 million as at December 31, 2023 corresponding to US$ 5.2 million as at December 31, 2022.

(C) Dividends Income

The dividends income amounted to US$ 6.9 million as at December 31, 2023 compared to US$ 5.8 million as at December 31, 2022.

(D) Net Trading Income

The net trading income as at December 31, 2023 amounted to US$ 1.4 million compared to US$ 1.5 million on December 31, 2022.

(E) Financial investments profits (losses)

The financial investments profits amounted to US$ 37 thousand as at December 31, 2023 compared to US$ 240 thousand as at December 31, 2022.

(F) Other Operating Income (Expenses)

The other operating income (expenses) amounted to US$ 0.3 million (Expenses) as at December 31, 2023 compared to US$ 2.3 million (Income) as at December 31, 2022 and the following table presents a detailed description of the other operating income (expenses):

Per thousand US$

Description	31-Dec-2023	31-Dec-2022	Change (-) / +	
			Value	%
Gains (losses) from revaluation of assets & liabilities balances other than trading or the originally classified at fair value through profit & loss	443	1 619	(1 176)	(73)
Other revenues	1 262	986	276	28
Other provisions charge / reverse	(301)	1 394	(1 695)	(122)
Other expenses	(1 720)	(1 659)	(61)	(4)
Net other operating income (expenses)	**(316)**	**2 340**	**(2 656)**	**(114)**

(2) Expenses:

(A) Interests Paid

The interests paid as at December 31, 2023 amounted to US$ 251.8 million compared to US$ 241 million on December 31, 2022 and the following table presents a detailed description of the paid interests:

Per thousand US$

Interests Paid	31-Dec-23		31-Dec-22		Change (-) / +	
	Value	%	Value	%	Value	%
Customers' deposits (A)	246 083	98	232 641	97	13 442	6
Banks' deposits (B)	5 750	2	8 407	3	(2 657)	(32)
Total	**251 833**	**100**	**241 048**	**100**	**10 785**	**4**

(A) Increase in the interests paid on customers' deposits in foreign currencies by US$ 13.4 million and increase in the interests paid on customers' deposits in Egyptian pounds by L.E 2 405 million, this was offset by a decrease in the currency revaluation differences of the interests paid on customers' deposits in Egyptian pound, that is equivalent to US$ 75.8 million.

(B) The decrease this year is due to the decrease in the currency revaluation differences of interests paid on banks' deposits in Egyptian pound, that is equivalent to US$ 0.5 million and increase in interests paid on customers' deposits in foreign currencies by an amount of US$ 3.9 million, this was offset by decrease in interests paid on customers' deposits in Egyptian pound by an amount of L.E 111.7 million.

(B) Administrative and General Expenses

The administrative and general expenses as at December 31, 2023 reached the amount of US$ 65.4 million corresponding to US$ 62.9 million as at December 31, 2022, with an increase of US$ 2.5 million, and an increase rate of 3.9%.

(C) Expected Credit losses ECL

The income statement was charged with an expected credit losses ECL during the year 2023 by an amount of US$ 4.6 million against the charge expected credit losses ECL that amounted to US$ 11.5 million during the year 2022, and the table hereunder presents their description as follows:

Per thousand US$

Description	31-Dec-2023	31-Dec-2022	Change (-) / +	
			Value	%
Loans to customers	(5 550)	(12 183)	6 633	54
Loans & facilities to Banks	136	(169)	305	180
Deposits due from banks	(5)	375	(380)	(101)
Treasury bills	14	213	(199)	(93)
Equity instruments at amortized cost	803	201	602	300
Total	**(4 602)**	**(11 563)**	**6 961**	**60**

03

Governance

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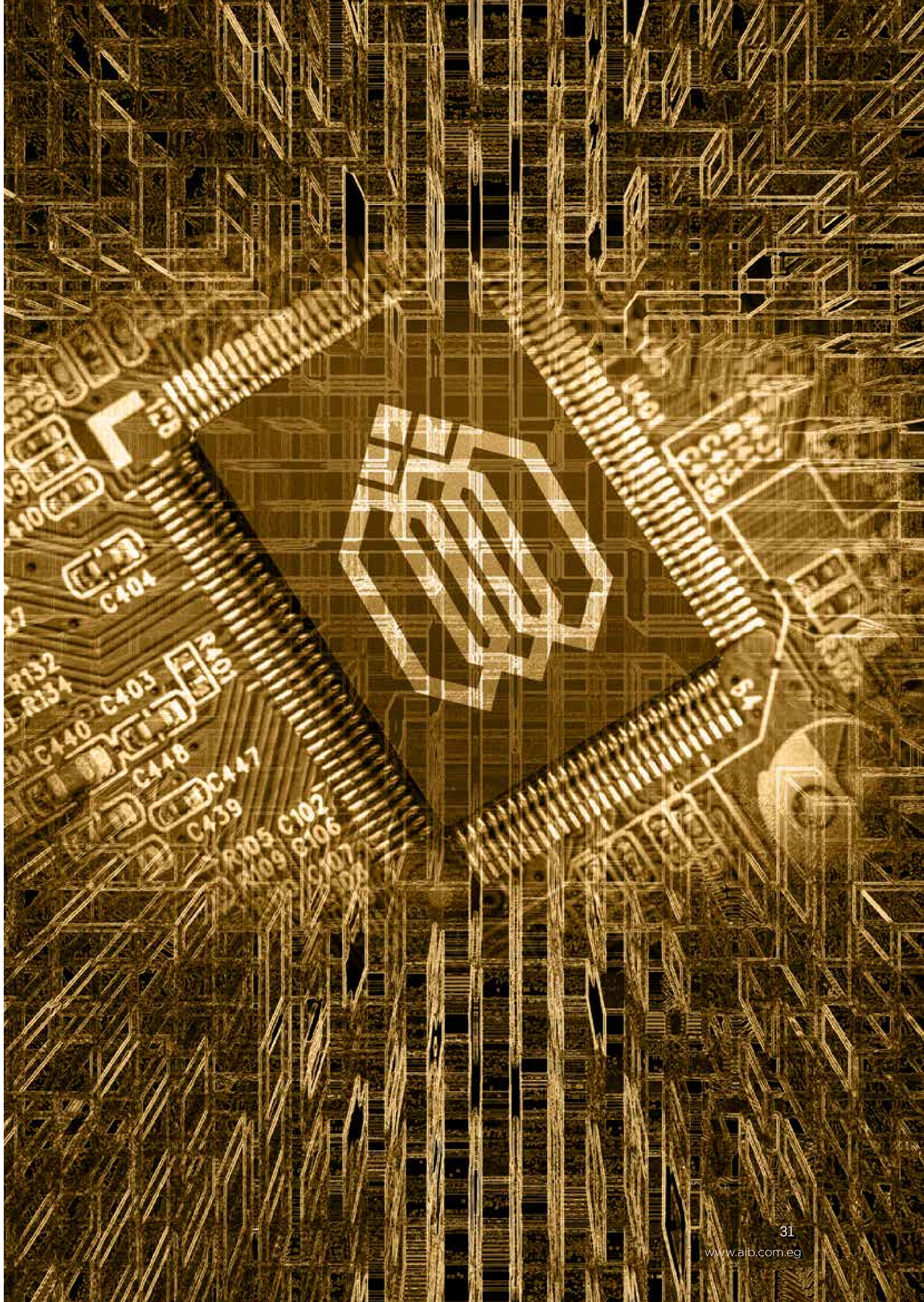
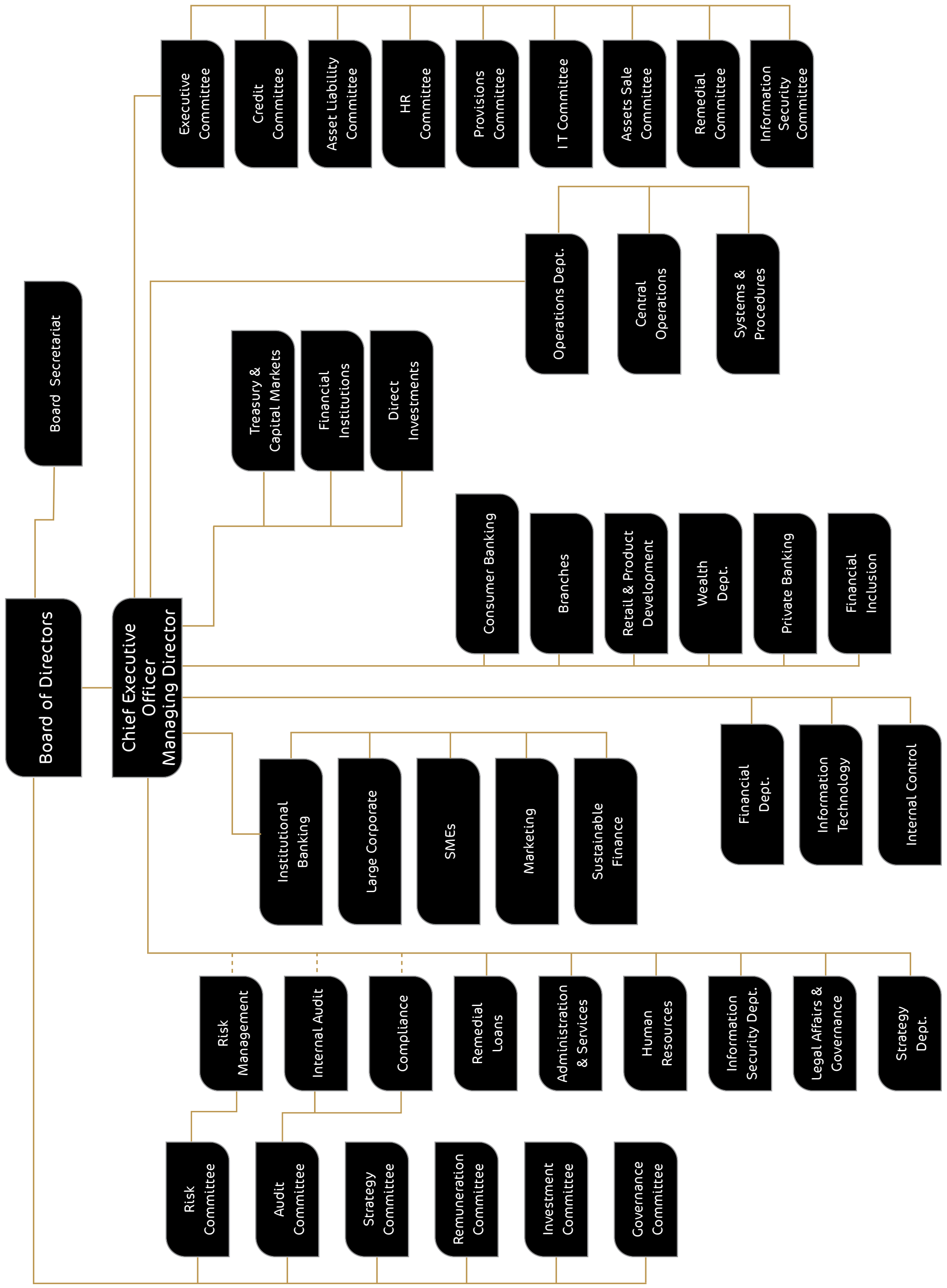


Organizational Structure



Board Committees

Board committees play a crucial role in the decision-making process, assisting and supporting the board in fulfilling its responsibilities. These specialized committees help the board by allowing precise members participation and providing the opportunity to closely monitor the bank's activities and operations. Due to their specialized nature, committees can conduct studies on technical matters and have the authority to make recommendations to the board for final approval.

The Board of Directors of the Arab International Bank has established six committees, most of which are chaired by non-executive board members. The board continually reviews and approves the composition and mandates governing these committees. Each committee is required to meet periodically, as determined by the committee's TOR's approved by the board, in order to fulfill its duties, allocate sufficient time to discuss reports presented by relevant departments, and submit recommendations regarding these reports to the board for approval.

Board Sub-Committees

Risk Committee	Audit Committee	Strategy Committee
Head of Committee /	Head of Committee /	Head of Committee /
Mr. Mohamed Abu Mousa	**Ms. Mai Abu El Naga**	**Mr. Amr Kamel**
Non-executive Board Member	Non-executive Board Member	Non-executive Chairman of the Board
Remuneration Committee	**Investment Committee**	**Governance Committee**
Head of Committee /	Head of Committee /	Head of Committee /
Mr. Aly El Hebry	**Mr. Hisham Ramez**	**Mr. Amr Kamel**
Non-executive Board Member	Chief Executive Officer/ Managing Director	Non-Executive Chairman of the Board

Governance Framework at the Arab International Bank

The incentive to implement governance at institutional level, by adopting internationally and locally accepted governance standards, is that applying these standards helps achieve goals and attract investments. At country level, the incentive to adopt these standards is to strengthen the economy and deter fraud and mismanagement. Since governance has a significant impact on financial performance, the sound and effective governance practices help build trust with investors, customers, and all stakeholders, which can translate into improved financial performance.

The following are some of the principals adopted by Arab International Bank in its governance practices in accordance with the regulatory instructions and the international best practices:

- **Disclosure and Transparency:** One of the most important principles for effective governance practices is disclosure and transparency. Therefore, the Board of Directors of the Arab International Bank contemplates the significant importance of preparing financial reports that illustrate the bank's key financial performance indicators that fully reflect the bank's activity and performance, as well as non-financial reports. The board always strives to improve transparency through which stakeholders can obtain essential information about the bank, which is detailed in the governance report, as the performance of the Board of Directors and senior management is the cornerstone of the success of any institution, thereby contributing to long-term business success, which can increase investor confidence.

- **Risk Management:** Effective risk management is a key component of good governance practices. Institutions adopting strong risk management frameworks are less likely to incur financial losses due to unforeseen events. Therefore, the Board of Directors of the Arab International Bank has adopted a robust governance system that helps identify and manage risks effectively, which may reduce the likelihood of financial losses and improve long-term financial performance.

- **Enhancing Efficiency:** Good governance leads to improved decision-making processes, streamlined operations, and better communcation, which can increase operational efficiency and reduce costs. Therefore, the board of directors has focused on developing its organizational structure and attracting top-notch banking professionals with extensive experience in various banking activities.

- **Reputation Enhancement:** Stakeholders always view institutions with strong governance practices positively, which can enhance their reputation and help attract customers and investors. Consequently, the Arab International Bank focuses on enhancing its reputation through various measures, most notably by identifying potential reputation risks that the bank may face and developing plans to mitigate them.

- **Compliance:** Good governance practices help institutions comply with regulatory requirements, reducing the risk of legal and financial sanctions. Therefore, the Arab International Bank has an independent and transparent compliance department that submits periodic reports to the audit committee.

Undoubtedly, governance has a positive impact on financial performance by enhacing transparency, risk management, efficiency, reputation, and compliance with laws and regulatory guidelines. Thereofore, the Board of Directors of the Arab International Bank has adopted simple yet practical methods to improve its governance report. This report integrates key governnace informaiton with the rest of its business reports, demonstrating how these practices are implemented and aligned with sound governance objectives, while ensuring compliance with central bank instructions and best international practices.

Board Governance

The Arab International Bank has a set of policies and procedures designed with effective control measures to help ensure its proper management, in compliance with the governance instructions issued by the Central Bank of Egypt and the international best practices.

The Board of Directors has the broadest authority to manage the bank, except for what is explicitly reserved for the General Assembly, in compliance with article 27 of the bank's Articles of Association.

The Board of Directors of the Arab International Bank consists of 15 members, inclduing the non-executive chairman, the CEO/Managing Director, and thirteen non-executive members. The board is distinguished by a diverse range of expertise and competencies from the member countries of the founding agreement, providing a unique and varied composition. There is a segregation between the roles and responsibilities of the non-executive Chairman and the CEO/Managing Director, ensuring the separation between the board's supervisory and oversight functions and the executive management of the day-to-day management carried out by the CEO/ Managing Director.

Regulatory Environment

Internal Audit, Risk Management and Compliance

There are policies and procedures in place to ensure that the bank's internal audit, compliance, and risk management functions are carried out independently and effectively.

Internal audit at the bank is independent, as it reports directly to the audit committee. The board of directors has delegated several responsibilities to the audit committee, including monitoring and reviewing financial statements, assessing the effectiveness of internal controls and the IT management framework, Whistle blowing, reviewing internal audit and compliance reports, as well as auditors' reports. The audit committee submits periodic reports on its activities to the board.

Moreover, we have a fully independent compliance management that submits periodic reports on its activities directly to the audit committee, to be presented to the board of directors for approval. Some of the most important of these reports is the bank's activity in combatting money laundering and terrorist financing, customer rights protection, periodic reports to the compliance department, and evaluation of the bank's products.

The Board of Directors is responsible for approving the risk management framework and monitoring its implementation, including identifying the nature of risks and its risk appetite. The risk committee, which is a board committee, assists the board in fulfilling its responsibilities in overseeing risk management by providing recommendations regarding the risk strategy and supervising the updating and implementation of the general risk management framework. The risk committee submits periodic reports on its activities to the board of directors.

04

Separate Financial Statements

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KPMG Hazem Hassan	BDO Khaled & Co.
Public Accountants and Consultants	Public Accountants and Consultants

Auditors' Report

To The Shareholders of Arab International Bank

Report on the Separate Financial Statements

We have audited the accompanying separate Financial statements of Arab International Bank (the "Bank"), which comprise the separate statement of financial position as at 31 December 2023 and the related separate statements of income, changes in equity', and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Separate Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

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

Report on Legal and Other Regulatory Requirements

During the financial year ended December 31, 2023 no – substantial - contraventions for the Central Bank, banking sector law No. 194 of 2020 that have significant effect on these financial statements were noted.

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

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

Auditors

KPMG Hazem Hassan
Public Accountants and Consultants

Khaled & Co.
BDO
Public Accountants & Advisers

Abdel Hadi Ibrahim	Mahmoud Mohamed El Garahy
Financial Regulatory Authority No. 395 Central Bank of Egypt Register No. 577 KPMG Hazem Hassan Public Accountants & Consultants	Central Bank of Egypt Register No. 586 Accountants and Auditors Register No. 22363 BDO Khaled & Co. Public Accountants & Advisers

Cairo, 30 May 2024

Separate Statement of Financial Position

For The Financial Year Ended December 31, 2023

(All amounts are presented in thousand USD)

	Note No.	31-12-2023	31-12-2022
Assets			
Cash and due from Central Bank	(16)	341 070	315 596
Due from banks	(17)	1 319 897	828 748
Treasury bills	(18)&(21)	1 676 790	1 850 023
Loans and facilities to banks	(19)	56 371	75 649
Loans and facilities to customers	(20)	437 513	492 395
Financial investments			
- At fair value through other comprehensive income	(21)	24 865	25 787
- At amortized cost	(21)	96 610	195 722
Investments in associates & subsidiaries	(22)	367 917	367 546
Intangible assets	(23)	3 192	534
Other assets	(24)	53 060	59 341
Fixed assets	(25)	62 810	64 402
Total assets		**4 440 095**	**4 275 743**
Liabilities & Equity Liabilities			
Liabilities			
Due to Banks	(26)	207 499	59 855
Customers' deposits	(27)	3 274 763	3 314 756
Other liabilities	(28)	46 698	36 248
Other provisions	(29)	1 945	3 955
Total liabilities		**3 530 905**	**3 414 814**
Equity			
Paid-up & issued capital	(30-A)	600 000	600 000
Reserves	(30-B)	210 344	214 740
Net profit for the year & retained earnings	(30-C)	98 846	46 189
Total equity		**909 190**	**860 929**
Total liabilities and equity		**4 440 095**	**4 275 743**

- The accompanying notes from (1) to (35) are an integral part of these financial statements and to be read therewith.
- Audit report attached

Gamal Zaghloul
CFO

Hisham Ramez
Chief Executive Officer
Managing Director

Amr Mohamed Kamel
Non-Executive
Chairman

Separate Statement of Income

For the Financial Year Ended December 31, 2023

(All amounts are presented in thousand USD)

	Note No.	31-12-2023	31-12-2022
Interest from loans and similar income	(6)	376 448	328 166
Interest on deposits and similar expenses	(6)	(251 833)	(241 048)
Net Interest Income		**124 615**	**87 118**
Fees and commissions income	(7)	6 044	5 325
Fees and commissions expenses	(7)	(70)	(105)
Net Income from Fees and commissions		**5 974**	**5 220**
Net Income from revenues, Fees and Commissions		**130 589**	**92 338**
Dividends income	(8)	6 934	5 808
Net trading income	(9)	1 438	1 537
Profits (losses)from financial investments	(10)	37	240
Credit impairment / charged	(13)	(4 602)	(11 563)
Administrative expenses	(11)	(65 444)	(62 918)
Other operating revenues (expenses)	(12)	(316)	2 340
Net Profit For The Year		**68 636**	**27 782**
Earning per share (US$/Share)	**(14)**	**1 779.57**	**480.27**

- The accompanying notes from (1) to (35) are an integral part of these financial statements and to be read therewith .

Gamal Zaghloul
CFO

Hisham Ramez
Chief Executive Officer
Managing Director

Amr Mohamed Kamel
Non-Executive
Chairman

Separate Statement of other Comprehensive Income

For The Financial Year Ended December 31, 2023

(All amounts are presented in thousand USD)

	31-12-2023	31-12-2022
Net profit for the year	**68 636**	**27 782**
Items that will not be reclassified in the Profit or Loss:		
Net change in fair value of investments in equity instruments measured at fair value through other comprehensive income	(922)	(714)
Items that will be reclassified in the Profit or Loss:		
Net change in fair value of investments measured at fair value through other comprehensive income (treasury bills)	(6 079)	(304)
Total items of other comprehensive income for the year	**(7 001)**	**(1 018)**
Total other comprehensive income for the year	**61 635**	**26 764**

- The accompanying notes from (1) to (35) are an integral part of these financial statements and to be read therewith .

