



AIB

البنك العربي الدولي
ARAB INTERNATIONAL BANK

Annual Report 2025

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01





Mr. Hisham Ramez

Chief Executive Officer
Managing Director

A Message from The Chief Executive Officer - Managing Director

Dear Shareholders,

It gives me great pleasure to share with you these remarkable and exceptional milestones in the journey of our long-established bank, which prompt me to reaffirm my conviction that what we accomplished during 2025 represents an unprecedented achievement in the Bank's history. This success would not have been possible without the sincere dedication, close collaboration, and strong sense of belonging that unite us all within this institution.

Despite the numerous challenges facing both the domestic and global markets, these circumstances only strengthened our determination to respond proactively and with agility through forward-looking and flexible strategies. As a result, we delivered exceptional performance across all key indicators, strategic objectives, and growth metrics, reinforcing our Bank's position among the strongest banks operating in the Egyptian market.

The Bank delivered an outstanding financial performance during the year. Net profit reported in the separate financial statements reached USD 125.2 million, representing an increase of USD 47.8 million, reflecting a growth rate of 62% compared with 2024. On a consolidated basis, the Bank reported a net profit of USD 196.9 million, reflecting an increase of USD 51 million, reflecting a growth rate of 35%, compared with 2024.

Total assets, as reported in the separate financial statements, reached USD 7,650 million, representing an increase of USD 3,024 million compared with December 2024, reflecting a growth rate of 65%. On a consolidated basis, total assets amounted to USD 11,142 million, representing an increase of USD 3,768 million compared with December 2024, representing a growth rate of 51%.

As of 31 December 2025, the consolidated financial statements reflected a return on paid-up capital of 30.35% and a return on average shareholders' equity of 16.84%, compared with 21.50% and 13.28%, respectively, as of 31 December 2024. These results represent a strong return in terms of U.S. dollar performance.

At the level of separate financial statements, the return on paid-up capital reached 20.87%, while the return on average shareholders' equity was 12.69% as of 31 December 2025, compared with 12.91% and 8.38%, respectively, as of 31 December 2024. These results likewise represent a strong return in terms of U.S