Separate Statement of Cash Flows

For The Financial Year Ended December 31, 2023

(All amounts are presented in thousand USD)

	Note No.	31-12-2023	31-12-2022
Cash flows from operating activities			
Net Profit for the year		68 636	27 782
Adjustments to reconcile net profit to net cash flows provided from operating activities			
Fixed assets depreciation	(25)	3 479	3 174
Intangible assets amortization	(23)	633	352
Impairment charges for expected credit losses	(13)	4 602	11 563
Charges / reverse of other provisions	(29)	343	(1 504)
Foreign currencies translation differences / other provisions	(29)	(53)	(823)
Foreign currencies translation differences at amortized cost in other currencies	(21)	9 749	34 142
Charges / reverse of impairment of assets whose ownership reverted to the Bank		-	56
Reverse /Charges charge of impairment in associates	(21)	1 599	842
Amortization of issuance premium / discount	(10)	(37)	(240)
Profits (losses) from financial investments	(12)	12	(286)
Dividends	(8)	(6 934)	(5 808)
Operating profits before changes in assets & liabilities provided from operating activities		**82 029**	**69 250**
Net change in assets & liabilities			
Due from Banks and CBE		(18 518)	45 146
Treasury bills of more than three months maturity		(996 622)	1 416 347
Loans and facilities to customers and banks		60 262	(323 315)
Other assets		6 454	27 910
Due to Banks		147 644	(172 792)
Customers' deposits		(39 993)	(899 299)
Other liabilities		10 450	(19 890)
Net cash flows provided from (used in) operating activities (1)		**(748 294)**	**143 357**
Cash flows from investing Activities			
Payments for fixed assets purchasing	(25)	(1 886)	(5 218)
Gain / loss from sale of fixed assets	(23)	(12)	286
Payments for intangible assets purchasing	(21)	(3 314)	(169)
Proceeds from financial investments at fair value		88 567	42 219
Payments / proceeds from Financial investments at amortized cost		-	181
Collected amounts from liquidation of subsudiaries		(371)	-
Gained profits from dividends appropriations	(8)	6 934	5 808
Net cash flows (used in) provided from investing activities (2)		**89 918**	**43 107**
Cash flows from Financing Activities			
Dividends paid		(13 374)	(12 841)
Net cash flows (used in) Financing activities (3)		**(13 374)**	**(12 841)**
Net decrease/increase of cash & cash equivalents during the year (1)+(2)+(3)		**(671 750)**	**173 623**
Cash & cash equivalents at the beginning of the year		2 239 200	2 065 577
Cash & cash equivalents at the end of the year		**1 567 450**	**2 239 200**
Cash & cash equivalents are represented as:			
Cash and due from the Central Bank	(16)	341 070	315 596
Due from Banks	(17)	1 319 897	828 748
Treasury bills	(18)	1 676 790	1 850 023
Due from the Central Bank within the required reserve ratio		(309 327)	(290 809)
Treasury bills of more than three months maturity		(14 297)	(14 297)
		(1 446 683)	(450 061)
Cash & cash equivalents at the end of the year	**(31)**	**1 567 450**	**2 239 200**

.The accompanying notes from (1) to (35) are an integral part of these financial statements and to be read therewith

Separate Statement of Changes in Shareholders' Equity

For The Financial Year Ended December 31, 2023

(All amounts are presented in thousand USD)

	Issued & Paid in Capital	Legal reserve	General reserve	Fair value reserve for investments through other comprehensive income	General banking risk reserve	Retained earnings	Total
31 December, 2022							
Balance as at 1 January 2022	600 000	134 648	73 582	4 989	-	33 787	847 006
Transferred to general banking risk reserve	-	-	-	-	209	(209)	-
Transferred to legal reserve	-	2 335	-	-	-	(2 335)	-
Dividends distributions	-	-	-	-	-	(12 841)	(12 841)
Net change in other comprehensive income items	-	-	-	(1 018)	-	-	(1 018)
Reverse / Charge of General banking risk reserve	-	-	-	-	(5)	5	-
Net profit of the year	-	-	-	-	-	27 782	27 782
Balance as at 31 December, 2022	**600 000**	**136 983**	**73 582**	**3 971**	**204**	**46 189**	**860 929**
31 December, 2023							
Balance as at 1 January 2023	600 000	136 983	73 582	3 971	204	46 189	860 929
Transferred to general banking risk reserve	-	-	-	-	199	(199)	-
Transferred to legal reserve	-	2 778	-	-	-	(2 778)	-
Dividends distributions	-	-	-	-	-	(13 374)	(13 374)
Net change in other comprehensive income items	-	-	-	(7 001)	-	-	(7 001)
Reverse / Charge of General banking risk reserve	-	-	-	-	(372)	372	-
Net profit of the year	-	-	-	-	-	68 636	68 636
Balance as at 31 December, 2023	**600 000**	**139 761**	**73 582**	**(3 030)**	**31**	**98 846**	**909 190**

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

Separate Statement of Proposed Dividends

For The Financial Year Ended December 31, 2023

(All amounts are presented in thousand USD)

	Note No.	31-12-2023	31-12-2022
Net profit for the year (as per income statement)		68 636	27 782
Less: general banking risk reserve		(11)	(199)
Add : Items transferred to R.E		372	5
Net distributable profits for the year		**68 997**	**27 588**
Add: Surplus in Employees' profit share from previous years		941	-
Add : Retained earnings	(30-C)	29 838	18 402
Total		**99 776**	**45 990**
To be distributed as follows :			
Legal Reserve (10%)		6 864	2 778
Shareholders' dividends (primary share doesn't exceed 5% of the nominal value of the share)		30 000	-
Board of Directors remunerations		1 716	695
Employee's profit share		12 843	12 403
The Banking System Support and Development Fund		* 690	276
Retained earnings at the end of the year		47 663	29 838
Total		**99 776**	**45 990**

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

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

Notes to The Separate Financial Statements

For The Year Ended 31, December 2023

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

(1) Background

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

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

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

The number of persons employed by the Bank as of December 31, 2023 was 1 177 employees and workers, compared with 1 169 as of December 31, 2022.

These financial statements for the financial year ended at 31 December 2023 were approved by the Board of Directors as at 16 May 2024.

(2) Summary of Significant Accounting Policies Applied

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

(A) Basis of separate financial statements preparation

- These separate financial statements are prepared in accordance with the instructions issued by the Central Bank of Egypt and approved by its Board of Directors on 16 December 2008, in addition to the instructions of preparation and presentation of the financial statements of banks issued on 26 February 2019 by the Central Bank of Egypt in accordance with the requirements of IFRS (9) "Financial Instruments"
- The consolidated financial statements of the Bank and its subsidiaries are prepared in accordance with the instructions issued by the Central Bank of Egypt and approved by its Board of Directors on 16 December 2008 and the amendments thereof issued on 26 February 2019. The subsidiary companies are entirely included in the consolidated financial statements by using the full consolidation method and these companies are the companies that the Bank - directly or indirectly has more than half of the voting rights or has the ability to control the financial and operating policies, regardless of the type of activity. The consolidated financial statements can be obtained from the Bank management. In addition, the investments in subsidiary and associate companies are presented in the separate financial statements of the Bank and their accounting treatment is made at cost less impairment losses.
- The separate financial statements of the Bank should be read with its consolidated financial statements, for the year ended on December 31, 2023 to get complete information on the Bank's financial position, income statement, cash flows and change in shareholders' equity.

(B) Accounting for investments in subsidiaries and associates

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

(B-1) Investments in subsidiaries

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

(B-2) Investments in associates

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

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

(C) Segment reporting

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

(D) Functional currency, presentation, transactions and balances in foreign currencies

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

Differences resulting from changes in the amortized cost are recognized and reported in the income statement under the item of "Interest on loans and similar income" whereas Differences resulting from changes in foreign exchange rates are recognized and reported in "Other operating revenues (expenses)". The remaining differences resulting from changes in fair value are recognized in other comprehensive income items of equity under the item of "fair value of financial investments reserve at fair value through other comprehensive income (FVOCI)".

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

(E) Financial assets

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

(E/1) Financial assets at amortized cost:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(F) Off setting financial instruments:

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

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

(G) Interest income and expense

- Interest income and expense related to the financial instruments are recognized under the item of loans interest income and similar income or deposits interest expense and similar charges using the effective interest method for all the financial instruments charged with interest.
- The effective interest method is a method of calculating the amortized cost of a financial asset or liability and allocating the interest income or interest expense over the expected life of the related financial instrument. The effective interest rate is the rate that discounts estimated future cash flows or receipts over the expected life of the financial instrument or a shorter period when appropriate, to accurately reach the net carrying amount of the financial asset or liability upon initial recognition. When calculating the effective interest rate, the Bank estimates cash flows considering all contractual terms of the financial instrument (for example, early payment options) but does not consider future credit losses. The calculation method includes all fees paid or received between parties of the contract that is considered part of the effective interest rate and the transaction costs shall include any other premiums or discounts. Loans interest income is recorded based on the accrual basis, except for interest income revenues of non-performing loans, which ceases to be recognized as an income when interest recovery or the principle is in doubt. The Bank ceases recognition of interest income of the non-performing or impaired loans or debts (Stage 3) in the income statement and they are carried, off balance sheet in marginalized records and are recognized under revenues according to cash basis as per the following:
  - When collected and after recovery of all arrears for consumer loans, mortgage loans for personal housing, and small loans for economic activities.
  - As for the loans granted to institutions, the cash basis of accounting is to be applied also where the interest income that is subsequently calculated according to the terms of the loan scheduling contract, they are recognized when 25% of the loan installments are paid with a regular performing period of at least one year. In case the customer keeps paying the installments on regular performing basis, the calculated interest income of the outstanding loans balance shall be recorded in revenues (interest income from regular scheduling balance) without the suspense interest before scheduling that is not recorded in revenues unless the entire loan balance is paid in full in the balance sheet prior to scheduling.

(H) Fees and commissions income:

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

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

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

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

(I) Dividend income

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

(J) Purchase - Reverse Repo (+) Agreements & Sale / Repo (-) Agreements

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

(K) Impairment of financial assets

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

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

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

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

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

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

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

(K/2) Quantitative criteria

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

(K/3) Qualitative criteria

For banking retail loans, small and micro finance enterprise

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

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

Loans granted to institutions and medium enterprises

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

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

Payment default

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

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

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

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

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

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

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

(L) Investment Property

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

(M) Intangible assets (computers software)

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

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

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

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

(N) Fixed assets

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

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

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

Buildings*	**30:50 years**
Furniture	**10 years**
Computers	**5 years**
Fixtures And Fittings	**5 years**
Tools & Equipment	**10 years**
Means Of Transport	**5 years**

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

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

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

(O) Other assets

- This item includes the other assets that are not classified as defined assets in the balance sheet where accrued revenues, prepaid expenses, advance payments under the account of fixed assets purchase, deferred balance of the first day losses that is not amortized yet, current assets and noncurrent assets that their ownership reverted to the Bank in settlement of debts (after deduction of the impairment loss provision), deposits and imprests, gold bullions, commemorative coins, debit suspense accounts and balances that are not classified under any defined asset, are examples of which.
- Most of the elements of other assets are measured at cost. If there is an objective evidence for impairment loss in the value of the said assets, then the loss is separately measured for each asset based on the difference between its carrying amount and its net selling value or the present value of the estimated expected future cash flows discounted at the current market rate of similar financial assets, which ever higher.

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

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

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

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

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

(P) The impairment of non-financial assets

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

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

(Q) Lease Contracts

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

P/1- Lessee

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

P/2- Lessor

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

(R) Cash and cash equivalents

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

(S) Other provisions

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

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

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

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

(T) Employees' Benefits:

Employees Share in Profits:

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

Employees' Pension Fund & End of Service Compensations:

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

(U) Dividends

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

(V) Comparative figures

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

(X) Trust/Fiduciary Activities

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

(3) Financial Risk Management

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

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

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

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

(A) Credit Risk

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

(A/1) Credit risk measurement

Loans and facilities to banks and customers.

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

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

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

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

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

Bank's internal ratings scale

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

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

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

- Debt instruments, treasury bills and other bills

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

(A/2) Limiting and avoiding risks policies

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

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

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

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

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

Collaterals

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

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

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

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

Credit-related commitments

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

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

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

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

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

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

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

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

Ratings of The Bank	31 December 2023		31 December 2022	
	Loans & Facilities	Impairment provision	Loans & Facilities	Impairment provision
	%	%	%	%
Performing loans	10.40	0.02	12.91	0.03
Regular watching	46.57	30.31	31.31	17.09
Watch list	9.50	10.51	21.19	17.62
Non-performing loans	33.53	59.16	34.59	65.26
Total	**100**	**100**	**100**	**100**

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

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

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

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

(A/4) Banking general risk measurement model

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

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

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

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

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

Balance sheet items exposed to credit risks	31/12/2023	31/12/2022
Treasury bills and government notes	1 773 400	2 045 745
Due from Banks	1 319 897	828 748
Loans to Banks	56 371	75 649
Loans and facilities to customers:		
Retail loans:		
Debit current accounts	1 986	39
Credit cards	1 841	1 641
Personal loans	16 641	32 060
Corporate loans:		
Debit current accounts	8 630	18 988
Syndicated loans	134 441	143 002
Direct loans	273 974	296 665
Other assets	10 460	9 692
Total	**3 597 641**	**3 452 229**
Off-balance sheet items exposed to credit risk		
Letters of credit	492	4 566
Letters of guarantee	81 115	101 407
Companies loans commitments	9 707	19 521
Money Market papers for facilities to suppliers	-	469
Total	**91 314**	**125 963**

- The above table represents the Bank maximum exposure to credit risk on December 31, 2023 - December 31, 2022 before taking into consideration any held collaterals. For assets recognized in the balance sheet, the exposures set out above are based on total carrying amounts as reported in the balance sheet.
- As shown above 13.73 % of the total maximum exposure is derived from loans and facilities to Banks and customers as at December 31, 2023, compared to 16.45% as at December 31, 2022.
- Management is confident in its ability to continue to control and sustain minimal exposure of credit risk resulting from both its loans and facilities portfolio and debt instruments based on the following:
- On December 31, 2023, 56.97% of the loans and facilities portfolio to Banks and customers are concentrated in the top two grades of the internal credit risk rating system compared to 44.22% on December 31, 2022.
- On December 31, 2023, 64.06% of loans and facilities portfolio to Banks and customers are neither past due nor impaired compared to 66.7 % on December 31, 2022.
- Loans and facilities assessed individually amounted to US$ 221 228 thousand on December 31, 2023 compared to US$ 257 707 thousand on December 31, 2022.
- The Bank has implemented more prudent processes when granting loans and facilities during the financial year ended on December 31, 2023.
- On December 31, 2023 and on December 31, 2022, 100% of the investments in debt instruments and treasury bills represent debt instruments on the part of the Egyptian Government.

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

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

	31/12/2022			
Due from banks	First stage 12 months	Second stage Over lifetime	Third stage Over lifetime	Total
Credit rating				
Performing loans	51 549	18 892	-	70 441
Regular watching	5 849	752 614	-	758 463
Watch list	-	-	-	-
Non-performing loans	-	-	-	-
	57 398	771 506	-	828 904
Less impairment loss provision	-	(156)	-	(156)
Book value	**57 398**	**771 350**	**-**	**828 748**

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

31/12/2022				
Treasury bills	First stage 12 months	Second stage Over lifetime	Third stage Over lifetime	Total
Credit rating				
Performing loans	450 061	-	-	450 061
Regular watching	-	-	-	-
Watch list	-	-	-	-
Non-performing loans	-	-	-	-
	450 061	-	-	450 061
Less impairment loss provision	(1 634)	-	-	(1 634)
Book value	**448 427**	**-**	**-**	**448 427**

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

31/12/2022				
Loans and credit facilities to Banks	First stage 12 months	Second stage Over lifetime	Third stage Over lifetime	Total
Credit rating				
Performing loans	-	-	-	-
Regular watching	50 000	26 270	-	76 270
Watch list	-	-	-	-
Non-performing loans	-	-	-	-
	50 000	26 270	-	76 270
Less impairment loss provision	(499)	(122)	-	(621)
Book value	**49 501**	**26 148**	**-**	**75 649**

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

31/12/2022				
Loans and credit facilities to individuals	First stage 12 months	Second stage Over lifetime	Third stage Over lifetime	Total
Credit rating				
Performing loans	33 740	-	-	33 740
Regular watching	-	-	-	-
Watch list	-	-	-	-
Non-performing loans	-	-	66	66
	33 740	-	66	33 806
Less impairment loss provision	-	-	(66)	(66)
Book value	**33 740**	**-**	**-**	**33 740**

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

31/12/2022				
Loans & credit facilities to corporate	First stage 12 months	Second stage Over lifetime	Third stage Over lifetime	Total
Credit rating				
Performing loans	62 490	-	-	62 490
Regular watching	43 706	189 646	-	233 352
Watch list	-	157 917	-	157 917
Non-performing loans	-	-	257 641	257 641
	106 196	347 563	257 641	711 400
Less impairment loss provision	(218)	(87 629)	(164 898)	(252 745)
Book value	**105 978**	**259 934**	**92 743**	**458 655**

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

31/12/2022				
Debt instruments at amortized cost	First stage 12 months	Second stage Over lifetime	Third stage Over lifetime	Total
Credit rating				
Performing loans	196 897	-	-	196 897
Regular watching	-	-	-	-
Watch list	-	-	-	-
Non-performing loans	-	-	-	-
	196 897	-	-	196 897
Less impairment loss provision	(1 175)	-	-	(1 175)
Book value	**195 722**	**-**	**-**	**195 722**

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

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

31/12/2022				
Due from Banks	First stage 12 months	Second stage Over lifetime	Third stage Over lifetime	Total
Credit loss provision as at 1 January 2022	7	527	-	534
Net impairment charge/reverse through the year	(7)	(368)	-	(375)
Written off during the year	-	-	-	-
Foreign exchange differences	-	(3)	-	(3)
Balance at the end of the year	**-**	**156**	**-**	**156**

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

31/12/2022				
Treasury bills	First stage 12 months	Second stage Over lifetime	Third stage Over lifetime	Total
Credit loss provision as at 1 January 2022	1 891	-	-	1 891
Net impairment charge/reverse through the year	(213)	-	-	(213)
Written off during the year	-	-	-	-
Foreign exchange differences	(44)	-	-	(44)
Balance at the end of the year	**1 634**	**-**	**-**	**1 634**

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

31/12/2022				
Loans and credit facilities to Banks	First stage 12 months	Second stage Over lifetime	Third stage Over lifetime	Total
Credit loss provision as at 1 January 2022	524	-	-	524
Net impairment charge/reverse through the year	(25)	194	-	169
Written off during the year	-	-	-	-
Foreign exchange differences	-	(72)	-	(72)
Balance at the end of the year	**499**	**122**	**-**	**621**

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

Loans and credit facilities to individuals	First stage 12 months	Second stage Over lifetime	Third stage Over lifetime	Total
31/12/2022				
Credit loss provision as at 1 January 2022	3	-	136	139
Net impairment charge/reverse through the year	(1)	-	(70)	(71)
Written off during the year	-	-	-	-
Proceeds from loans previously written off	-	-	-	-
Foreign exchange differences	(2)	-	-	(2)
Balance at the end of the year	**-**	**-**	**66**	**66**

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

Loans & credit facilities to corporate	First stage 12 months	Second stage Over lifetime	Third stage Over lifetime	Total
31/12/2022				
Credit loss provision as at 1 January 2022	2 143	61 178	188 612	251 933
Net impairment charge/reverse through the year	(1 476)	15 192	(1 462)	12 254
Reclassification between stages	-	16 103	(16 103)	-
Transfers from loans provision	-	-	(807)	(807)
Written off during the year	-	-	(2 942)	(2 942)
Foreign exchange differences	(449)	(4 844)	(2 400)	(7 693)
Balance at the end of the year	**218**	**87 629**	**164 898**	**252 745**

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

Debt instruments at amortized cost	First stage 12 months	Second stage Over lifetime	Third stage Over lifetime	Total
31/12/2022				
Credit loss provision as at 1 January 2022	1 376	-	-	1 376
Net impairment charge/reverse through the year	(201)	-	-	(201)
Written off during the year	-	-	-	-
Foreign exchange differences	-	-	-	-
Balance at the end of the year	**1 175**	**-**	**-**	**1 175**

(A/6) Loans and facilities

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

	31 December 2023		31 December 2022	
	Loans & facilities to customers	Loans & facilities to Banks	Loans & facilities to customers	Loans & facilities to Banks
Neither past due nor impaired	402 237	56 832	471 666	76 270
Past due but not impaired	36 382	-	15 833	-
Impaired	221 228	-	257 707	-
Total	**659 847**	**56 832**	**745 206**	**76 270**
Less: Impairment loss provision	(222 334)	(461)	(252 811)	(621)
Net	**437 513**	**56 371**	**492 395**	**75 649**

Total impairment provision for loans and facilities reached US$ 222 334 thousand at the end of the current financial period compared to US$ 252 811 thousand at the end of the comparative year that included US$ 131 547 thousand that represents loans impairment provision of loans individually valued (the third stage)compared to US$ 164 964 thousand at the end of the comparative year. The rest of the loans portfolio which amounted to US$ 90 787 thousand represent the loans impairment provision formed for the first and second stage of the credit portfolio compared to US$ 87 847 thousand at the end of the comparative year.

Loans and facilities neither past due nor impaired:

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

Loans and facilities to customers

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

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

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

Loans and facilities to customers

Individuals				
31/12/2022	Debit current accounts	Credit cards	Personal loans	Total
4. Performing loans	39	1 627	32 060	33 726
5. Regular watching	-	-	-	-
6. Watch list	-	-	-	-
Total	**39**	**1 627**	**32 060**	**33 726**

Corporate				
31/12/2022	Debit current accounts	Direct loans	Syndicated loans and facilities	Total
4. Performing loans	1 759	45 528	-	47 287
5. Regular watching	5 593	166 448	60 694	232 735
6. Watch list	15	62 493	95 410	157 918
Total	**7 367**	**274 469**	**156 104**	**437 940**

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

Past due loans and facilities but not impaired

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

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

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

Individuals				
31/12/2022	Debit current accounts	Credit cards	Personal loans	Total
Past due up to 30 days	-	14	-	14
Past due more than 30 to 60 days	-	-	-	-
Past due more than 60 to 90 days	-	-	-	-
Total	**-**	**14**	**-**	**14**

Corporate				
31/12/2022	Debit current accounts	Direct loans	Syndicated loans and facilities	Total
Past due up to 30 days	11 700	4 119	-	15 819
Past due more than 30 to 60 days	-	-	-	-
Past due more than 60 to 90 days	-	-	-	-
Total	**11 700**	**4 119**	**-**	**15 819**

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

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

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

Loans and facilities individually subject to impairment

Loans and facilities to customers

The balance of Loans and facilities individually subject to impairment (the third stage) at the end of the current financial period before taking into consideration cash flows from guarantees amounted to US$ 221 228 thousand compared to US$ 257 707 thousand at the end of the comparative year. The following tables include a breakdown of the total loans and facilities individually subject to impairment and the fair value of collaterals taken into consideration when provisions are calculated.

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

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

	Individuals			
31/12/2022	Debit current accounts	Credit cards	Personal loans	Total
Loans individually subject to impairment	66	-	-	66
Fair value of collaterals	-	-	-	-

	Corporate			
31/12/2022	Debit current accounts	Direct loans	Syndicated Loans and facilities	Total
Loans individually subject to impairment	3 239	207 828	46 574	257 641
Fair value of collaterals	-	17 312	8 896	26 208

Restructured loans and facilities

Restructuring activities include extending periods of payment arrangements, implementing compulsory management programs, amending and deferring settlement of payments. The policies of implementing the restructuring depend on indicators or criteria which indicate that there is a high probability of continued payment, based on the personal judgment of the management. These policies are subject to continuous review. Restructuring of long-term loans is commonly applied, especially to customers' financing loans. The renegotiated loans amounted to US$ 277 744 thousand, compared to US$ 150 612 thousand at the end of the comparative year.

	31 December 2023	31 December 2022
Loans & Facilities to Customers		
Institutions		
- Debit current accounts	20 589	3 174
- Direct loans	257 155	147 438
Total	**277 744**	**150 612**

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

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

	Rating	31 December 2023	31 December 2022
Egyptian treasury bills			
At fair value through other comprehensive income	(B-)	1 212 831	1 401 596
At amortized cost	(B-)	465 592	450 061
Egyptian treasury bonds			
At amortized cost	(B-)	96 983	196 897
Total		**1 775 406**	**2 048 554**

(A/8) Acquisition of Collaterals

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

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

- Geographical sectors

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

	Greater Cairo	Alexandria	Port Said	Sharm EL Sheikh	Total
Treasury bills & other government notes	1 775 406	-	-	-	1 775 406
Loans & facilities to Banks	56 832	-	-	-	56 832
Loans and facilities to customers:					
Loans to individuals:					
- Debit current accounts	2 041	1	-	-	2 042
- Credit cards	1 701	95	27	18	1 841
- Personal loans	15 610	868	134	29	16 641
Loans to Corporate:					
- Debit current accounts	11 622	-	-	-	11 622
- Direct loans	419 082	11 301	-	-	430 383
- Syndicated loans	197 318	-	-	-	197 318
Total as at 31 December 2023	**2 479 612**	**12 265**	**161**	**47**	**2 492 085**
Total as at 31 December 2022	**2 853 794**	**15 106**	**181**	**949**	**2 870 030**

- Activity Sectors

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

	Financial Institutions	Industrial Institutions	Commercial	Mining & Petroleum Services	Real Estate Activities	Government Sector	Other Activities	Total
Treasury bills & other government notes	-	-	-	-	-	1 775 406	-	1 775 406
Loans & facilities to Banks	56 832	-	-	-	-	-	-	56 832
Loans and facilities to customers:								
- Loans to individuals:								
- Debit current accounts	-	-	-	-	-	-	2 042	2 042
- Credit cards	-	-	-	-	-	-	1 841	1 841
- Personal loans	-	-	-	-	-	-	16 641	16 641
Loans to Corporate:								
- Debit current accounts	-	5 815	1 052	2 505	-	-	2 248	11 622
- Direct loans	25 643	81 332	10 397	139 370	380	-	173 263	430 383
- Syndicated loans	22 667	23 901	-	43 945	3 209	-	103 596	197 318
Total as of 31 December 2023	**105 142**	**111 048**	**11 449**	**185 820**	**3 589**	**1 775 406**	**299 631**	**2 492 085**
Total as of 31 December 2022	**126 164**	**144 647**	**30 861**	**200 469**	**5 469**	**2 048 554**	**313 866**	**2 870 030**

B - Market risk

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

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

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

(B/1) Market risk measurement techniques

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

- Value at Risk (VaR)

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

- Stress Testing

Stress testing provides an indicator of the expected losses that may arise from sharp adverse circumstances. Stress testing is designed to match business using standard analysis for specific scenarios. The stress testing carried out by the Risk Management Department of the Bank include, risk factor stress testing where sharp movements are applied to each risk category and test of emerging market stress, as emerging market portfolios are subject to sharp movements; and subject to special stress test including possible stress events to specific positions or regions - for example the stress outcome to a region due to applying a free foreign currency exchange rate. The results of the stress testing are reviewed by the Top Management and the Board of Directors

Summary of value exposed to risk

Total value exposed to risk according to each risk category:

	31/12/2023			31/12/2022		
	Average	Higher	Lesser	Average	Higher	Lesser
Foreign Exchange Risk	2 393	10 822	38	4 884	17 317	3

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

	31/12/2023			31/12/2022		
	Average	Higher	Lesser	Average	Higher	Lesser
Foreign Exchange Risk	2 393	10 822	38	4 884	17 317	3

(B/2) Foreign exchange volatility risk

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

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

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

31 December 2022	USD	Euro	GBP	L.E	Other	Total
Financial assets						
Cash and balances with the Central Bank	10 325	9 025	652	295 400	194	315 596
Due from Banks	726 744	46 933	52 861	690	1 520	828 748
Treasury bills	375 276	71 989	-	1 402 758	-	1 850 023
Loans and facilities to customers	386 873	2 339	30	103 153	-	492 395
Loans and facilities to banks	49 500	-	-	26 149	-	75 649
Financial investments:						
- Available for sale at fair value through other comprehensive income	25 787	-	-	-	-	25 787
- At amortized cost	146 752	-	-	48 970	-	195 722
Investments in subsidiaries and associates	137 494	-	-	230 052	-	367 546
Other assets	20 777	40	54	38 470	-	59 341
Total financial assets	**1 879 528**	**130 326**	**53 597**	**2 145 642**	**1 714**	**4 210 807**
Financial liabilities						
Due to Banks	57 086	2 294	181	246	48	59 855
Customers deposits & certificates of deposits	1 230 622	127 857	52 774	1 899 961	1 698	3 312 912
Other liabilities	23 029	280	22	14 467	294	38 092
Total financial liabilities	**1 310 737**	**130 431**	**52 977**	**1 914 674**	**2 040**	**3 410 859**
Net financial position	**568 791**	**(105)**	**620**	**230 968**	**(326)**	**799 948**

(B/3) Interest rate risk

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

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

31 December 2023	Up to 1 month	More than1 month to 3 Months	More than 3 months to 1 year	More than 1 year to 5 years	Over 5 years	Non-interest bearing	Total
Financial Asset							
Cash and balances with the Central Bank	-	-	-	-	-	341 070	341 070
Due from Banks	1 156 829	148 772	-	-	-	14 296	1 319 897
Treasury bills & government notes	348 988	765 480	562 322	-	-	-	1 676 790
Loans and facilities to customers	51 387	138 285	100 026	2 555	145 260	-	437 513
Loans and facilities to banks	-	-	-	56 371	-	-	56 371
Financial investments:							
- Financial investments at fair value through other comprehensive income	-	-	-	-	-	24 865	24 865
- At amortized cost	32 371	-	-	64 239	-	-	96 610
Investments in subsidiaries and associates	-	-	-	-	-	367 917	367 917
Other assets	-	-	-	-	-	53 060	53 060
Total financial assets	**1 589 575**	**1 052 537**	**662 348**	**123 165**	**145 260**	**801 208**	**4 374 093**
Financial liabilities							
Due to Banks	161 266	-	40 000	-	-	6 233	207 499
Customers' deposits & certificates of deposits	2 344 498	187 039	158 899	506 524	-	77 803	3 274 763
Other financial liabilities	-	-	-	-	-	46 698	46 698
Total financial liabilities	**2 505 764**	**187 039**	**198 899**	**506 524**	**-**	**130 734**	**3 528 960**
Interest re-pricing gap	**(916 189)**	**865 498**	**463 449**	**(383 359)**	**145 260**	**670 474**	**845 133**

31 December 2022	Up to 1 month	More than1 month to 3 Months	More than 3 months to 1 year	More than 1 year to 5 years	Over 5 years	Non-interest bearing	Total
Total financial assets	**1 350 569**	**1 379 192**	**224 689**	**282 157**	**191 634**	**782 566**	**4 210 807**
Total financial liabilities	**1 935 909**	**649 750**	**244 377**	**458 695**	**-**	**122 128**	**3 410 859**
Interest re-pricing gap	**(585 340)**	**729 442**	**(19 688)**	**(176 538)**	**191 634**	**660 438**	**799 948**

C- Liquidity risk

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

Liquidity risk management

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

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

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

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

Funding approach

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

Non-derivative cash flows

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

31 December 2023	Up to 1 month	More than1 month to 3 Months	More than 3 months to 1 year	More than 1 year to 5 years	More than five years	Non-interest bearing	Total
Financial liabilities							
Due to banks	161 266	-	40 000	-	-	6 233	207 499
Customers deposits & Certificates of deposits	2 344 498	187 039	158 899	506 524	-	77 803	3 274 763
Other financial liabilities	-	-	-	-	-	46 698	46 698
Total financial liabilities based on the contractual maturity date	**2 505 764**	**187 039**	**198 899**	**506 524**	**-**	**130 734**	**3 528 960**
Total financial assets based on the contractual maturity date	**1 589 575**	**1 052 537**	**662 348**	**123 165**	**145 260**	**801 208**	**4 374 093**

31 December 2022	Up to 1 month	More than1 month to 3 Months	More than 3 months to 1 year	More than 1 year to 5 years	More than five years	Non-interest bearing	Total
Total financial liabilities based on the contractual maturity date	**1 935 909**	**649 750**	**244 377**	**458 695**	**-**	**122 128**	**3 410 859**
Total financial assets based on the contractual maturity date	**1 350 569**	**1 379 192**	**224 689**	**282 157**	**191 634**	**782 566**	**4 210 807**

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

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

D- Operating risk:

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

The Framework of the Operating Risk Department

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

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

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

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

E- Fair value of financial assets and liabilities

Financial instruments not measured at fair value

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

	31 December 2023		31 December 2022	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets:				
Due from banks	1 319 897	1 319 897	828 748	828 748
Loans and facilities to Banks	56 371	56 371	75 649	75 649
Loans and facilities to customers	437 513	437 513	492 395	492 395
Financial investments:				
At amortized cost	96 610	Not identified	195 722	Not identified
Financial liabilities:				
Due to banks	207 499	207 499	59 855	59 855
Customers deposits	3 274 763	Not identified	3 314 756	Not identified

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

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

Customers' deposits and due to other banks:
Represent the estimated fair value of demand deposits that includes the deposits of non-bearing interest for the amount paid on demand.

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

F- Capital management

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

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

CBE requires the following from the Bank:

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

The numerator in capital adequacy comprises the following two tiers:

Tier 1: It is the core capital comprising of paid up capital (after deducting the carrying amount of the treasury stocks) if any, retained earnings and reserves resulting from profit appropriations less any goodwill previously recognized, and any carried forward losses.

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

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

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

The following table summarizes the components of the core and supplementary capital in addition to the capital adequacy percentages as at 31 December 2023.

	31/12/2023	31/12/2022
Core capital (Tier One)		
Paid up capital	600 000	600 000
Reserves	237 897	232 836
Retained earnings	172 705	123 302
General risk reserve	-	-
Total balance of items of the accumulated other comprehensive income after regulatory amendments	(179 546)	(153 114)
Quarterly interim profits	100 844	48 208
Minority interest / Non-controlling interest	195 693	178 855
Difference between nominal value and current value of subordinated loans) deposit)	712	734
Total Core capital	**1 128 305**	**1 030 821**
Less:		
Investments In Financial Institutions:		
Amount exceeding 10% of the issued capital of the company for each separate investment (shares)	(79 515)	(84 894)
Amount exceeding 10% of the fund assets for each separate investment (mutual funds)	(1 140)	(1 009)
Subordinated loans	(16 832)	(26 270)
Intangible assets	(9 347)	(5 683)
Disregarded elements:		
Reserve balance of fair value for investments available for sale (if negative)	-	-
Reserve for foreign currencies translation differences (if negative)	-	-
Total Tier 1 Capital	**1 021 471**	**912 965**
Tier 2 Capital (core capital)		
Significant elements of required allowances for debt instruments, loans, credit facilities and contingent liabilities included in stage 1	29 383	27 627
45% of the specific reserve	32	31
45 % of the increase in fair value over the book value of financial investments in associates	-	250
Total Tier 1 Capital	**29 415**	**27 908**
Total capital base (1)	**1 050 886**	**940 873**
Risk-weighted assets & contingent liabilities		
Credit risk for items in & off-balance sheet	4 420 955	3 926 013
Market risk – foreign exchange rates	34 781	304 320
Operating risk *	268 146	280 490
Total Risk-weighted assets & contingent liabilities (2)	**4 723 882**	**4 510 823**
Capital adequacy ratio (1) / (2)	**% 22.25**	**% 20.86**

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

The following table summarizes the financial leverage ratio

	31/12/2023	31/12/2022
Tier 1 Capital after disposals (1)	1 021 471	912 965
Cash and Due from Central Bank	1 982 041	1 453 163
Balances due from Banks	462 331	532 633
Loans and credit facilities to banks	48 766	26 270
Treasury bills & other government notes	2 384 318	2 402 100
Financial assets at fair value through other comprehensive income	164 587	247 530
Financial assets at amortized cost	355 477	331 999
Investments in subsidiaries & associates	206 538	213 552
Loans & credit facilities granted to customers	1 865 664	2 098 889
Fixed assets (after deducting impairment loss provision and accumulated depreciation)	100 762	101 517
Other assets	136 523	125 091
The amount of exposure deducted (after disposing the first tier of the capital base)	(391 076)	(433 945)
Total banks' exposure of items in the balance sheet after deducting the disposals of the first tier	**7 315 931**	**7 098 799**
Letters of credit – imports	819	3 892
Letters of credit – exports	11 081	20 108
Letters of guarantee	99 902	121 290
Letters of guarantee upon other Banks' request or by their warranty	8 853	10 327
Accepted bills	1 593	18 798
Rediscounted bills	-	-
Total contingent liabilities	**122 248**	**174 415**
Total commitments	**70 452**	**49 646**
Total off- balance sheet exposure	**192 700**	**224 061**
Total in & off- balance sheet exposure (2)	**7 508 631**	**7 322 860**
Financial leverage ratio (1/2)	% 13.6	% 12.47

(4) Significant accounting estimates and assumptions

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

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

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

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

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

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

(4/2) Financial derivatives fair value

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

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

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

(4/3) Debt instruments at amortized cost

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

In case the Bank ceases to classify debt instruments as debt instruments at amortized cost included in the portfolio, the carrying value of this type of investments will be increased at the end of the current financial period with the amount of US$ 2 985 thousand to reach its fair value in return for recognition thereof in the fair value reserve of other comprehensive income statement

(5) Segment Analysis

A - Segment analysis of business activities as at 31 December 2023

31 December 2023						
Revenues and expenses according to economic activity	Large corporate	Medium enterprises	Investment	Retail Banking	Other activities	Total
Revenue of business segment activity	49 746	68 892	266 635	3 758	4 764	393 795
Expenses of business segment activity	(10 202)	(639)	-	(240 575)	-	(251 416)
Segment operating income	**39 544**	**68 253**	**266 635**	**(236 817)**	**4 764**	**142 379**
Unclassified expenses						(73 743)
Profit for the year						**68 636**
Assets and liabilities of the segment activity						
Segment activity assets	1 513 875	441 965	2 407 874	20 527	-	4 384 241
Unclassified assets						55 854
Total assets						**4 440 095**
Segment activity liabilities	2 003 683	69 232	-	1 417 778	-	3 490 693
Unclassified liabilities						949 402
Total liabilities						**4 440 095**

Comparative year as at 31 December 2022						
Revenues and expenses according to economic activity	Large corporate	Medium enterprises	Investment	Retail Banking	Other activities	Total
Revenue of business segment activity	13 803	22 809	224 725	11 649	12 514	285 500
Expenses of business segment activity	(9 902)	(275)	-	(184 165)	-	(194 342)
Segment operating income	**3 901**	**22 534**	**224 725**	**(172 516)**	**12 514**	**91 158**
Unclassified expenses						(63 376)
Profit for the year						**27 782**

Comparative year as at 31 December 2022						
Assets and liabilities of the segment activity						
Segment activity assets	1 137 968	301 142	2 519 154	33 914	-	3 992 178
Unclassified assets						283 565
Total assets						**4 275 743**
Segment activity liabilities	1 859 728	38 793	-	1 475 692	-	3 374 213
Unclassified liabilities						901 530
Total liabilities						**4 275 743**

B - Geographical Segments Analysis

31 December 2023					
Revenues &expenses according to the geographical segments	Greater Cairo	Alexandria	Port said	Sharm EL Sheikh	Total
- Geographical segments revenues	389 646	2 562	47	43	392 298
- Geographical segments expenses	(314 184)	(7 190)	(1 458)	(830)	(323 662)
Segment operating income	**75 462**	**(4 628)**	**(1 411)**	**(787)**	**68 636**
Profit (loss) for the year	**75 462**	**(4 628)**	**(1 411)**	**(787)**	**68 636**
Assets & liabilities according to the geographical segments					
- Geographical segments assets	4 422 780	15 337	995	983	4 440 095
Total assets	**4 422 780**	**15 337**	**995**	**983**	**4 440 095**
Geographical segments liabilities	4 277 610	122 878	29 402	10 205	4 440 095
Total liabilities	**4 277 610**	**122 878**	**29 402**	**10 205**	**4 440 095**

Comparative year as at 31 December 2022					
Revenues &expenses according to the geographical segments	Greater Cairo	Alexandria	Port said	Sharm EL Sheikh	Total
- Geographical segments revenues	340 331	2 558	306	239	343 434
- Geographical segments expenses	(305 206)	(7 494)	(1 933)	(1 019)	(315 652)
Segment operating income	**35 125**	**(4 936)**	**(1 627)**	**(780)**	**27 782**
Profit (loss) for the year	**35 125**	**(4 936)**	**(1 627)**	**(780)**	**27 782**

Comparative year as at 31 December 2022					
Assets & liabilities according to the geographical segments					
- Geographical segments assets	4 256 085	17 340	606	1 712	4 275 743
Total assets	**4 256 085**	**17 340**	**606**	**1 712**	**4 275 743**
Geographical segments liabilities	4 107 485	126 572	32 684	9 002	4 275 743
Total liabilities	**4 107 485**	**126 572**	**32 684**	**9 002**	**4 275 743**

(6) Net interest income

	31/12/2023	31/12/2022
Interest from loans and similar revenues from loans and facilities:		
- Banks	8 156	4 764
- Customers	43 818	36 675
	51 974	**41 439**
Bonds & treasury bills	260 122	271 388
Deposits with Banks	64 352	15 339
Total	**376 448**	**328 166**
Costs of Deposits and similar costs:		
Deposits and current accounts:		
- Banks	(5 750)	(8 407)
- Customers	(246 083)	(232 641)
Total	**(251 833)**	**(241 048)**
Net	**124 615**	**87 118**

(7) Net income from fees and commissions

	31/12/2023	31/12/2022
Fees and commission income:		
Fees and commissions related to credit	4 895	3 841
Institutions' finance services fees	107	385
Other fees	1 042	1 099
Total	**6 044**	**5 325**
Fees and commission expenses:		
Other fees paid	(70)	(105)
Net	**5 974**	**5 220**

(8) Dividends income

	31/12/2023	31/12/2022
Equity instruments at fair value through other comprehensive income	396	397
Subsidiaries & associates	6 538	5 411
Total	**6 934**	**5 808**

(9) Net trading income

	31/12/2023	31/12/2022
Forex gain	1 438	1 537
Total	**1 438**	**1 537**

(10) Financial investments profits / losses

	31/12/2023	31/12/2022
Financial investments profits /losses	-	113
Financial investments profits through other comprehensive income – treasury bills	37	127
Total	**37**	**240**

(11) Administrative expenses

	31/12/2023	31/12/2022
Staff costs		
Wages & salaries and their equivalents	47 511	45 768
The Bank contribution in employees fund	3 838	3 686
	51 349	**49 454**
Fixed assets depreciation	3 479	3 174
Software amortization	633	352
Other administrative expenses	9 983	9 938
Total	**65 444**	**62 918**

The average monthly salary of the twenty largest bonuses and salaries earned in the bank amounted to US$ 408 600 for the year ended December 31, 2023 compared to US$ 420 908 on December 31, 2022

(12) Other operating revenues (expenses)

	31/12/2023	31/12/2022
Gain (loss) revaluation of assets & liabilities balances other than trading or originally classified at fair value through profit & loss	443	1 619
Loses/ profits from sale of fixed assets	(12)	286
Other revenues	1 262	700
Other provisions charge / reverse	(301)	1 394
Other expenses	(1 708)	(1 659)
Total	**(316)**	**2 340**

(13) Credit impairment charge / reverse

	31/12/2023	31/12/2022
Loans and facilities to customers	(5 550)	(12 183)
Loans and facilities to banks	136	(169)
Balances with banks	(5)	375
Treasury bills	14	213
Debt instruments at amortized cost	803	201
Total	**(4 602)**	**(11 563)**

(14) Earnings per share

	31/12/2023	31/12/2022
Net profit for the year	68 636	27 782
Less:		
Board of Directors' remunerations	1 716	695
Employees share in profit	12 843	12 403
The Banking System Support and Development Fund	690	276
Net profit before distribution to the shareholders of the Bank	**53 387**	**14 408**
Issued common shares	30 000	30 000
Earnings per share (US$ /share)	**1 779 57**	**480.27**

(15) Classification and measurement of financial assets & liabilities

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

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

31 December 2022	Amortized cost	Debt instruments at fair value through other comprehensive income	Equity instruments at fair value through other comprehensive income	Total carrying value
Cash and balances with CBE	315 596	-	-	315 596
Due from banks	828 904	-	-	828 904
Treasury bills	450 061	1 401 596	-	1 851 657
Loans and facilities to customers	745 206	-	-	745 206
Loans and facilities to banks	76 270	-	-	76 270
Financial investments at fair value through other comprehensive income	-	-	25 787	25 787
Financial investments at amortized cost	196 897	-	-	196 897
Financial investments at fair value through profit or loss	-	-	-	-
Other Financial assets	9 692	-	-	9 692
Total financial assets	**2 622 626**	**1 401 596**	**25 787**	**4 050 009**
Due to banks	59 855	-	-	59 855
Customers' deposits	3 314 756	-	-	3 314 756
Other financial liabilities	15 910	-	-	15 910
Total financial liabilities	**3 390 521**	**-**	**-**	**3 390 521**

(16) Cash and Due from Central Bank

	31/12/2023	31/12/2022
Cash	31 743	24 787
Due from the Central Bank of Egypt (within the required reserve ratio in L.E)	309 327	290 809
Balance	**341 070**	**315 596**
Non-interest-bearing balances	341 070	315 596
Balance	**341 070**	**315 596**

(17) Due from Banks

	31/12/2023	31/12/2022
Current accounts	21 684	36 316
Deposits	1 298 374	792 588
Total	**1 320 058**	**828 904**
Less: impairment loss provision	(161)	(156)
Balance	**1 319 897**	**828 748**
Due from the Central Bank of Egypt (other than the required reserve ratio in L.E)	1 129 883	651 306
Local Banks	173 154	119 885
Foreign Banks	17 021	57 713
Total	**1 320 058**	**828 904**
Less: impairment loss provision	(161)	(156)
Balance	**1 319 897**	**828 748**
Non- interest-bearing balances	6 385	20 830
Fixed interest balances	1 313 673	808 074
Total	**1 320 058**	**828 904**
Less: impairment loss provision	(161)	(156)
Balance	**1 319 897**	**828 748**
Current balances	1 320 058	828 904
Non-current balances	-	-
Total	**1 320 058**	**828 904**
Less: impairment loss provision	(161)	(156)
Balance	**1 319 897**	**828 748**

(18) Treasury bills & other government notes

	31/12/2023	31/12/2022
A- At amortized cost		
180 days maturity	-	1 192
364 days maturity	472 202	453 296
Balance	**472 202**	**454 488**
Less: unearned interest	(6 610)	(4 427)
Total	**465 592**	**450 061**
Less: impairment loss provision	(1 633)	(1 634)
Net (1)	**463 959**	**448 427**
B - At fair value through other comprehensive income		
91 days maturity	237 918	1 426 301
270 days maturity	-	-
364 days maturity	1 055 899	-
Balance	**1 293 817**	**1 426 301**
Less: unearned interest	(74 818)	(24 615)
Total	**1 218 999**	**1 401 686**
Reserve for change in fair value	(6 168)	(90)
Net (2)	**1 212 831**	**1 401 596**
Net (1+2)	**1 676 790**	**1 850 023**

(19) Loans and facilities to banks

	31/12/2023	31/12/2022
Loans	56 832	76 270
Less: impairment loss provision	(461)	(621)
Total	**56 371**	**75 649**
Non-current balances	56 371	75 649
Total	**56 371**	**75 649**

Loan of Société Arabe Internationale de Banque (SAIB)

- On 24 October 2016, the Board of Directors of the Bank, approved a subordinated loan that amounted to US$ 50 million to support the tier 2 of the capital base, of Société Arabe Internationale de Banque (SAIB) (one of AIB subsidiaries) upon calculating the percentage rate of capital adequacy to maintain the percentage required by the Central Bank of Egypt.
- The term of this loan is five years, starting from 2 November 2016, to 1 November 2021. The total amount of the loan will be paid in full in one payment at the end of the loan term on 1 November 2021. Société Arabe Internationale de Banque (SAIB) may settle the loan on equal annual installments in a manner that does not exceed 20% of the loan amount. The annual interest rate of the loan 4 % (four percent) above LIBOR rate is calculated over six months and the interest is paid every six months.
- On 26 December 2019, an addendum to the subordinated loan contract mentioned above was signed and accordingly the term of the loan contract was extended as of 1 November 2019, for a period of five years which end on 1 November 2024 provided that the said loan must be paid in full at the end of the loan term. The annual interest rate of the loan 4 % (four percent) above LIBOR rate is calculated over six months while having the rest of the conditions stipulated in the subordinated loan referred thereto as it is without introducing any amendments. Société Arabe Internationale de Banque "SAIB" paid US$ 10 million on June 15,2021 and an amount of US$ 10 million on November 7, 2021.
- On October 18, 2022, a new an addendum to the subordinated loan contract dated November 1, 2016, that was referred to above, was concluded, and accordingly, the subordinated loan of October 18, 2022 that amounted to US $ 30 million, its term was extended and its amount was increased by adding US $ 20 million as a new support for the capital base, and made the total subordinated loan amounting to US $ 50 million for a period of 5 years, starting from October 18, 2022 and ending on October 17, 2027, provided that the loan is fully repaid at the end of the period, and a return rate of 4% is calculated on the loan amount above the Term Reference Rate SOFR6M for six months, extracted from the screen of Reuters (SR6M). The return is paid every six months. Société Arabe Internationale de Banque "SAIB" paid the amount of US$ 10 million on October 18, 2023, and accordingly, the balance of the subordinated loan on December 31, 2023 becomes 40 million US dollars

Loan of the Suez Canal Bank (SCB)

- On March 30, 2022, the Board of Directors of the Arab International Bank agreed to grant a subordinated loan that amounted to 650 million Egyptian pounds, in order to support the second tranche of the capital base of the Suez Canal Bank (SCB) when calculating the capital adequacy ratio in order to maintain the ratio established by the Central Bank of Egypt. The term of this loan is five years starting from June 9, 2022 and ending by June 8, 2027, provided that the loan is paid in full at the end of the period in one payment by June 8, 2027, and the Suez Canal Bank (SCB) may repay this loan in annual installments that do not exceed more than 20% of the value of the loan. A return rate of 1.50% annually, is calculated on the loan amount over the corridor rate, and the interest is paid every three months. Suez Canal Bank paid the amount of 130 million Egyptian pounds on July 9, 2023 and accordingly, the balance of the subordinated loan on December 31, 2023 becomes 520 million Egyptian pounds which is equivalent to US$ 16 million.

(20) Loans and facilities to customers

	31 December 2023			31 December 2022		
	Total	Impairment loss provision	Net	Total	Impairment loss provision	Net
Individuals						
Debit current accounts	2 042	(56)	1 986	105	(66)	39
Credit cards	1 841	-	1 841	1 641	-	1 641
Personal loans	16 641	-	16 641	32 060	-	32 060
Total (1)	**20 524**	**(56)**	**20 468**	**33 806**	**(66)**	**33 740**
Corporate including small loans for economic activities						
Debit current accounts	11 622	(2 992)	8 630	22 306	(3 318)	18 988
Direct loans	430 383	(156 409)	273 974	486 416	(189 751)	296 665
Syndicated loans and facilities	197 318	(62 877)	134 441	202 678	(59 676)	143 002
Total (2)	**639 323**	**(222 278)**	**417 045**	**711 400**	**(252 745)**	**458 655**
Total (1+2)	**659 847**	**(222 334)**	**437 513**	**745 206**	**(252 811)**	**492 395**

Provision for impairment losses

31 December 2023

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

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

31 December 2022

Individuals	Debit current accounts	Credit cards	Personal loans	Total
Balance as at 1 January 2022	71	-	68	139
Net impairment charge / reverse for the year	(4)	-	(67)	(71)
Amounts written off during the year	-	-	-	-
Proceeds from loans previously written off	-	-	-	-
Foreign exchange differences	(2)	-	-	(2)
Balance at the end of the year	**65**	**-**	**1**	**66**

Corporate	Debit current accounts	Direct loans	Syndicated loans and facilities	Total
Balance as at 1 January 2022	3 365	202 783	45 785	251 933
Net impairment charge / reverse for the year	623	(2 400)	14 031	12 254
Proceeds from loans previously written off	-	(807)	-	(807)
Amounts written off during the year	(115)	(2 827)	-	(2 942)
Foreign exchange differences	(555)	(6 998)	(140)	(7 693)
Balance at the end of the year	**3 318**	**189 751**	**59 676**	**252 745**

(21) Financial investments

At fair value through other comprehensive income:	31/12/2023	31/12/2022
A - Debt instruments - at fair value :		
Treasury Bills (18)	1 212 831	1 401 596
B - Equity instruments at fair value through other comprehensive income:		
Quoted	234	205
Unquoted	24 631	25 582
Total equity instruments at fair value through other comprehensive income	**24 865**	**25 787**
At fair value through profit or loss		
Total financial investments at fair value through other comprehensive income (1)	**1 237 696**	**1 427 383**
At amortized cost:		
Debt instruments:		
- Quoted	96 983	196 897
Less: impairment loss provision	(373)	(1 175)
	96 610	**195 722**
Treasury Bills:		
Treasury Bills (18)	465 592	450 061
Less: impairment loss provision	(1 633)	(1 634)
	463 959	**448 427**
Total debt instruments at amortized cost (2)	**560 569**	**644 149**
Total financial investments (1+2)	**1 798 265**	**2 071 532**
Current balances	1 709 160	1 850 023
Noncurrent balances	89 105	221 509
Total financial investments	**1 798 265**	**2 071 532**
Fixed interest debt instruments	96 610	195 722
Total debt instruments	**96 610**	**195 722**

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

31-12-2023	At fair value through other comprehensive income	At amortized cost
The following is a summary of financial investments movement during the financial year:		
Balance at the beginning of the current year	**25 787**	**195 722**
Additions	-	11 037
Amortization of Premium / issue discount	-	(1 599)
Disposals (sale / reimbursement)	-	(99 604)
Assets of monetary nature valuation differences in foreign currency	-	(9 749)
Changes in fair value reserve	(922)	-
Transferred to retained earnings	-	-
Charge / reverse of impairment of financial investments at amortized cost	-	803
Balance at the end of the financial year	**24 865**	**96 610**

31-12-2022	At fair value through other comprehensive income	At amortized cost
The following is a summary of financial investments movement during the comparative year:		
Balance at the beginning of the current year	**26 502**	**272 724**
Additions	-	45 000
Amortization of Premium / issue discount	-	(842)
Disposals (sale / reimbursement)	-	(87 219)
Assets of monetary nature valuation differences in foreign currency	-	(34 142)
Changes in fair value reserve	(714)	-
Transferred to retained earnings	-	-
Charge of impairment of financial investments at amortized cost	-	201
Balance at the end of the comparative year	**25 787**	**195 722**

(22) Investments in subsidiaries & associates

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

December 31, 2023

Name of Company	Total Assets	Total Liabilities (without equity)	Revenues of the company	Net Profits (losses) of the company	Hosting country of the company	Balance as at 1/1/2023	Balance as at 31/12/2023	Share %
First: Subsidiaries:								
Societe Arab International de Banque (SAIB) (A)	3 484 628	3 085 071	436 648	31 156	A.R.E	82 694	83 065	% 51.0228
Total subsidiaries						**82 694**	**83 065**	
Second: Associates:								
Suez Canal Co. For Technology (B)	95 789	23 792	24 291	23 181	A.R.E	75 720	75 720	% 24.08
International Company for Tourist Investments (ICIT)	122 367	24 666	25 418	13 348	A.R.E	6 800	6 800	% 20.00
World Trade Centre (WTC) (C)	143 642	15 703	8 323	2 651	A.R.E	48 000	48 000	% 50.00
Suez Canal Bank (SCB)	3 332 087	3 079 178	413 753	74 235	A.R.E	154 332	154 332	% 41.50
Total associates						**284 852**	**284 852**	
Total subsidiaries & associates						**367 546**	**367 917**	

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

B. The balances of the latest approved financial statements of the company were recognized on November 30, 2023 and were approved by the auditor on January 15, 2024.

C. The Bank's participation in the capital of the World Trade Center (WTC) Company amounted to 50% and the Bank does not have control over the Company, hence, the investment in the World Trade Centre (WTC) is deemed as an investment in associates.

Investments in subsidiaries & associates (continued)

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

December 31, 2022

Name of Company	Total Assets	Total Liabilities (without equity)	Revenues of the company	Net Profits (losses) of the company	Hosting country of the company	Balance as at 1/1/2022	Balance as at 31/12/2022	Share %
First: Subsidiaries:								
Societe Arab International de Banque (SAIB)	3 489 132	3 146 729	425 129	30 155	A.R.E	82 694	82 694	% 50.438
Compagnie Arab De Financement International «CAFI»	-	-	-	-	-	181	-	-
Total subsidiaries						**82 875**	**82 694**	
Second: Associates:								
Suez Canal Co. For Technology	84 211	18 689	20 252	19 453	A.R.E	75 720	75 720	% 24.08
International Company for Tourist Investments (ICIT)	108 751	21 224	14 936	5 944	A.R.E	6 800	6 800	% 20.00
World Trade Centre (WTC)	140 496	14 358	6 204	348	A.R.E	48 000	48 000	% 50.00
Suez Canal Bank (CSB)	2 416 556	2 238 543	233 465	33 660	A.R.E	154 332	154 332	% 41.50
Total associates						**284 852**	**284 852**	
Total subsidiaries & associates						**367 727**	**367 546**	

(23) Intangible Asset

	31/12/2023	31/12/2022
Computer software		
Net book value at the beginning of the year	534	717
Additions	3 314	169
Disposals	(23)	-
Amortization during the year	(633)	(352)
Net book value at the end of the year	**3 192**	**534**
Cost	9 370	6 079
Accumulated amortization	(6 178)	(5 545)
Net book value at the end of the year	**3 192**	**534**

(24) Other Assets

	31/12/2023	31/12/2022
Accrued revenue	10 460	9 692
Accrued dividends	677	677
Prepaid expenses	1 990	1 154
Prepaid amounts to employees under the account of dividends	10 043	9 703
Advance payments to purchase fixed assets	24 973	30 620
Assets reverted to the Bank in return for customers debts	113	1 986
Other	16 579	17 457
Total	**64 835**	**71 289**
Less: impairment loss provision	(11 775)	(11 948)
Net	**53 060**	**59 341**

(25) Fixed assets

	Land	Buildings & Improvements	Furniture Fittings & Office Equipment	Vehicles	Computers	Total
Balance as at 1 January 2022						
Cost	36 228	32 627	6 757	2 677	8 156	86 445
Accumulated depreciation	-	(10 555)	(4 806)	(1 770)	(6 956)	(24 087)
Net Book Value as at 1 January 2022	**36 228**	**22 072**	**1 951**	**907**	**1 200**	**62 358**
Additions	-	3 160	277	-	1 781	5 218
Disposals	-	-	-	-	-	-
Depreciation during the year	-	(1 803)	(393)	(213)	(765)	(3 174)
Net Book Value as at 31 December 2022	**36 228**	**23 429**	**1 835**	**694**	**2 216**	**64 402**
Net Book Value as at 31 December 2021	**36 228**	**22 072**	**1 951**	**907**	**1 200**	**62 358**
Balance as at 31 December 2022						
Cost	36 228	35 787	7 034	1 953	9 937	90 939
Accumulated depreciation	-	(12 358)	(5 199)	(1 259)	(7 721)	(26 537)
Net Book Value as at 31 December 2022	**36 228**	**23 429**	**1 835**	**694**	**2 216**	**64 402**

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

(26) Due to Banks

	31/12/2023	31/12/2022
Current accounts	4 499	9 609
Deposits	203 000	50 000
Treasury Bills Sale – Repo agreements	-	246
Balance	**207 499**	**59 855**
Local banks	40 375	50 674
Foreign banks	167 124	9 181
Balance	**207 499**	**59 855**
Non - interest bearing balances	501	2 634
Interest-bearing balances	206 998	57 221
Balance	**207 499**	**59 855**
Current balance	207 499	59 609
Non – current balance	-	246
Balance	**207 499**	**59 855**

(27) Customers deposits

	31/12/2023	31/12/2022
Demand deposits (current accounts)	244 112	217 233
Time and call deposits	1 910 009	1 857 186
Certificates of deposits	575 308	625 564
Saving deposits	501 957	586 529
Other deposits	43 377	28 244
Balance	**3 274 763**	**3 314 756**
Financial institutions deposits	1 864 409	1 840 788
Individual deposits	1 410 354	1 473 968
Balance	**3 274 763**	**3 314 756**
Non-interest-bearing balances	141 433	76 942
Fixed interest-bearing balances	3 131 167	3 235 303
Variable interest-bearing balances	2 163	2 511
Balance	**3 274 763**	**3 314 756**
Current balances	2 650 926	2 722 322
Non-current balances	623 837	592 434
Balance	**3 274 763**	**3 314 756**

(28) Other liabilities

	31/12/2023	31/12/2022
Accrued interest	23 968	15 910
Unearned revenues	253	256
Pension fund	4 463	3 355
Employees' alternative benefit plan	13 248	10 133
Sundry credit balances	4 766	6 594
Balance	**46 698**	**36 248**

(29) Other Provisions

31-12-2023						
	Balance at the beginning of the year	Foreign exchange differences	Transfers	Formed during the year	Used during the year	Year ending balance
Potential claims provision	1 053	-	(300)	69	(102)	720
Contingent liabilities provision	-	-	-	147	-	147
Contingent liabilities provision	2 845	(42)	(2 000)	232	-	1 035
Commitments and facilities provision	57	(11)	-	(3)	-	43
Total	**3 955**	**(53)**	**(2 300)**	**445**	**(102)**	**1 945**

31-12-2022					
	Balance at the beginning of the year	Foreign exchange differences	Formed during the year	Used during the year	Year ending balance
Potential claims provision	646	-	407	-	1 053
Contingent liabilities provision	4 788	(573)	(1 370)	-	2 845
Commitments and facilities provision	848	(250)	(541)	-	57
Total	**6 282**	**(823)**	**(1 504)**	**-**	**3 955**

(30) Owners' Equity

(A) Paid in Capital

The fully paid issued and paid in capital as at December 31, 2023 amounted to US$ 600 Million distributed over 30 000 common shares with the value of US$ 20 000 each.

The subscribed share capital is as follows:

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

(B) Reserves

	31/12/2023	31/12/2022
Legal Reserve (Analytical Note No. B-1)	139 761	136 983
General Reserve	73 582	73 582
Fair value reserve of financial investments (Analytical Note No. B-2)	(3 030)	3 971
General Banking risk reserve (Analytical Note No. B-3)	31	204
Total of reserves at the end of the year	**210 344**	**214 740**

(B/1) Legal Reserve

	31/12/2023	31/12/2022
Balance at the beginning of the year	136 983	134 648
Transferred from net profit of the year	2 778	2 335
Balance at the end of the year	**139 761**	**136 983**

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

(B/2) Fair value reserve of investments

	31/12/2023	31/12/2022
Balance at the beginning of the year	3 971	4 989
Net change in fair value of financial investments	(7 001)	(1 018)
Balance at the end of the year	**(3 030)**	**3 971**

(B/3) General banking risk reserve

	31/12/2023	31/12/2022
Balance at the beginning of the year	204	-
Transferred to general banking risk reserve – no longer used	199	209
Reserve / charge of general bank risk reserve	(372)	(5)
Balance at the end of the year	**31**	**204**

- The instructions of the Central Bank of Egypt stipulate the formation of a General Reserve for Banking Risks to meet unexpected risks, and this reserve is not distributed except after obtaining the approval of the Central Bank of Egypt.
- The General Banking Risk Reserve formed during the year is represented in the reserve formed at a rate of 10% for the assets that were reverted to the bank in settlement of debts and that were not disposed of within the legally specified period.

(C) Retained earnings

	31/12/2023	31/12/2022
Balance at the beginning of the year	46 189	33 787
Net profit of the year	68 636	27 782
Employees' share in profit	(12 403)	(12 249)
Board of Directors’ remunerations	(276)	(361)
General bank risk reserve	(199)	(209)
Transferred to legal reserve under registration	(2 778)	(2 335)
The Banking system support and development Fund	(695)	(231)
Reverse of General banking risk reserve	372	5
Balance at the end of the year	**98 846**	**46 189**

(31) Cash and cash equivalent

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

	31/12/2023	31/12/2022
- Cash at hand	31 743	24 787
- Balances with Banks	1 305 600	814 451
- Treasury Bills	230 107	1 399 962
Balance at the end of the year	**1 567 450**	**2 239 200**

(32) Commitments and contingent liabilities

(A) Legal claims

There are lawsuits filed against the Bank as at 31 December 2023 and there is a loss thereof is expected to be realized with the amount of US$ 720 thousand, hence, a provision was formed with full amount.

(B) Commitments for loans, guarantees and facilities

	31/12/2023	31/12/2022
Letters of guarantee	81 115	101 407
Letters of Credit – import	335	4 566
Letters of Credit – export	157	-
Commitments for corporate loans	9 707	19 521
Money market papers for facilities to suppliers	-	469
Total	**91 314**	**125 963**

(33) Transactions with related parties

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

(A) Loans & facilities to related parties

	Subsidiaries & Associates	
	31/12/2023	31/12/2022
Loans and facilities to customers & banks		
Outstanding loans at the beginning of the year	81 260	34 991
Loans issued during the financial year	-	46 269
Loans paid during the financial year	(19 437)	-
Outstanding loans at the end of the year	**61 823**	**81 260**

(B) Deposits from related parties

	Subsidiaries & Associates	
	31/12/2023	31/12/2022
Deposits at the beginning of the year	122 188	121 967
Deposits issued during the financial year	4 915	3 300
Deposits refunded during the financial year	(49)	(3 079)
Deposits at the end of the year	**127 054**	**122 188**

(C) Other

	31/12/2023	31/12/2022
Due from Banks	501	1 127
Due to Banks	40 004	50 004

(34) Employees' Pension fund

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

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

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

- On March 9, 2023, the Board of Directors of the Bank decided to increase the investment return rate guaranteed by the Bank on the reserve fund to become 9% instead of 7%, as of the beginning of 2023.
- The balance of the reserve fund of the Employees' Fund on December 31, 2023 amounted to US$ 94 420 thousand, compared to US$ 99 140 thousand on December 31, 2022, and pursuant to the Actuary's Report which stated that "in the light of the Bank's guarantee of investment return of 9% on the reserve fund, the fund is actuarially balanced as of December 31, 2023", and after adding the difference of the investment return guaranteed by the Bank by 9% for the fiscal year 2023, that amounted to US$ 3 603 thousand, the Bank also bore the burden of the loss of the foreign currency translation differences amounted US$ 859 thousand and continues to delay the repayment of the remaining part of the subordinated loan amounted US$ 4 991 thousand.
- Based on the opinion of the Actuary, that Employees' Pension Fund has been supported this year, by US$ 3 603 thousand which represents the investment return difference (9%) that is guaranteed by the Bank and the realized investment return (2023) referred to in the Actuary's Report in addition to the amount of US$ 859 thousand that is represented in the currency devaluation losses, along with the postponement of settlement of the last portion of the subordinated loan, that amounted to US$ 4 991 thousand, provided that, the said portion will be settled during the following years when the employees' pension reserve fund is quite adequate to cover such settlement according to the directives of the Actuary Expert referred to above.

(35) Significant events subsequent to the end of the financial year and do not require adjustments in the financial statements

- On September 15, 2020, the Central Bank and the Banking System Law No. 194 of 2020 was issued and canceled the Central Bank, the Banking System and Monetary Law promulgated by Law No. 88 of 2003. The law applies to bodies, the most important of which are the Central Bank of Egypt and the Egyptian Banking System. Those who are addressed by the provisions of the law are obliged to comply with its provisions, within a period not exceeding one year from the date of its enforcement. The Board of Directors of the Central Bank may extend this period for another period or periods not exceeding two years, provided that the Central Bank issues regulations and decisions to the effect of implementing the provisions of the law.

The said law, also stipulated that the financial statements of the Bank should be prepared every three months in accordance with the Egyptian Accounting Standards, and a summary of the Auditor's Report on these financial statements must be attached thereto in accordance with the Egyptian Auditing Standards and the Report of the Board of Directors of the Bank.

The Central Bank of Egypt decided, in its session held on September 28, 2022, to extend the period of compliance with the provisions of the Central Bank of Egypt and the Banking System Law No. 194 of 2020 for banks and foreign exchange companies stipulated in Article 4 of Law No. 194 of 2020 to the effect of issuing the Central Bank and Banking System Law for a period of one year ending on September 14, 2023, with regard to the minimum amount of capital.

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Consolidated Financial Statements

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KPMG Hazem Hassan	BDO Khaled & Co.
Public Accountants and Consultants	Public Accountants and Consultants

Auditors' Report

To The Shareholders of Arab International Bank

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated Financial statements of Arab International Bank (the "Bank"), which comprise the consolidated statement of financial position as at 31 December 2023 and the related consolidated statements of income, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management' Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

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

Auditors

Abdel Hadi Ibrahim	Mahmoud Mohamed El Garahy
Financial Regulatory Authority No. 395 Central Bank of Egypt Register No. 577 KPMG Hazem Hassan Public Accountants & Consultants	Central Bank of Egypt Register No. 586 Accountants and Auditors Register No. 22363 BDO Khaled & Co. Public Accountants & Advisers

Cairo, 30 May 2024

Consolidated Statement of Financial Position

As at December 31, 2023

(All amounts are presented in thousand USD)

	Note No.	31-12-2023	31-12-2022
Assets			
Cash and due from Central Bank	(15)	658 440	567 609
Due from banks	(16)	1 785 807	1 417 767
Treasury bills & other government notes	(17)	2 382 685	2 400 466
Loans and facilities to banks	(18)	48 766	26 148
Loans and facilities to customers	(19)	1 840 056	2 075 388
Financial investments			
- At fair value through other comprehensive income	(20)	164 587	247 530
- Amortized cost	(20)	354 170	330 624
Investments in associates	(21)	206 538	213 552
Intangible assets	(22)	9 347	5 683
Other assets	(23)	127 176	119 407
Fixed assets	(24)	100 762	101 517
Total assets		**7 678 334**	**7 505 691**
Liabilities & Equity			
Liabilities			
Due to Banks	(25)	350 201	50 979
Customers' deposits	(26)	6 031 645	6 260 327
Other loans	(27)	40 600	52 909
Other liabilities	(28)	110 624	91 980
Other provisions	(29)	2 458	5 304
deferred tax liabilities		446	44
Total liabilities		**6 535 974**	**6 461 543**
Equity			
Paid-up capital	(30 - A)	600 000	600 000
Reserves	(30 - B)	247 916	231 889
Foreign exchange translation differences		(189 294)	(151 727)
Difference between current value and nominal value of the subordinated deposit		712	734
Retained earnings	(30 - C)	287 333	184 397
Total AIB shareholders' equity		**946 667**	**865 293**
Minority interest / Non-controlling interest		195 693	178 855
Total equity		**1 142 360**	**1 044 148**
Total liabilities and equity		**7 678 334**	**7 505 691**

- The accompanying notes from (1) to (36) are an integral part of these consolidated Financial Statements and to be read therewith
- Audit report attached

Gamal Zaghloul	Hisham Ramez	Amr Mohamed Kamel
CFO	Chief Executive Officer Managing Director	Non-Executive Chairman

Consolidated Income Statement

For the Financial Year Ended December 31, 2023

(All amounts are presented in thousand USD)

	Note No.	31-12-2023	31-12-2022
Interest from loans and similar income	(6)	777 096	706 111
Interest on deposits and similar expenses	(6)	(508 995)	(475 820)
Net Interest Income		**268 101**	**230 291**
Fees and commissions income	(7)	30 805	37 559
Fees and commissions expenses	(7)	(6 996)	(10 332)
Net Income from Fees and commissions		**23 809**	**27 227**
Net income from interest, fees and comissions		**291 910**	**257 518**
Dividends income	(8)	1 224	969
Net trading income	(9)	8 090	12 504
Gains from financial investments	(20)	2 383	2 531
Impairment reverse / (charge) for credit losses	(13)	(29 711)	(39 239)
Administrative expenses	(10)	(157 669)	(160 703)
Other operating (expenses) revenues	(11)	(684)	340
Gains / (Losses) from investments in associates		34 489	20 363
Profits before tax		**150 032**	**94 283**
Income tax	(12)	(20 145)	(18 243)
Profit For The Year		**129 887**	**76 040**
Minority interest / Non-controlling interest - Profits		15 259	14 945
AIB shareholders' share		114 628	61 095
Profit For The Year		**129 887**	**76 040**

- The accompanying notes from (1) to (36) are an integral part of these consolidated Financial Statements and to be read therewith.

Gamal Zaghloul	Hisham Ramez	Amr Mohamed Kamel
CFO	Chief Executive Officer Managing Director	Non-Executive Chairman

Consolidated statement of Comprehensive Income

For The Financial Year Ended December 31, 2023

(All amounts are presented in thousand USD)

	31-12-2023	31-12-2022
Net profit for the year	**129 887**	**76 040**
Items that will not be reclassified in the Profit or Loss		
Net change in fair value of financial investments in equity instruments at fair value through other comprehensive income	3 041	1 904
Items transferred to retained earnings – exclusion of "fair value of equity instruments reserve at fair value through other comprehensive income"	(799)	80
Income tax	(474)	(887)
Items that will be reclassified in the Profit or Loss		
Net change in fair value of financial investments in debt instruments at fair value through other comprehensive income	9 949	(15 596)
Transferred to income statement (net)	(14)	(830)
Income tax	(98)	(28)
Expected credit loss for debt instruments at fair value through other comprehensive income	(393)	15
Total other comprehensive income items for the year	**11 212**	**(15 342)**
Total comprehensive income for the year	**141 099**	**60 698**

- The accompanying notes from (1) to (36) are an integral part of these consolidated Financial Statements and to be read therewith

Consolidated Statement Of Cash Flows

For the Financial Year Ended December 31, 2023

(All amounts are presented in thousand USD)

	Note No.	31-12-2023	31-12-2022
Cash flows from operating activities			
Net Profit for the year before taxes		150 032	94 283
Adjustments to reconcile net profit to net cash provided from operating activities			
Depreciation & amortization of fixed and intangible assets	(10)	12 222	11 235
Impairment charge / reverse for expected credit losses	(13)	29 711	39 239
Other provisions charge / reverse	(29)	(190)	(809)
Amounts used from other provisions	(29)	(172)	(290)
Profits / losses of investments in associates		(34 489)	(20 363)
Amortization of premium and issue discount of bonds	(20)	(1 032)	293
Profits / losses of financial investments	(20)	(2 383)	(2 531)
Dividends distribution	(8)	(1 224)	(969)
Gain from sale of fixed assets	(11)	(269)	(644)
Translation differences (non-monetary transactions)		59 161	200 171
Impairment charge/ reverse (assets reverted to the bank)		-	56
Operating profits before changes in assets & liabilities provided from operating activities		**211 367**	**319 671**
Net change in assets & liabilities			
Due from Banks and central Bank		(53 221)	92 536
Treasury bills		(1 007 158)	1 506 414
Loans and facilities to Banks and customers		173 261	105 973
Other assets		(8 454)	45 005
Due to Banks		289 221	(207 910)
Customers' deposits		(228 681)	(1 914 477)
Other liabilities		14 906	(24 296)
Income tax paid		(16 299)	(18 987)
Net cash flows (used in) operating activities (1)		**(625 058)**	**(96 071)**
Cash flows from Investing Activities			
Payments for fixed and intangible assets purchasing and branches fitting - out furnishing		(8 701)	(19 473)
Proceeds / Payments for purchasing financial investments at amortized cost		88 567	42 219
Proceeds from fixed assets sale		292	751
Dividends received		7 762	6 379
Purchase of financial investments other than financial assets at fair value through profit or loss		(113 652)	(42 594)
Proceeds from disposal of financial investments other than financial assets at fair value through profit or loss		67 729	351 110
Payments for intangible assets purchasing		(5 615)	-
Increase in associates' capital		(371)	-
Amounts collected from the liquidation of subsidiaries		-	181
Net cash flows provided from investing activities (2)		**36 011**	**338 573**
Cash flows from Financing Activities			
Proceeds from other loans		16 000	41 000
Repayments of other loans		(36 337)	(15 971)
Dividends paid		(20 374)	(17 516)
Net cash flows (used in) provided from financing activities (3)		**(40 711)**	**7 513**
Net decrease of cash & cash equivalents during the year (1)+(2)+(3)		**(629 758)**	**250 015**
Cash & cash equivalents at the beginning of the year		2 932 127	2 682 112
Cash & cash equivalents at the end of the year		**2 302 369**	**2 932 127**
Cash & cash equivalents are represented in:			
Cash and due from the Central Bank	(15)	658 440	567 609
Due from Banks		1 825 957	1 467 922
Treasury bills	(17)	2 382 685	2 400 466
Due from the Central Bank (within the required reserve ratio)		(617 906)	(534 478)
Due from Banks with maturities of more than three months		(54 297)	(84 504)
Treasury bills with maturity of more than three months		(1 892 510)	(884 888)
Cash & cash equivalents at the end of the year	(31)	**2 302 369**	**2 932 127**

- The accompanying notes from (1) to (36) are an integral part of these consolidated Financial Statements and to be read therewith

Consolidated Statement of Changes In Shareholders' Equity

For The Financial Year Ended December 31, 2023

(All amounts are presented in thousand USD)

	Issued and Paid in Capital	Legal reserve	General risk reserve	Capital reserve	Special reserve	Fair value reserve of investments at fair value through OCI	General banking risk reserve	Foreign exchange translation differences	Reserve of the difference between current value and nominal value of subordinated deposit	Retained earnings	Minority interest	Total
Balance as of 1 January, 2022	**600 000**	**140 419**	**87 578**	**2 768**	**69**	**13 955**	**167**	**(108 544)**	**854**	**142 319**	**183 573**	**1 063 158**
Transferred to capital reserve	-	-	-	-	-	-	-	-	-	-	-	-
Transferred to legal reserve	-	2 582	-	-	-	-	-	-	-	(2 582)	-	-
Net change in fair value of investments at fair value through other comprehensive income	-	-	-	-	-	(15 422)	-	-	-	-	(16 545)	(31 967)
Transferred to general banking risk reserve	-	-	-	-	-	-	209	-	-	(209)	-	-
Adjustments of profits for the year 2021- difference between estimated and actual profits	-	-	-	-	-	-	-	-	-	(729)	-	(729)
Compagnie Arab De Financement International (CAFI) liquidation settlement	-	(511)	-	-	-	-	-	-	-	(130)	(709)	(1 350)
The bank's share in the difference between current value and nominal value of the subordinated deposit	-	-	-	-	-	-	-	-	(120)	-	-	(120)
Items transferred to retained earnings - gains from selling equity instruments at fair value through other comprehensive income (FVOCI)	-	-	-	-	-	80	-	-	-	(80)	-	-
Reverse / charge of general banking risk reserve	-	-	-	-	-	-	(5)	-	-	5	-	-
Foreign exchange translation differences	-	-	-	-	-	-	-	(43 183)	-	-	-	(43 183)
Dividends distributions for the year 2021	-	-	-	-	-	-	-	-	-	(15 292)	(2 409)	(17 701)
Net profit of the year	-	-	-	-	-	-	-	-	-	61 095	14 945	76 040
Balance at 31 December 2022	**600 000**	**142 490**	**87 578**	**2 768**	**69**	**(1 387)**	**371**	**(151 727)**	**734**	**184 397**	**178 855**	**1 044 148**
Balance as of 1 January, 2023	**600 000**	**142 490**	**87 578**	**2 768**	**69**	**(1 387)**	**371**	**(151 727)**	**734**	**184 397**	**178 855**	**1 044 148**
Effect of increasing the bank's share in SAIB's capital on the balances at the beginning of the year	-	440	108	33	1	(77)	3	-	-	8 315	(11 154)	(2 331)
Transferred to capital reserve	-	-	-	182	-	-	-	-	-	(182)	-	-
Transferred to legal reserve	-	4 298	-	-	-	-	-	-	-	(4 298)	-	-
Net change in fair value of investments at fair value through other comprehensive income	-	-	-	-	-	12 011	-	-	-	-	16 307	28 318
Transferred to general banking risk reserve	-	-	-	-	-	-	199	-	-	(199)	-	-
Reverse / charge of general banking risk reserve	-	-	-	-	-	-	(372)	-	-	372	-	-
Items transferred to retained earnings - Exclusion of fair value reserve of financial investments at fair value through other comprehensive income	-	-	-	-	-	(799)	-	-	-	799	-	-
Foreign exchange translation differences	-	-	-	-	-	-	-	(37 567)	-	-	-	(37 567)
The bank's share in the difference between current value and nominal value of the subordinated deposit	-	-	-	-	-	-	-	-	(22)	-	-	(22)
Adjustments of profits for the year 2022- difference between estimated and actual profits	-	-	-	-	-	-	-	-	-	598	-	598
Dividends distributions for the year 2022	-	-	-	-	-	-	-	-	-	(17 097)	(3 574)	(20 671)
Net profit of the year	-	-	-	-	-	-	-	-	-	114 628	15 259	129 887
Balance at 31 December 2023	**600 000**	**147 228**	**87 686**	**2 983**	**70**	**9 748**	**201**	**(189 294)**	**712**	**287 333**	**195 693**	**1 142 360**

- The accompanying notes from (1) to (36) are an integral part of these consolidated Financial Statements and to be read therewith

Notes to the Consolidated Financial Statements

For The Financial Year Ended December 31,2023

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

(1) Background

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

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

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

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

The financial statements for the financial year ended December 31, 2023 were approved by the Board of Directors as at May 16, 2024.

(2) Summary of Significant Accounting Policies Applied

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

(A) Basis of Consolidated financial statements preparation

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

(B) Basis of consolidation

(B/1) Investments in subsidiaries

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

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

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

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

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

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

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

The bases of consolidation include the following:

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

Transactions with Minority Interest / Noncontrolling Interest:

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

(B/2) Investments in associates

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

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

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

The profits and losses resulting from a change in the ownership structure of associates are recognized in the income statement.

(C) Segment reporting

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

(D) Functional currency, presentation, transactions and balances in foreign currencies

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

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

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

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

(E) Financial assets

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

(E/1) Financial assets at amortized cost:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(F) Off setting financial instruments:

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

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

(G) Interest income and expense

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

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

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

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

(H) Fees and commissions income:

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

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

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

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

(I) Dividend income

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

(J) Purchase Reverse Repo Agreements and Sale Repo Agreements

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

(K) Impairment of financial assets

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

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

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

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

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

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

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

(K/2) Quantitative criteria:

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

(K-3) Qualitative criteria:

For banking retail loans, small and micro finance enterprise

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

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

Loans granted to institutions and medium enterprises

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

- Significant increase of interest of the financial asset as a result of increase in credit risk
- Significant adverse changes in business activity, financial and/or economic conditions in which the borrower operates

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

Payment default :

Starting from January 1, 2019, loans and facilities granted to institutions, Small, Medium and Micro Enterprise (SMME) and retail banking are recorded under the second stage if the non-payment period is more than (30) days at most and less than (90) days.

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

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

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

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

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

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

(L) Investment Property

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

(M) Intangible assets (Computers software)

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

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

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

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

(N) Fixed assets

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

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

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

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

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

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

(O) Other assets

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

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

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

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

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

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

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

(P) The impairment of non-financial assets

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

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

(Q) Lease Contracts

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

(Q/1) Lessee

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

(Q/2) Lessor

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

(R) Cash and cash equivalents

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

(S) Other provisions

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

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

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

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

(T) Employees' Benefits:

Employees Share in Profits:

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

Employees' Pension Fund & End of Service Compensations:

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

(U) Dividends

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

(V) Comparative figures

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

(W) Trust/Fiduciary Activities

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

(3) Financial Risk Management

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

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

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

(A) Credit risk

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

(A/1) Credit risk measurement

Loans and facilities to Banks and customers

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

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

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

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

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

Bank's internal ratings scale

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

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

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

Debt instruments, treasury bills and other bills:

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

(A/2) Limiting and avoiding risks policies

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

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

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

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

The following are other controls to limit the credit risk.

Collaterals

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

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

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

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

Credit-related commitments

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

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

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

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

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

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

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

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

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

Ratings of The Bank	31/12/2023 Loans & facilities to customers	31/12/2022 Loans & facilities to customers
	%	%
Performing loans	48.94	49.63
Regular watching	30.51	26.22
Watch list	6.61	9.81
Non-performing loans	13.94	14.34
Total	**100**	**100**

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

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

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

(A/4) Banking general risk measurement model

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

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

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

CBE Ratings	Rating Indications	Provision Percentage Required %	Internal Ratings
1	Low risk	Zero	1
2	Moderate risk	1	1
3	Satisfactory risk	1	1
4	Appropriate risk	2	1
5	Acceptable risk	2	1
6	Marginally Acceptable risk	3	2
7	Watch list	5	3
8	Substandard	20	4
9	Doubtful	50	4
10	Bad debt	100	4

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

Balance sheet items exposed to credit risks	31/12/2023	31/12/2022
Due from Banks	1 785 807	1 417 767
Treasury bills (net)	2 382 685	2 400 466
Loans & facilities to banks (net)	48 766	26 147
Loans & facilities to customers (net)	1 840 056	2 075 388
Financial investments: (net)		
- Debt instruments	463 435	523 788
Other assets	34 034	31 293
Total	**6 554 783**	**6 474 849**
Off-balance sheet items exposed to credit risk		
Letters of credit	59 500	120 024
Letters of guarantee	219 761	267 407
Loans commitments & irrevocable other liabilities related to credit	15 181	19 521
Money market papers for facilities to suppliers	-	469
Total	**294 442**	**407 421**

The above table represents the maximum exposure to credit risk on December 31, 2023 – December 31, 2022, before taking into account any held collateral. As for the items of the balance sheet, the amounts of exposures set out above are based on net carrying amounts as reported in the balance sheet. As shown above 28.82 % of the total maximum exposure is derived from loans and facilities to Banks and customers as at December 31, 2023, compared to 32.46 % as at December 31, 2022 while investments in debt instruments represent 7.07 % as at December 31, 2023, compared to 8.09 % as at December 31, 2022.

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

- On December 31, 2023, 79.45 % of the loans and facilities portfolio to banks & customers are concentrated in the top two grades of the internal credit risk rating system compared to 75.85 % on December 31, 2022.
- On December 31, 2023, 86.33 % of loans and facilities portfolio to banks & customers are considered to be neither past due nor impaired compared to 85.78 % on December 31, 2022.
- Loans and facilities assessed individually are valued at US$ 301 050 thousand on December 31, 2023 compared to US$ 349 995 thousand on December 31, 2022.
- The Bank has implemented more prudent processes when granting loans and facilities during the financial year ended on December 31, 2023.
- On December 31, 2023 and on December 31, 2022, more than 99.5 % of the investments in debt instruments and treasury bills represent debt instruments of the Egyptian Government.

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

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

31/12/2022				
Due from banks	First stage 12 months	Second stage Over lifetime	Third stage Over lifetime	Total
Credit rating				
Performing loans	555 832	103 892	-	659 724
Regular watching	5 849	752 614	-	758 463
Watch list	-	-	-	-
	561 681	**856 506**	**-**	**1 418 187**
Less: impairment loss provision	(111)	(309)	-	(420)
Book value	**561 570**	**856 197**	**-**	**1 417 767**

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

31/12/2022				
Treasury bills at amortized cost	First stage 12 months	Second stage Over lifetime	Third stage Over lifetime	Total
Credit rating				
Performing loans	450 061	-	-	450 061
	450 061	**-**	**-**	**450 061**
Less: impairment loss provision	(1 634)	-	-	(1 634)
Book value	**448 427**	**-**	**-**	**448 427**

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

31/12/2022				
Loans and credit facilities to individuals	First stage 12 months	Second stage Over lifetime	Third stage Over lifetime	Total
Credit rating				
Performing loans	141 428	7 611	3 864	152 903
Regular watching	274 645	6 036	14 048	294 729
Watch list	-	8 741	20 003	28 744
	416 073	**22 388**	**37 915**	**476 376**
Less: impairment loss provision	(7 393)	(2 655)	(15 638)	(25 686)
Less: suspense interest	-	-	(91)	(91)
Less: Undue interest	(21 198)	(17)	(54)	(21 269)
Book value	**387 482**	**19 716**	**22 132**	**429 330**

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

31/12/2022				
Loans & credit facilities to corporate	First stage 12 months	Second stage Over lifetime	Third stage Over lifetime	Total
Credit rating				
Performing loans	1 071 483	12 212	216	1 083 911
Regular watching	165 153	222 495	-	387 648
Watch list	-	165 303	-	165 303
Non-performing loans	-	206	321 046	321 252
	1 236 636	**400 216**	**321 262**	**1 958 114**
Less impairment loss provision	(16 108)	(88 928)	(205 415)	(310 451)
Less: suspense interest	-	-	(865)	(865)
Less: Undue interest	(706)	(34)	-	(740)
Book value	**1 219 822**	**311 254**	**114 982**	**1 646 058**

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

31/12/2022				
Debt instruments at amortized cost	First stage 12 months	Second stage Over lifetime	Third stage Over lifetime	Total
Credit rating				
Performing loans	331 999	-	-	331 999
	331 999	**-**	**-**	**331 999**
Less impairment loss provision	(1 375)	-	-	(1 375)
Book value	**330 624**	**-**	**-**	**330 624**

(A/6) Loans and facilities

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

	December 31, 2023		December 31, 2022	
	Loans & facilities to customers	Loans & facilities to banks	Loans & facilities to customers	Loans & facilities to banks
Neither past due nor impaired *	1 782 847	48 832	2 011 052	26 270
Past due but not impaired	70 792	-	73 443	-
Past due but impaired	300 450	-	349 039	-
Total	**2 154 089**	**48 832**	**2 433 534**	**26 270**
Less: impairment loss provision **	(308 268)	(66)	(336 137)	(122)
Prepaid interest	(5 429)	-	(22 009)	-
Unearned discount of discounted commercial papers	(336)	-	-	-
Net	**1 840 056**	**48 766**	**2 075 388**	**26 148**

* Loans and facilities neither past due nor impaired

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

** Impairment loss charge for loans and facilities to customers reached US$ 308 268 thousand on December 31, 2023 compared to US$ 336 137 thousand on December 31, 2022. Note No. (19) includes additional information with respect to the impairment loss provision for loans and facilities to customers.

Loans and facilities status based on internal credit rating are summarized as at 31 December 2023 as follows:

Neither past due nor impaired

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

31/12/2022	Individuals				Corporate				Total loans and facilities to individuals & corporate
	Debit current accounts	Credit cards	Personal loans	Real estate loans	Debit current accounts	Direct loans	Syndicated loans	Other loans	
1- Performing loans	13 335	3 313	94 505	31 248	401 555	243 791	420 078	-	1 207 825
2- Regular watching	38 274	6 626	206 742	-	34 766	239 143	112 372	-	637 923
3- Watch list	-	-	-	-	1 227	68 667	95 410	-	165 304
Total	**51 609**	**9 939**	**301 247**	**31 248**	**437 548**	**551 601**	**627 860**	**-**	**2 011 052**

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

Past due loans and facilities and not impaired:

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

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

Loans and facilities individually subject to impairment

Loans and facilities to customers

The balance of loans and facilities individually subject to impairment before taking into consideration cash flows from guarantees, amounted to US$ 301 050 thousand on December 31, 2023 compared to US$ 349 995 thousand as of December 31, 2022.

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

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

31/12/2022	Individuals	Corporate	Total
Loans (separately) subject to impairment	28 744	321 251	**349 995**
Fair value of collaterals	5 179	37 059	**42 238**

There are not any restructured significant loans.

Past due loans and facilities and not impaired

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

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

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

Individuals					
31/12/2022	Debit current accounts	Credit cards	Personal loans	Real estate loans	Total
Past due up to 30 days	-	2 606	19 948	30 966	53 520
Past due more than 30 to 60 days	-	-	-	69	69
Past due more than 60 to 90 days	-	-	-	-	-
Total	**-**	**2 606**	**19 948**	**31 035**	**53 589**

Corporate					
31/12/2022	Debit current accounts	Direct loans	Other loans	Syndicated loans	Total
Past due up to 30 days	12 385	4 948	1 375	-	18 708
Past due more than 30 to 60 days	-	493	425	-	918
Past due more than 60 to 90 days	55	-	173	-	228
Total	**12 440**	**5 441**	**1 973**	**-**	**19 854**

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

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

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

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

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

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

31/12/2022	Treasury bills & other government notes	Investments in securities	Total
From (AA-) to (AA+)	-	8 986	**8 986**
From (A -) to (A+)	-	-	**-**
Less than (A-)	2 402 100	515 977	**2 918 077**
	2 402 100	**524 963**	**2 927 063**

(A/8) Acquisition of Collaterals

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

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

Geographical sectors

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

	Greater Cairo	Alexandria, Delta and Sinai	Upper Egypt	Other	Total
Treasury bills & other government notes	2 382 685	-	-	-	2 382 685
Loans & facilities to Banks	16 770	-	-	31 996	48 766
Loans and facilities to customers:	1 644 958	176 541	14 165	4 392	1 840 056
Financial investments:					
- Debt instruments	319 586	-	-	143 849	463 435
Total as at 31 December 2023	**4 363 999**	**176 541**	**14 165**	**180 237**	**4 734 942**
Total as at 31 December 2022	**4 662 687**	**214 319**	**18 796**	**132 797**	**5 028 599**

Business Sectors

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

	Financial Institutions	Industrial Institutions	Commercial	Real Estate Activities	Government Sector	Other Activities	Total
Treasury bills & other government notes	-	-	-	-	2 382 685	-	2 382 685
Loans & facilities to banks	48 766	-	-	-	-	-	48 766
Loans and facilities to customers:							
Loans to individuals:							
- Debit current accounts	-	-	-	-	-	23 767	23 767
- Credit cards	-	-	-	-	-	12 935	12 935
- Personal loans	-	-	-	-	-	328 265	328 265
-Real estate loans	-	-	-	-	-	33 480	33 480
Loans to Corporate:							
- Debit current accounts	61 446	154 878	56 815	3 040	-	92 275	368 454
- Direct loans	99 840	69 820	29 940	9 151	-	297 253	506 004
- Syndicated loans	6 801	35 282	189	13 290	-	505 850	561 412
- Other loans	-	1 983	2 430	-	-	1 326	5 739
Financial investments:							
Debt instruments	45 546	-	-	-	417 889	-	463 435
Total as of 31 December 2023	262 399	261 963	89 374	25 481	2 800 574	1 295 151	4 734 942
Total as of 31 December 2022	180 751	341 170	90 520	22 703	2 918 077	1 475 378	5 028 599

(B) Market risk

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

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

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

(B/1) Market risk measurement techniques

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

Value at Risk (VaR)

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

Stress Testing

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

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

Value at Risk (VaR) Summary:

Total value at risk by risk type:

	The financial year ended 31 December 2023			The financial year ended 31 December 2022		
	Medium	High	Low	Medium	High	Low
Foreign exchange risk	2 534	11 398	48	5 050	18 174	5

Trading portfolio Value at Risk by risk type:

	The financial year ended 31 December 2023			The financial year ended 31 December 2022		
	Medium	High	Low	Medium	High	Low
Foreign exchange risk	141	576	10	166	857	2

Non trading portfolio Value at Risk by risk type:

	The financial year ended 31 December 2023			The financial year ended 31 December 2022		
	Medium	High	Low	Medium	High	Low
Foreign exchange risk	2 393	10 822	38	4 884	17 317	3

(B/2) Foreign exchange volatility risk

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

31 December 2023	USD	Euro	GBP	L.E	Other	Total
Financial assets						
Cash and balances with the Central Bank	21 957	7 436	1 120	627 334	593	658 440
Due from Banks	1 456 043	74 676	52 682	200 002	2 404	1 785 807
Treasury bills	689 435	144 854	-	1 548 396	-	2 382 685
Loans and facilities to customers	783 622	4 747	-	1 051 687	-	1 840 056
Loans and facilities to banks	31 996	-	-	16 770	-	48 766
Financial investments:						
- At fair value through other comprehensive income	63 104	-	-	101 483	-	164 587
- At amortized cost	184 480	8 792	-	160 898	-	354 170
Investments in associates	88 212	-	-	118 326	-	206 538
Other assets (Unearned revenue)	12 627	379	34	20 994	-	34 034
Total financial assets	**3 331 476**	**240 884**	**53 836**	**3 845 890**	**2 997**	**7 475 083**
Financial liabilities						
Due to Banks	327 700	22 318	129	2	52	350 201
Customers deposits & certificates of deposits	2 061 810	213 468	51 705	3 701 689	2 973	6 031 645
Other loans	34 000	-	-	6 600	-	40 600
Other liabilities (Unearned interests)	11 332	195	43	34 396	-	45 966
Total financial liabilities	**2 434 842**	**235 981**	**51 877**	**3 742 687**	**3 025**	**6 468 412**
Net financial position	**896 634**	**4 903**	**1 959**	**103 203**	**(28)**	**1 006 671**

31 December 2022	USD	Euro	GBP	L.E	Other	Total
Total financial assets	**2 943 605**	**200 886**	**56 871**	**4 105 648**	**3 367**	**7 310 377**
Total financial liabilities	**2 145 648**	**199 179**	**56 264**	**3 994 397**	**3 251**	**6 398 739**
Net financial position	**797 957**	**1 707**	**607**	**111 251**	**116**	**911 638**

(B/3) Interest rate risk

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

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

31 December 2023	Up to 1 month	More than 1 month to 3 Months	More than 3 months to 12 Months	More than 1 year to 5 years	Over 5 years	Non-interest bearing	Total
Financial Asset							
Cash and balances with the Central Bank	-	-	-	-	-	658 440	658 440
Due from Banks	1 456 913	274 837	40 000	-	-	14 057	1 785 807
Treasury bills & government notes	425 408	1 119 700	837 577	-	-	-	2 382 685
Loans and facilities to customers	416 373	353 976	122 532	253 307	692 640	1 228	1 840 056
Loans and facilities to banks	31 996	-	-	16 770	-	-	48 766
Financial investments:							
- At fair value through other comprehensive income	17 789	20 056	49 608	21 813	-	55 321	164 587
- At amortized cost	32 371	-	44 557	194 820	82 422	-	354 170
Investments in subsidiaries & associates	-	-	-	-	-	206 538	206 538
Other financial assets (Unearned revenue)	-	-	-	-	-	34 034	34 034
Total financial assets	**2 380 850**	**1 768 569**	**1 094 274**	**486 710**	**775 062**	**969 618**	**7 475 083**
Financial liabilities							
Due to Banks	268 968	35 000	40 000	-	-	6 233	350 201
Customers' deposits & certificates of deposits	3 448 178	894 266	347 615	1 055 708	1 135	284 743	6 031 645
Other loans	-	305	20 514	15 913	3 868	-	40 600
Other liabilities (Unearned interests)	-	-	-	-	-	45 966	45 966
Total financial liabilities	**3 717 146**	**929 571**	**408 129**	**1 071 621**	**5 003**	**336 942**	**6 468 412**
Interest re-pricing gap	**(1 336 296)**	**838 998**	**686 145**	**(584 911)**	**770 059**	**632 676**	**1 006 671**

31 December 2022	Up to 1 month	More than 1 month to 3 Months	More than 3 months to 12 Months	More than 1 year to 5 years	Over 5 years	Non-interest bearing	Total
Total financial assets	**1 842 640**	**2 424 130**	**632 531**	**821 460**	**693 506**	**896 110**	**7 310 377**
Total financial liabilities	**2 932 457**	**1 475 491**	**455 705**	**1 138 407**	**10 131**	**386 548**	**6 398 739**
Interest re-pricing gap	**(1 089 817)**	**948 639**	**176 826**	**(316 947)**	**683 375**	**509 562**	**911 638**

(C) Liquidity risk

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

Liquidity risk management

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

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

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

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

Funding approach

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

(D) Operating risk:

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

The Framework of the Operating Risk Department

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

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

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

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

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

(E) Fair value of financial assets and liabilities

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

	31 December 2023		31 December 2022	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Due from banks	1 785 807	1 785 807	1 417 767	1 417 767
Loans and facilities to Banks	48 766	48 766	26 148	26 148
Loans and facilities to customers:	1 840 056	1 840 056	2 075 388	2 075 388
Financial investments:				
- At amortized cost	354 170	Not identified	330 624	Not identified
Financial liabilities				
Due to banks	350 201	350 201	50 979	50 979
Customers' deposits	6 031 645	Not identified	6 258 483	Not identified

Loans and facilities to customers:

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

Debt instruments at amortized cost:

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

Customers' deposits and due to other banks:

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

(F) Capital management

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

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

CBE requires the following from the Bank:

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

The numerator in capital adequacy comprises the following two tiers:

Tier 1: It is the primary capital comprising of paid-up capital (after deducting the carrying amount of the treasury stocks) if any, retained earnings and reserves resulting from profit appropriations less any goodwill previously recognized, and any carried forward losses.

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

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

Assets are risk-weighted differently classified according to the nature of each asset of the debtor to reflect the credit risk associated with it and taking the cash collaterals into consideration. In addition, the same treatment is used for off-balance amounts after adjustments to reflect the contingent nature and the potential loss of those amounts. The Bank has been in compliance with the local capital requirements. The following table summarizes the components of the primary and supplementary capital in addition to the capital adequacy percentages as at 31 December 2023.

	31/12/2023	31/12/2022
Tier 1 Capital (primary capital)		
Paid up capital	600 000	600 000
Reserves	237 897	232 836
Retained earnings	172 705	123 302
General risk reserve	-	-
Total balance of items of the accumulated other comprehensive income after regulatory amendments	(179 546)	(153 114)
Quarterly interim profits	100 844	48 208
Minority interest / Non-controlling interest	195 693	178 855
Difference between nominal value and current value of subordinated loans (deposit)	712	734
Total Primary Capital	**1 128 305**	**1 030 821**
Less:		
Investments in financial institutions:		
Amount exceeding 10% of the issued capital of the company for each separate investment (shares)	(79 515)	(84 894)
Amount exceeding 10% of the fund assets for each separate investment (mutual funds)	(1 140)	(1 009)
Subordinated loans	(16 832)	(26 270)
Intangible assets	(9 347)	(5 683)
Disregarded elements:		
Reserve balance of fair value for investments available for sale (if negative)	-	-
Reserve for foreign currencies translation differences (if negative)	-	-
Total Tier 1 Capital	**1 021 471**	**912 965**
Tier 2 Capital (primary capital)		
Significant elements of required allowances for debt instruments, loans, credit facilities and contingent liabilities included in stage 1	29 383	27 627
45% of the specific reserve	32	31
45% of the increase in the fair value over the book value of financial investments in associate companies.	-	250
Total Tier 2 Capital	**29 415**	**27 908**
Total Capital Base (1)	**1 050 886**	**940 873**
Risk-weighted assets & contingent liabilities		
Credit risk of included in and off-balance sheet items	4 420 955	3 926 013
Market risk - exchange rates	34 781	304 320
Operating risk	268 146	280 490
Total risk-weighted assets & contingent liabilities (2)	**4 723 882**	**4 510 823**
Capital adequacy ratio (1) / (2)	**% 22.25**	**% 20.86**

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

The following table summarizes the financial leverage ratio:

	31/12/2023	31/12/2022
Tier 1 Capital after disposals (1)	1 021 471	912 965
Cash and Due from Central Bank	1 982 041	1 453 163
Balances due from Banks	462 331	532 633
Loans and credit facilities to banks	48 766	26 270
Treasury bills & other government notes	2 384 318	2 402 100
Financial assets at fair value through other comprehensive income	164 587	247 530
Financial assets at amortized cost	355 477	331 999
Investments in subsidiaries & associates	206 538	213 552
Loans & credit facilities granted to customers	1 865 664	2 098 889
Fixed assets (after deducting impairment loss provision and accumulated depreciation)	100 762	101 517
Other assets	136 523	125 091
The amount of exposure deducted (after disposing the first tier of the capital base)	(391 076)	(433 945)
Total banks' exposure of items in the balance sheet after deducting the disposals of the first tier	**7 315 931**	**7 098 799**
Letters of credit – imports	819	3 892
Letters of credit – exports	11 081	20 108
Letters of guarantee	99 902	121 290
Letters of guarantee upon other Banks' request or by their warranty	8 853	10 327
Accepted bills	1 593	18 798
Rediscounted bills	-	-
Total contingent liabilities	**122 248**	**174 415**
Total commitments	**70 452**	**49 646**
Total off- balance sheet exposure	**192 700**	**224 061**
Total balance sheet & off- balance sheet exposure (2)	**7 508 631**	**7 322 860**
Financial leverage ratio (1/2)	% 13.6	% 12.47

(4) Significant accounting estimates and assumptions

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

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

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

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

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

(4/2) Financial derivatives fair value

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

(4/3) Debt instruments at amortized cost

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

In case the Bank ceases to classify debt instruments as debt instruments at amortized cost included in the portfolio, the carrying value of this type of investments, will be consequently increased at the end of the current financial period with the amount of US$ 50 107 thousand to reach its fair value in return for recognition thereof in the fair value reserve of other comprehensive income statement.

(5) Segment Analysis

(A) Segment analysis of business activities

31 December 2023						
Revenues and expenses according to economic activity	Large corporate	Medium enterprises	Investment	Retail Banking	Other activities	Total
Revenue of business segment activity	258 644	103 533	419 729	64 446	24 587	870 939
Expenses of business segment activity	(202 406)	(7 059)	(8 710)	(305 023)	(123 966)	(647 164)
Segment operating income	**56 238**	**96 474**	**411 019**	**(240 577)**	**(99 379)**	**223 775**
Unclassified expenses						(73 743)
Profit for the year before taxes						**150 032**
Taxes						(20 145)
Profit for the year						**129 887**
Assets and liabilities of the segment activity						
Segment activity assets	3 154 908	612 737	3 349 673	394 932	110 230	7 622 480
Unclassified assets						55 854
Total assets						**7 678 334**
Segment activity liabilities	4 067 959	189 703	-	2 217 854	20 249	6 495 765
Unclassified liabilities						949 400
Total liabilities						**7 445 165**

31 December 2022						
Revenues and expenses according to economic activity	Large corporate	Medium enterprises	Investment	Retail Banking	Other activities	Total
Revenue of business segment activity	181 070	59 849	359 749	89 483	49 016	739 167
Expenses of business segment activity	(154 638)	(5 452)	(12 909)	(273 855)	(134 655)	(581 509)
Segment operating income	**26 432**	**54 397**	**346 840**	**(184 372)**	**(85 639)**	**157 658**
Unclassified expenses						(63 376)
Profit for the year before taxes						**94 282**
Taxes						(18 242)
Profit for the year						**76 040**
Assets and liabilities of the segment activity						
Segment activity assets	2 899 471	530 248	3 272 248	426 713	93 446	7 222 126
Unclassified assets						283 565
Total assets						**7 505 691**
Segment activity liabilities	3 793 696	188 182	-	2 415 533	23 531	6 420 942
Unclassified liabilities						901 530
Total liabilities						**7 322 472**

(B) Geographical Segments analysis

31 December 2023					
Revenues &expenses according to the geographical segments	Greater Cairo	Alexandria, Delta & Sinai	Upper Egypt	Other	Total
- Geographical segments revenues	833 325	30 342	1 949	3 826	869 442
- Geographical segments expenses	(661 465)	(45 976)	(2 896)	(9 073)	(719 410)
Segment operating income	**171 860**	**(15 634)**	**(947)**	**(5 247)**	**150 032**
Profit for the year before taxes					**150 032**
Taxes					(20 145)
Profit for the year					**129 887**
Assets & liabilities according to the geographical segments					
- Geographical segments assets	7 444 881	164 661	14 611	54 181	7 678 334
Total assets	**7 444 881**	**164 661**	**14 611**	**54 181**	**7 678 334**
Geographical segments liabilities	6 809 229	499 601	26 317	110 018	7 445 165
Total liabilities	**6 809 229**	**499 601**	**26 317**	**110 018**	**7 445 165**

31 December 2022					
Revenues &expenses according to the geographical segments	Greater Cairo	Alexandria, Delta & Sinai	Upper Egypt	Other	Total
- Geographical segments revenues	753 899	35 298	3 468	4 434	797 099
- Geographical segments expenses	(645 747)	(43 799)	(3 129)	(10 142)	(702 817)
Segment operating income	**108 152**	**(8 501)**	**339**	**(5 708)**	**94 282**
Profit for the year before taxes					**94 282**
Taxes					(18 242)
Profit for the year					**76 040**
Assets & liabilities according to the geographical segments					
- Geographical segments assets	7 246 073	191 919	17 427	50 272	7 505 691
Total assets	**7 246 073**	**191 919**	**17 427**	**50 272**	**7 505 691**
Geographical segments liabilities	6 658 123	522 585	30 224	111 540	7 322 472
Total liabilities	**6 658 123**	**522 585**	**30 224**	**111 540**	**7 322 472**

(6) Net interest income

	31/12/2023	31/12/2022
Interest from loans and similar revenues:		
Loans and facilities:		
- To banks	5 859	2 984
- To customers	279 661	270 834
	285 520	**273 818**
Bonds & treasury bills	366 840	374 202
Deposits with Banks	124 736	58 091
Total	**777 096**	**706 111**
Cost of Deposits and similar costs from:		
Deposits and current accounts:		
- To banks	(8 823)	(8 383)
- To customers	(493 745)	(463 321)
- Treasury Bills Sale – Repo	-	(338)
- Other loans	(6 427)	(3 778)
Total	**(508 995)**	**(475 820)**
Net	**268 101**	**230 291**

(7) Net fees and commissions income

	31/12/2023	31/12/2022
Fees and commissions income:		
Fees and commissions related to credit	23 659	29 788
Institution's finance services fees	107	385
Custody and bookkeeping activities fees	339	567
Other fees	6 700	6 819
Total	**30 805**	**37 559**
Fees and commission expenses:		
Other fees paid	(6 996)	(10 332)
Net	**23 809**	**27 227**

(8) Dividends income

	31/12/2023	31/12/2022
Equity instruments at fair value through other comprehensive income	1 224	969
Total	**1 224**	**969**

(9) Net trading income

	31/12/2023	31/12/2022
Forex gain	6 377	10 185
Debt instruments at fair value through profit or loss	1 713	2 319
Total	**8 090**	**12 504**

(10) Administrative expenses

	31/12/2023	31/12/2022
Staff costs		
Wages & salaries and their equivalents	109 239	103 335
The Bank contribution in employees fund	3 838	3 686
Social insurance	1 309	1 766
	114 386	**108 787**
Amortization & depreciation	12 222	11 235
Other administrative expenses	31 061	40 681
Total	**157 669**	**160 703**

(11) Other operating income (expenses)

	31/12/2023	31/12/2022
Gain (loss) revaluation of assets & liabilities balances other than trading or originally classified at fair value through profit & loss	443	1 619
Finance lease*	(250)	(1 253)
Operating lease	(871)	(483)
Gains from fixed assets sale	269	644
Other provisions charge / reverse	334	699
Other expenses	(609)	(886)
Total	**(684)**	**340**

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

(12) Income tax

	31/12/2023	31/12/2022
Current tax *	(19 742)	(17 893)
Deferred tax	(403)	(350)
Balance	**(20 145)**	**(18 243)**

* The current tax is represented in the amount of due tax imposed on the income of treasury bonds and dividends appropriation of contributions for the financial period then ended of SAIB Bank.

(13) Credit losses impairment charge

	31/12/2023	31/12/2022
Loans & facilities to customers	(30 570)	(39 640)
Loans & facilities to banks	32	(164)
Due from banks	-	288
Treasury bills	14	213
Debt instruments at amortized cost	813	64
Total	**(29 711)**	**(39 239)**

(14) Classification and measurement of financial assets & liabilities

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

31 December 2023	Amortized cost	Debt instruments at fair value through other comprehensive income	Equity instruments at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Total carrying value
Cash and balances with CBE	658 440	-	-	-	658 440
Balances with banks	1 786 227	-	-	-	1 786 227
Treasury bills	472 202	2 021 585	-	-	2 493 787
Loans and facilities to customers	2 154 689	-	-	-	2 154 689
Loans to banks	48 832	-	-	-	48 832
Financial investments at fair value through other comprehensive income	-	-	164 587	-	164 587
Financial investments at amortized cost	355 477	-	-	-	355 477
Other Financial assets	34 034	-	-	-	34 034
Total financial assets	**5 509 901**	**2 021 585**	**164 587**	**-**	**7 696 073**
Balances due to banks	350 201	-	-	-	350 201
Customers' deposits	6 031 645	-	-	-	6 031 645
Other financial liabilities	45 966	-	-	-	45 966
Total financial liabilities	**6 427 812**	**-**	**-**	**-**	**6 427 812**

31 December 2022	Amortized cost	Debt instruments at fair value through other comprehensive income	Equity instruments at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Total carrying value
Cash and balances with CBE	567 609	-	-	-	567 609
Balances with banks	1 418 187	-	-	-	1 418 187
Treasury bills	454 488	1 988 643	-		2 443 131
Loans and facilities to customers	2 434 490	-	-	-	2 434 490
Loans to banks	26 270	-	-	-	26 270
Financial investments at fair value through other comprehensive income	-	-	247 530	-	247 530
Financial investments at amortized cost	331 999	-	-	-	331 999
Other Financial assets	31 293	-	-	-	31 293
Total financial assets	**5 264 336**	**1 988 643**	**247 530**	**-**	**7 500 509**
Balances due to banks	50 979	-	-	-	50 979
Customers' deposits	6 258 483	-	-	-	6 258 483
Other financial liabilities	36 368	-	-	-	36 368
Total financial liabilities	**6 345 830**	**-**	**-**	**-**	**6 345 830**

(15) Cash and Due from Central Bank

	31/12/2023	31/12/2022
Cash	40 533	33 131
Due from Central Bank (within the mandatory reserve percentage in L.E)	617 907	534 478
Balance	**658 440**	**567 609**
Non-interest-bearing balances	658 440	567 609
Balance	**658 440**	**567 609**

(16) Due from Banks

	31/12/2023	31/12/2022
Current accounts	23 569	39 993
Deposits	1 762 658	1 378 194
Total	**1 786 227**	**1 418 187**
Less: impairment loss provision	(420)	(420)
Balance	**1 785 807**	**1 417 767**
Due from central Bank (other than the mandatory reserve percentage in L.E)	1 323 600	885 555
Local Banks	419 599	430 175
Foreign Banks	43 028	102 457
Total	**1 786 227**	**1 418 187**
Less: impairment loss provision	(420)	(420)
Balance	**1 785 807**	**1 417 767**
Non- interest-bearing balances *	7 600	23 581
Variable interest balances	3 594	64 471
Fixed interest balances	1 775 033	1 330 135
Total	**1 786 227**	**1 418 187**
Less: impairment loss provision	(420)	(420)
Balance	**1 785 807**	**1 417 767**
Current balances	1 786 227	1 418 187
Non-current balances	-	-
Total	**1 786 227**	**1 418 187**
Less: impairment loss provision	(420)	(420)
Balance	**1 785 807**	**1 417 767**

Analysis of due from banks impairment loss provision:

	31/12/2023	31/12/2022
Balance at the beginning of the year	420	711
Net impairment charge / reverse	-	(288)
Foreign exchange differences	-	(3)
Balance at the end of the year	**420**	**420**

Analysis of the provision of impairment loss for due to banks categorized into stages :

	31/12/2023	31/12/2022
Stage 1 ECL over 12 months	125	111
Stage 2 ECL over lifetime	295	309
Total	**420**	**420**

(17) Treasury bills & other government notes

	31/12/2023	31/12/2022
A - Treasury bills at amortized cost		
180 days maturity	-	1 192
364 days maturity	472 202	453 296
Balance	**472 202**	**454 488**
Less: unearned interest	(6 610)	(4 427)
Total	**465 592**	**450 061**
Less: impairment loss provision	(1 633)	(1 634)
Net (1)	**463 959**	**448 427**
B - Treasury bills at fair value through other comprehensive income		
91 days maturity	507 307	1 544 928
182 days maturity	36 915	41 424
270 days maturity	-	-
273 days maturity	-	-
364 days maturity	1 477 363	402 291
Total	**2 021 585**	**1 988 643**
Less: unearned interest	(96 578)	(36 361)
Reserve of change in fair value	(6 281)	(243)
Net (2)	**1 918 726**	**1 952 039**
Net (1+2)	**2 382 685**	**2 400 466**

Analysis of the provision of impairment loss for treasury bills at amortized cost:

	31/12/2023	31/12/2022
Balance at the beginning of the year	1 634	1 891
Net impairment charge / reverse	(14)	(213)
Foreign exchange differences	13	(44)
Balance at the end of the year	**1 633**	**1 634**

Analysis of the provision of impairment loss for Treasury Bills at amortized cost categorized into stages

	31/12/2023	31/12/2022
Stage 1 ECL over 12 months	1 633	1 634
Total	**1 633**	**1 634**

(18) Loans and facilities to banks

	31/12/2023	31/12/2022
Loans	48 832	26 270
Total	**48 832**	**26 270**
Less:		
Impairment loss provision	(66)	(122)
Total	**48 766**	**26 148**

(19) Loans and facilities to customers

	31/12/2023	31/12/2022
Individuals		
Personal loans	348 510	347 890
Debit current accounts	27 989	51 675
Credit cards	14 319	14 079
Real estate loans	38 903	62 732
Total (1)	**429 721**	**476 376**
Corporate loans including small loans granted to economic activities:		
Direct loans	675 491	769 805
Syndicated loans	646 413	674 433
Debit current accounts	393 063	500 928
Other loans	10 001	12 948
Total (2)	**1 724 968**	**1 958 114**
Total loans and facilities to customers (1+2)	**2 154 689**	**2 434 490**
Less: Impairment loss provisions	(308 268)	(336 137)
Less: Unearned discount of discounted commercial papers	(336)	-
Less: Suspense interest	(600)	(956)
Less: Prepaid interest	(5 429)	(22 009)
Net	**1 840 056**	**2 075 388**

Provision for impairment losses

The Provision for impairment losses movement analysis for loans and facilities to customers is as follows:

	31/12/2023	31/12/2022
Balance at the beginning of the year	336 137	335 447
Impairment charges / reverse during the year	30 570	39 640
Foreign exchange differences	(12 642)	(33 759)
Debts written off	(48 317)	(4 487)
Transfers	2 300	(807)
Amounts reimbursed during the year	220	103
Balance at the end of the year	**308 268**	**336 137**

Analysis of the provision of impairment loss for loans and facilities to customers categorized into stages

31/12/2023	Stage 1 ECL over 12 months	Stage 2 ECL over lifetime	Stage 3 ECL over lifetime	Total
Individuals	9 036	1 512	15 820	26 368
Corporate	16 572	93 758	171 570	281 900
Total	**25 608**	**95 270**	**187 390**	**308 268**

31/12/2022	Stage 1 ECL over 12 months	Stage 2 ECL over lifetime	Stage 3 ECL over lifetime	Total
Individuals	7 393	2 655	15 638	25 686
Corporate	16 108	88 928	205 415	310 451
Total	**23 501**	**91 583**	**221 053**	**336 137**

(20) Financial investments

	31/12/2023	31/12/2022
1- Financial investments at fair value through other comprehensive income		
A - Debt instruments - at fair value		
- Debt instruments – quoted in the market	109 265	193 164
B- Equity instruments at fair value through other comprehensive income		
- Quoted	234	205
- Unquoted	53 024	52 297
- Mutual funds	2 064	1 864
Total financial investments at fair value through other comprehensive income (1)	**164 587**	**247 530**
2 - Financial investments at amortized cost		
A - Debt instruments:		
- Quoted	355 477	331 999
Less: Impairment loss provision	(1 307)	(1 375)
Total financial investments at amortized cost (2)	**354 170**	**330 624**
Total financial investments (1+2)	**518 757**	**578 154**
- Current balances	217 582	269 785
- Noncurrent balances	301 175	308 369
Total financial investments	**518 757**	**578 154**
Fixed interest debt instruments	451 664	515 705
Variable interest debt instruments	11 771	8 083
	463 435	**523 788**

Analysis of financial investments impairment loss provision at amortized cost:

	31/12/2023	31/12/2022
Balance at the beginning of the year	1 375	1 439
Net impairment charge / reverse	(813)	(64)
Reclassification of expected credit loss for financial investments at fair value through other comprehensive income	744	-
Translation differences	1	-
Balance at the end of the year	**1 307**	**1 375**

Analysis of the provision of impairment loss for financial investments at amortized cost categorized into stages:

	31/12/2023	31/12/2022
Stage 1 ECL over 12 months	1 307	1 375
Total	**1 307**	**1 375**

Gains (Losses) of financial investments:

	31/12/2023	31/12/2022
Profits from the sale of financial investments at fair value through other comprehensive income - treasury bonds	2	1 369
Impairment losses charge (reverse) of financial assets at fair value through comprehensive income	4	77
Profits from the sale of financial investments at fair value through other comprehensive income - Treasury bills	410	314
Profits resulting from acquisition of financial investments	1 967	-
Profits from the sale of financial investments	-	771
Balance	**2 383**	**2 531**

31 December 2023	Financial investments at fair value through other comprehensive income	Financial investments at amortized cost	Total
Balance as at 1 January 2023	**247 530**	**330 624**	**578 154**
Additions	56 005	68 684	124 689
Disposals	(42 134)	(125 197)	(167 331)
Reclassification of expected credit loss for Financial investments at fair value through other comprehensive income	(108 711)	108 711	-
Reclassification of expected credit loss from Financial investments at fair value through other comprehensive income to financial investments at amortized cost	-	(744)	(744)
Amortized issue premium / issuance discount for the year	505	527	1 032
Translation differences for assets of monetary nature in foreign currency	(21 637)	(29 248)	(50 885)
Change in fair value reserve of financial investments in debt instruments at fair value through comprehensive income	30 510	-	30 510
Change in fair value reserve of financial investments in equity instruments at fair value through comprehensive income	2 519	-	2 519
Impairment charge / reverse of financial investments at amortized cost	-	813	813
Balance as at 31 December 2023	**164 587**	**354 170**	**518 757**

31 December 2022	Financial investments at fair value through other comprehensive income	Financial investments at amortized cost	Total
Balance as at 1 January 2022	**501 135**	**641 582**	**1 142 717**
Additions	14 670	72 924	87 594
Disposals	(75 147)	(361 813)	(436 960)
Reclassification of bonds from financial investments at fair value through other comprehensive income to financial investments at amortized cost	(91 944)	91 944	-
Amortized issue premium / issuance discount for the year	395	(688)	(293)
Translation differences for assets of monetary nature in foreign currency	(68 357)	(113 388)	(181 745)
Change in fair value reserve of financial investments in debt instruments at fair value through comprehensive income	(3 099)	-	(3 099)
Change in fair value reserve of financial investments in equity instruments at fair value through comprehensive income	(30 123)	-	(30 123)
Impairment charge / reverse of financial investments at amortized cost	-	63	63
Balance as at 31 December 2022	**247 530**	**330 624**	**578 154**

(21) Investments in associates

The investment in associates are represented in the following companies and institutions:

31 December 2023								
Name of Company	Assets	Liabilities (without equity)	Revenues	Net Profits (losses)	Country of company's premises	Balance as at 1/1/2023	Balance as at 31/12/2023	Share %
Suez Canal Co. for Technology (C)	95 789	23 792	24 291	23 181	A.R. E	19 684	17 245	24.08
International Company for Tourist Investments (ICTI)	122 367	24 666	25 418	13 348	A.R. E	17 269	19 008	20
World Trade Centre (WTC) (A)	143 642	15 703	8 323	2 651	A.R. E	62 833	63 706	50
Suez Canal Bank (SCB)	3 332 087	3 079 178	413 753	74 235	A.R. E	107 970	101 081	41.50
International Company for leasing - Incolease	178 462	151 086	22 759	4 386	A.R. E	5 796	5 498	20.19
Cairo National Company for Brokerage and Securities	155	157	4	(8)	A.R. E	-	-	32
Cairo Factoring Company (B)	209	2 606	-	(403)	A.R. E	-	-	40
Total of associates						**213 552**	**206 538**	

31 December 2022								
Name of Company	Assets	Liabilities (without equity)	Revenues	Net Profits (losses)	Country of company's premises	Balance as at 1/1/2022	Balance as at 31/12/2022	Share %
Suez Canal Co. for Technology	84 211	18 689	20 252	19 453	A.R. E	36 696	19 684	24.08
International Company for Tourist Investments (ICTI)	108 751	21 224	14 936	5 944	A.R. E	16 985	17 269	20
World Trade Centre (WTC)	140 496	14 358	6 204	348	A.R. E	63 586	62 833	50
Suez Canal Bank (SCB)	2 416 556	2 238 543	233 465	33 660	A.R. E	114 648	107 970	41.50
International Company for leasing - Incolease	164 118	134 781	19 965	3 646	A.R. E	8 831	5 796	20.19
Cairo National Company for Brokerage and Securities	59	69	6	(17)	A.R. E	6	-	32
Cairo Factoring Company	272	3 079	-	(317)	A.R. E	-	-	40
Total of associates						**240 752**	**213 552**	

A. The percentage of the Bank's participation in the capital of the World Trade Center Company (WTC) is 50 %. The Bank has no control over the Company and therefore the investment in the World Trade Center (WTC) was considered as investments in associate companies.

B. As a result of implementing the equity method, the carrying value of the participation of Société Arabe Internationale de Banque (SAIB) in the capital of Cairo Factoring Company that amounted to 40% at a cost of EGP 4 million, reflected the losses of the Company which exceeded the total equity of the Company as of 31 December 2018 and the continuity of such losses till the last approved balance sheet statement of the Company.

C. The balances were recorded as per the latest financial statements available of the Company as at 30 November 2023 and approved by the Auditor on 15 January 2024.

(22) Intangible Assets

	31/12/2023	31/12/2022
Net book value at the beginning of the year	5 683	6 438
Additions	5 615	789
Disposals	(23)	-
Amortization for the year	(1 928)	(1 544)
Net book value at the end of the year	**9 347**	**5 683**

(23) Other Assets

	31/12/2023	31/12/2022
Accrued revenues	34 034	31 293
Accrued dividends	677	677
Prepaid expenses	7 563	3 514
Prepaid amounts to employees under the account of dividends	10 043	9 703
Advance payments to purchase fixed assets	33 314	39 819
Assets reverted to the Bank in return for customers debts (after deducting the impairment)	26 536	19 014
Deposits and imprests	14	11
Other (after deducting of impairment)	14 995	15 376
Total	**127 176**	**119 407**

(24) Fixed Assets

	Land	Buildings & Improvements	Furniture Fittings & Office Equipment	Vehicles	Computers	Total
Balance as at 1 January 2022						
Cost	36 637	66 913	37 004	3 043	28 794	172 391
Accumulated depreciation	-	(24 830)	(29 764)	(2 132)	(24 876)	(81 602)
Net Book Value as at 1 January 2022	**36 637**	**42 083**	**7 240**	**911**	**3 918**	**90 789**
Additions	-	6 893	8 623	131	4 878	20 525
Disposals	-	-	-	(127)	-	(127)
Depreciation during the year	-	(3 542)	(3 231)	(237)	(2 681)	(9 691)
Disposals' accumulated depreciation	-	-	-	21	-	21
Net Book Value as at 31 December 2022	**36 637**	**45 434**	**12 632**	**699**	**6 115**	**101 517**

	Land	Buildings & Improvements	Furniture Fittings & Office Equipment	Vehicles	Computers	Total
Balance as at 1 January 2023						
Cost	36 637	73 807	45 626	2 320	33 672	192 062
Accumulated depreciation	-	(28 373)	(32 994)	(1 621)	(27 557)	(90 545)
Net Book Value as at 1 January 2023	**36 637**	**45 434**	**12 632**	**699**	**6 115**	**101 517**
Additions	-	1 796	2 882	663	4 233	9 574
Disposals	-	-	(12)	(23)	-	(35)
Depreciation during the year	-	(3 822)	(3 747)	(250)	(2 475)	(10 294)
Disposals' accumulated depreciation	-	-	-	-	-	-
Net Book Value as at 31 December 2023	**36 637**	**43 408**	**11 755**	**1 089**	**7 873**	**100 762**
Cost	36 637	75 603	48 491	2 931	37 906	201 568
Accumulated depreciation	-	(32 195)	(36 736)	(1 842)	(30 033)	(100 806)
Net Book Value as at 31 December 2023	**36 637**	**43 408**	**11 755**	**1 089**	**7 873**	**100 762**

(25) Due to Banks

	31/12/2023	31/12/2022
Current Accounts	9 895	9 776
Deposits	340 306	40 957
Treasury Bills Sale – Repo agreements	-	246
Balance	**350 201**	**50 979**
Local Banks	81 647	6 635
Foreign Banks	268 554	44 344
Balance	**350 201**	**50 979**
Non - interest bearing balances	5 895	2 634
Fixed interest bearing balances	344 306	48 345
Balance	**350 201**	**50 979**
Current balance	350 201	50 733
Non – current balance	-	246
Balance	**350 201**	**50 979**

(26) Customers deposits

	31/12/2023	31/12/2022
Demand deposits (current accounts)	531 015	575 787
Time and call deposits	3 866 569	3 639 390
Certificates of deposits	940 306	1 204 148
Saving deposits	576 172	688 136
Other deposits	117 583	152 866
Balance	**6 031 645**	**6 260 327**
Financial Institutions deposits	3 833 999	3 859 391
Individuals' deposits	2 197 646	2 400 936
Balance	**6 031 645**	**6 260 327**
Non-interest-bearing balances	348 373	343 086
Fixed interest-bearing balances	3 750 552	3 843 925
Variable interest-bearing balances	1 932 720	2 073 316
Balance	**6 031 645**	**6 260 327**
Current balances	4 855 124	4 999 889
Non-current balances	1 176 521	1 260 438
Balance	**6 031 645**	**6 260 327**

(27) Other loans

	31/12/2023	31/12/2022
Social Fund for Development loan - development of small enterprises (new & existing)	186	365
Agricultural development loan – (the leading bank / CIB)	-	19
(CBE) Mortgage finance initiative to low income individuals	5 839	7 809
Arab Fund for Economic and Social Development loan	18 000	22 000
Performing MEs financing initiative to fund new machinery, equipment and production lines for industrial and agricultural purposes (CBE)	575	1 716
Loan of BANCA UBAE – Italy	16 000	21 000
Total other loans	**40 600**	**52 909**

(28) Other liabilities

	31/12/2023	31/12/2022
Accrued interest	45 966	36 368
Unearned revenues	2 161	2 047
Employees' fund	4 463	3 355
Alternative employees benefit plan	13 248	10 133
E-payment System	5 010	6 168
Accrued expenses	6 024	6 663
Dividends payable	23	23
Other credit balances	33 729	27 223
Balance	**110 624**	**91 980**

(29) Other Provisions

31/12/2023						
	Beginning of the year balance	Exchange differences	Transfers	Formed/ reversed during the year	Used during the year	Year ending balance
Legal claims provision	1 111	(11)	(300)	103	(172)	**731**
Potential claims provision	-	-	-	147	-	**147**
Contingent liabilities provision	3 470	(155)	(2 000)	193	-	**1 508**
Commitments and facilities provision	723	(18)	-	(633)	-	**72**
Total	**5 304**	**(184)**	**(2 300)**	**(190)**	**(172)**	**2 458**

31/12/2022					
	Beginning of the year balance	Exchange differences	Formed/ reversed during the year	Used during the year	Year ending balance
Legal claims provision	738	(30)	423	(20)	**1 111**
Potential claims provision	-	-	-	-	**-**
Contingent liabilities provision	5 406	(869)	(1 067)	-	**3 470**
Commitments and facilities provision	1 522	(364)	(165)	(270)	**723**
Total	**7 666**	**(1 263)**	**(809)**	**(290)**	**5 304**

(30) Owners' Equity

(A) Paid in Capital

The fully paid, issued and paid in capital of the Bank is US$ 600 million as at 31 December 2023 distributed over 30,000 common shares whose value is US$ 20 000 each.

The issued and subscribed share capital is as follows:

	No. of shares	%	Nominal value	Paid
Arab Republic of Egypt	11 628	38.76	232 560	232 560
Libya	11 628	38.76	232 560	232 560
Abu Dhabi Investment Authority	3 751	12.503	75 020	75 020
State of Qatar	1 495	4.984	29 900	29 900
Sultanate of Oman - Oman Investment Authority	747	2.49	14 940	14 940
International Capital Trading Co.	751	2.503	15 020	15 020
Total	**30 000**	**100**	**600 000**	**600 000**

(B) Reserves

	31/12/2023	31/12/2022
Legal Reserve (Analytical Note No. B-1)	147 228	142 490
General Reserve	87 686	87 578
Capital reserve	2 983	2 768
Special reserve	70	69
Fair value reserve - financial investments – at fair value through other comprehensive income (Analytical Note No. B-2)	9 748	(1 387)
General banking reserve (Analytical Note No. B-3)	201	371
Total of reserves at the end of the year	**247 916**	**231 889**

(B/1) Legal Reserve

	31/12/2023	31/12/2022
Balance at the beginning of the year	142 490	140 419
Effect of increasing the bank's share in SAIB's capital on the balances at the beginning of the year	440	-
Transferred from the profit of the year	4 298	2 582
Compagnie Arab De Financement International (CAFI) liquidation settlement	-	(511)
Balance at the end of the year	**147 228**	**142 490**

(B/2) Fair value reserve of financial investments at fair value through other comprehensive income

	31/12/2023	31/12/2022
Balance at the beginning of the year	(1 387)	13 955
Effect of increasing the bank’s share in SAIB’s capital on the balances at the beginning of the year	(77)	-
Net change in fair value of investments at fair value through other comprehensive income	12 011	(15 422)
Gains from selling equity instruments at fair value through other comprehensive income	-	80
Exclusion of fair value reserve of financial investments at fair value through other comprehensive income	(799)	-
Balance at the end of the year	**9 748**	**(1 387)**

(B/3) General banking risk reserve

	31/12/2023	31/12/2022
Balance at the beginning of the year	371	167
Effect of increasing the bank's share in SAIB's capital on the balances at the beginning of the year	3	-
Transferred to general banking reserve	199	209
Reverse / charge of general banking risk reserve	(372)	(5)
Balance at the end of the year	**201**	**371**

(C) Retained earnings

	31/12/2023	31/12/2022
Balance at the beginning of the year	184 397	142 319
Effect of increasing the bank's share in SAIB's capital on the balances at the beginning of the year	8 315	-
Net profit of the year	114 628	61 095
Dividends appropriations	(17 097)	(15 292)
Transferred to legal reserve	(4 298)	(2 582)
Transferred to capital reserve	(182)	-
Transferred to general banking risk reserve	(199)	(209)
Adjustments of profits for the year 2021 – difference between estimated and actual profits	598	(729)
Profits from the sale of equity instruments at fair value through other comprehensive income	-	(80)
Reverse / charge of general banking risk reserve	372	5
Compagnie Arab De Financement International (CAFI) liquidation settlement	-	(130)
Exclusion of fair value reserve of financial investments at fair value through other comprehensive income	799	-
Balance at the end of the year	**287 333**	**184 397**

(31) Cash and cash equivalents

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

	31/12/2023	31/12/2022
Cash at hand & due balances from the Central Bank of Egypt	40 534	33 131
Balances with Banks	1 771 660	1 383 418
Treasury bills	490 175	1 515 578
End of year balance	**2 302 369**	**2 932 127**

(32) Contingent Liabilities & Commitments

Commitments for loans, Guarantees and facilities

	31/12/2023	31/12/2022
Letters of guarantee	219 761	267 407
Letters of Credit – import	4 097	19 485
Letters of Credit – export	55 403	100 539
Money market papers for facilities to suppliers	-	469
Commitments for corporate loans	426 311	182 306
Accepted and endorsed bills of exchange	1 594	18 329
Total	**707 166**	**588 535**

(33) Related parties' transactions

Transactions with related parties have been conducted by the Group, at arm's length in accordance with the norms and the normal course of banking rules in practice. Related parties' transactions and balances on the balance sheet date are as follows:

	Associates	
	31/12/2023	31/12/2022
Loans & facilities to customers and banks	41 368	61 555
Customers' deposits	252 603	244 117
Due from banks	629	1 235
Due to banks	6	7
Other balances	81	1 487

(34) Investment Funds - financial investments at fair value through other comprehensive income

SAIB Fund 1 - accumulated income fund:

- SAIB Fund 1 is one of the banking activities authorized to be practiced by the Bank by virtue of the Capital Market Law No. 95 of 1992 and its executive regulations and it is managed by Prime Investments Asset Management Company (S.A.E.)
- The Bank has established Fund 1 by virtue of the license issued by the Egyptian Financial Supervisory Authority (currently known as the Financial Regulatory Authority) No. (133) dated 28 February 1996 at a nominal value of L.E 500 per certificate. On 13 March 2007, the Capital Market Authority approved splitting the value of the certificate at a percentage of 1:5 and thus the nominal value of the certificate became L.E 100 instead of L.E 500, accordingly, article No. (6) of the prospectus of Fund 1 was amended as at 29 March 2007.
- On February 3, 2021, the assembly of certificates holders of the investment fund of the Société Arabe Internationale de Banque - (SAIB Fund 1) decided not to extend the term of the (SAIB Fund 1) for another 25 years.
- On March 2, 2021, the Board of Directors of the Financial Regulatory Authority agreed not to extend the term of the investment fund of the Société Arabe Internationale de Banque (SAIB Fund 1 - accumulated income fund) upon the desire of the assembly of certificates holders.
- On March 18, 2021, the Board of Directors of the Société Arabe Internationale de Banque (in its capacity as the founding entity of the fund) decided in its session held to agree not to extend the term of the fund (SAIB Fund 1 - accumulated income fund) as well as appointing a legal liquidator to carry out the liquidation work.
- On September 15, 2021, the Bank of the Société Arabe Internationale de Banque - SAIB notified the Financial Regulatory Authority that all procedures required to end the liquidation process of the First Investment Fund (SAIB Fund 1) had been completed in accordance with the instructions issued by the Financial Regulatory Authority in this regard.

SAIB Fund 2 - accumulated income fund with recurring revenue and bonus certificates:

- SAIB Fund 2 is one of the banking activities authorized to be practiced by the Bank by virtue of the Capital Market Law No. 95 of 1992 and its executive regulations and it is managed by Prime Investments Asset Management Company (S.A.E.)
- The Bank has established Fund 2 by virtue of the license issued by the Egyptian Financial Supervisory Authority (currently known as the Financial Regulatory Authority) No. (178) dated 4 September 1997 at a nominal value of L.E 100 per certificate. On 6 March 2018, the Financial Regulatory Authority approved splitting the value of the certificate at a percentage of 1:5 and thus the nominal value of the certificate became L.E 20 instead of L.E 100
- On May 23, 2022, the assembly of certificates holders of the investment fund of the Société Arabe Internationale de Banque - (SAIB Fund 2) decided to extend the term of the (SAIB Fund 2) for another 25 years, starting from September 4, 2022 and ending as of September 4, 2047.
- On June 26, 2022, the Board of Directors of the Bank agreed to extend the term of the investment fund of the Société Arabe Internationale de Banque (SAIB Fund 2) for another 25 years, ending as of September 4, 2047 based on the approval of the Financial Regulatory Authority and the Central Bank of Egypt.
- On August 31, 2022, the Board of Directors of the Financial Regulatory Authority (Decision No. 76 of 2022) approved the extension of the term of investment fund of the Arab International Banking Company (SAIB Fund 2 - accumulated income fund with recurring revenue and bonus certificates) for a period of twenty-five years, starting from 4/9/ 2022, in accordance with the provision of Article 175 of the Executive Regulations of the Capital Market Law promulgated by virtue of Law No. 95 of 1992.
- On November 3, 2022, a letter was received from the Central Bank of Egypt stating that there is no objection to approving the request of extending the term of the second investment fund of the Arab International Banking Company (SAIB Fund 2 - accumulated income fund with recurring revenue and bonus certificates) for another 25 years, starting from September 4, 2022.
- On March 21, 2023, the fund shares' holders agreed on changing the fund management and assigned EFG Hermes Asset Management instead of Prime Investments Asset Management Company.
- The number of investment certificates of this fund reached 142 466 certificates and their nominal value amounted to US$ 92 232. The Bank allocated 101 175 certificates with a nominal value of US$ 65 500 to carry out the activity of the fund.
- The redemption value per certificate on the financial position date amounted to L.E 278.44 that represents the equivalent of US$ 9.01.

SAIB Fund 3 - El Rabah Fund - fund with recurring revenue:

- The fund is one of the banking activities authorized to be practiced by the Bank by virtue of the Capital Market Law No. 95 of 1992 and its executive regulations and it is managed by EFG Hermes Asset Management instead of Prime Investments Asset Management Company (S.A.E.) due to the termination of the management contract as at 4 November 2013.
- The Bank has established Fund 3 by virtue of the license issued by the Egyptian Financial Supervisory Authority (currently known as the Financial Regulatory Authority) No. (248) dated 31 December 1998 at a nominal value of L.E 100 per certificate.
- The name of the fund was changed into El Rabah Fund based on the approval of the Egyptian Financial Supervisory Authority (currently known as the Financial Regulatory Authority) dated 22 April 2007.
- On June 19, 2023 the Bank's board of Directors agreed on extending the term of the Bank's fund (SAIB Fund 3 - fund with recurring revenue) for 25 years ending on November 4, 2048, subject to obtaining the approval of the General Authority for Financial Supervision and the Central Bank of Egypt.
- The number of investment certificates of this fund reached 175 085 certificates and their nominal value amounted to US$ 566 745. The Bank allocated 50 000 certificates with a nominal value of US$ 161 848 to carry out the activity of the fund.
- The redemption value per certificate on the financial position date amounted to L.E 276.94 that represents the equivalent of US$ 8.96

SAIB Fund 4 - Sanabil Islamic Fund - accumulated income fund with recurring revenue:

- The fund is one of the banking activities authorized to be practiced by the Bank by virtue of the Capital Market Law No. 95 of 1992 and its executive regulations and as of 21 December 2011, the fund turned out to be managed by HC Securities & Investment instead of Prime Investments Asset Management Company (S.A.E.), due to the termination of the management contract as at 20 December 2011.
- The fund management mission has been assigned to CI Asset Management in place of HC Securities and Investment Company as of 1 January 2020.
- The Bank has established Sanabil Islamic Fund based on the provisions of the Islamic law (sharia) in cooperation with Abu Dhabi Islamic Bank (ADIB) –Egypt (formerly The National Bank for Development –NBD) by virtue of the license issued by the Capital Market Authority No. (377) dated 20 December 2006 at a nominal value of L.E 100 per certificate.
- The number of investment certificates of this fund reached 181 274 certificates and their nominal value amounted to US$ 586 778. The Bank allocated 25 000 certificates with a nominal value of US$ 80 924 to carry out the activity of the fund.
- The redemption value per certificate on the financial position date amounted to L.E 292.66 that represents the equivalent of US$ 9.47.

SAIB Fund 5 - Youmy Fund - accumulated daily income fund:

- The fund is one of the banking activities authorized to be practiced by the Bank by virtue of the Capital Market Law No. 95 of 1992 and its executive regulations and it is managed by Beltone Asset Management Company for investment funds management.
- The Bank has established the daily cash fund (Youmy Fund) by virtue of the license issued by the Egyptian Financial Supervisory Authority (currently known as the Financial Regulatory Authority) No. (691) dated 4 June 2014 at a nominal value of L.E 10 per certificate.
- The number of investment certificates of this fund reached 17 298 074 certificates and their nominal value amounted to US$ 5 599 333. The Bank allocated 500 000 certificates with a nominal value of US$ 161 848 to carry out the activity of the fund.
- The redemption value per certificate on the financial position date amounted to L.E 28.86 that represents the equivalent of US$ 0.93

(35) Employees' Pension fund

The Bank has a funded defined benefit contributory pension plan covering all full-time employees until 17 April 2008. The benefits provided by the plan are determined by the Board of Directors. The value of the vested benefit liability according to the plan and the adequacy of the reserve are annually determined by an Actuary.

On 8 December 2013, the Board of Directors of the Bank, approved the Voluntarily Early Retirement Plan based on the new conditions and benefits instead of the adopted regulations of the end of service compensation, social insurance and pension plan program through the complete withdrawal from the Bank and the Employees' Pension Fund (without pension) provided that the proposed benefits shall be granted pursuant to the insurance wage as at 31 December 2013.

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

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

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

The balance of the reserve fund of the Employees' Fund on December 31, 2023 amounted to US$ 94 420 thousand, compared to US$ 99 140 thousand on December 31, 2022, and pursuant to the Actuary's Report which stated that "in the light of the Bank's guarantee of investment return of 9% on the reserve fund, the fund is actuarially balanced as of December 31, 2023", and after adding the difference of the investment return guaranteed by the Bank by 9% for the fiscal year 2023, that amounted to US$ 3 603 thousand, the Bank also bore the burden of the loss of the foreign currency translation differences amounted US$ 859 thousand and continues to delay the repayment of the remaining part of the subordinated loan amounted US$ 4 991 thousand.

Based on the opinion of the Actuary, that Employees' Pension Fund has been supported this year, by US$ 3 603 thousand which represents the investment return difference (9%) that is guaranteed by the Bank and the realized investment return (2023) referred to in the Actuary's Report in addition to the amount of US$ 859 thousand that is represented in the currency devaluation losses, along with the postponement of settlement of the last portion of the subordinated loan, that amounted to US$ 4 991 thousand, provided that, the said portion will be settled during the following years when the employees' pension reserve fund is quite adequate to cover such settlement according to the directives of the Actuary Expert referred to above.

(36) Significant events subsequent to the end of the financial year and do not require adjustments in the financial statements

- On September 15, 2020, the Central Bank and the Banking System Law No. 194 of 2020, which canceled the Central Bank, the Banking System and Monetary Law issued by virtue of Law No. 88 of 2003.

The law applies to bodies, the most important of which are the Central Bank of Egypt and the Egyptian banking system. Those who are addressed by the provisions of the law are obliged to comply with its provisions, within a period not exceeding one year from the date of its enforcement. The Board of Directors of the Central Bank may extend this period for another period or periods not exceeding two years, provided that the Central Bank issues the regulations and decisions relevant to implementing the provisions of the law.

The said law, also stipulated that the financial statements of the Bank should be prepared every three months in accordance with the Egyptian Accounting Standards, and a summary of the Auditor's Report on these financial statements must be attached thereto in accordance with the Egyptian Auditing Standards and the Report of the Board of Directors of the Bank.

The Central Bank of Egypt decided, in its session held on September 28, 2022, to extend the period of compliance with the provisions of the Central Bank of Egypt and the Banking System Law No. 194 of 2020 for banks and foreign exchange companies stipulated in Article 4 of Law No. 194 of 2020 to the effect of issuing the Central Bank and Banking System Law for a period of one year ending on September 14, 2023, with regard to the minimum amount of capital.

06

Interconnection with the Bank

180 Addresses of the Bank Branches

Connection with the bank

Addresses of the bank branches

Head Office:

35 Abd El-Khalek Tharwat Street, Cairo,
Arab Republic of Egypt.
Swift Code: ARIBEGCX 001
Email: cairobranch@aib.com.eg

Cairo Governorate:

Cairo Main branch:

35 Abd El-Khalek Tharwat Street, Cairo,
Arab Republic of Egypt.
Telephone: 23970342 - 23970241
Fax: 23938179 - 23938743
Swift Code: ARIBEGCX 007
Email: cairobranch@aib.com.eg

Zamalek Branch:

55 Mohammed Mazhar Street, Zamalek, Cairo,
Arab Republic of Egypt.
Telephone: 27369616 – 27369617
Fax: 27369615
Swift Code: ARIBEGCX 017
Email: zamalekbranch@aib.com.eg

Heliopolis Branch:

95 A El Merghany Street, Heliopolis, Cairo,
Arab Republic of Egypt.
Telephone: 22902069 – 22907592
Fax: 22900261 - 24173524 - 22902491
Swift Code: ARIBEGCX 005
Email: heliopoles.branch@aib.com.eg

Nasr City Branch:

77 B Nasr Road, Nasr City, Cairo,
Arab Republic of Egypt.
Telephone: 22605914 – 22606359
Fax: 24034904
Swift Code: ARIBEGCX 004
Email: nasrcitybranch@aib.com.eg

Maadi Branch:

2 Amr Street of El Nasr Street, El Maadi, Cairo,
Arab Republic of Egypt.
Telephone: 25178355 – 25178356
Fax: 25178353
Swift Code: ARIBEGCX 011
Email: maadi.branch@aib.com.eg

Abo Dawood Branch:

21 Abu Dawood Elzahry Street, Nasr City, Cairo,
Arab Republic of Egypt.
Telephone: 22715900 – 22715880
Fax: 22715890
Swift Code: ARIBEGCX 019
Email: aboudawoodelzahery@aib.com.eg

Ammar Ibn Yasser Branch:

2 Mostafa Mokhtar Street, off Ammar Ibn Yasser
Street, Heliopolis, Cairo, Arab Republic of Egypt.
Telephone: 26227432- 26227433 - 26227431
Fax: 26227429
Swift Code: ARIBEGCX 014
Email: ammarbranch@aib.com.eg

Downtown Mall Branch:

Downtown Mall, 5th settlement, S4 building, Cairo,
Arab Republic of Egypt.
Telephone: 23146398 - 23146399
Fax: 23146396
Swift Code: ARIBEGCX 020
Email: downtownbranch@aib.com.eg

Stella Branch:

Stella Compound, first settlement, 9 Mohamed
Naguib Axis, next to The Waterway, Cairo, Arab
Republic of Egypt.
Telephone: 25308127 - 25308128
Fax: 25308129
Swift Code: ARIBEGCX 013
Email: stellabranch@aib.com.eg

Giza Governorate:

El Tahrir Branch:

5 Weissa Wasef Street, El Riyadh Tower, Giza,
Arab Republic of Egypt.
Telephone: 35695525
Fax: 35695541 - 35695542
Swift Code: ARIBEGCX 003
Email: tahrirbranch@aib.com.eg

Mohandessin Branch:

60 Gueziret El Arab Street, Giza,
Arab Republic of Egypt.
Telephone: 33029652 - 33037247
Fax: 33039651
Swift Code: ARIBEGCX 008
Email: mohandessinbranch@aib.com.eg

El-Sheikh Zayed Branch:

Americana Plaza Mall, First Floor, El-Sheikh Zayed,
Giza, Arab Republic of Egypt.
Telephone: 38517127 – 38517126
Fax: 38517124
Swift Code: ARIBEGCX 010
Email: zayed.branch@aib.com.eg

6 Oct University Branch:

6 October City, Central Axis, Part 1/1 Mall Building,
Second Floor, Giza, Arab Republic of Egypt.
Telephone: 38362148
Fax: 38350554
Swift Code: ARIBEGCX 009
Email: 6octuniversitybranch@aib.com.eg

Sodic Branch:

SODIC Compound, The Strip Mall (8H), Sheikh
Zayed, Giza, Arab Republic of Egypt.
Telephone: 38863704
Fax: 38863715
Swift Code: ARIBEGCX 021
Email: sodicbranch@aib.com.eg

Al Batal Ahmed Abdel-Aziz Branch:

14 Al Batal Ahmed Abdel-Aziz street, Mohandessin,
Giza, Arab Republic of Egypt.
Swift Code: ARIBEGCX 022
Email: el-batalahmed.branch@aib.com.eg

Alexandria Governorate:

Alexandria Branch:

2 El-Horeya Rd, Al Mesallah Sharq, Qesm Al Attarin,
Alexandria, Arab Republic of Egypt.

Telephone: (03) 4843006 - 4869681 - 4876014

Fax: (03) 4873230 - 4870328

Swift Code: ARIBEGCX 002

Email: alexandriabranch@aib.com.eg

Kafr Abdo Branch:

26 Ismailia Street, Kafr Abdo, Alexandria,
Arab Republic of Egypt.

Telephone: (03) 5463898 - 5465991

Fax: (03) 5464676

Swift Code: ARIBEGCX 015

Email: kafrabdobranch@aib.com.eg

Smouha Branch:

9 Fawzy Moaz Street, Continental Tower, Smouha,
Alexandria, Arab Republic of Egypt.

Telephone: (03) 4273087 - 4272917

Fax: (03) 4272846

Swift Code: ARIBEGCX 016

Email: smouhabranch@aib.com.eg

Port Said Governorate:

Port Said Branch:

23 July & Salah El Din Street, Port Said,
Arab Republic of Egypt.

Telephone: (066) 3202139 – 3227623

Fax: (066) 3225908

Swift Code: ARIBEGCX 006

Email: portsaidbranch@aib.com.eg

South Sinai Governorate:

Sharm El-Sheikh Branch:

Rixos Hotel and Resort Gate, Sharm El-Sheikh,
Arab Republic of Egypt.

Telephone: (069) 93710828

Fax: (069) 3710827

Swift Code: ARIBEGCX 012

Email: sharmbranch@aib.com.eg

Dakahlia Governorate:

Mansoura Branch:

205 Al Goumhoureya Street, Nile View Tower,
Al Mansoura, Arab Republic of Egypt.

Telephone: (050) 2306703 - 2310630

Fax: (050) 2325271

Swift Code: ARIBEGCX 018

Email: mansourabranch@aib.com.eg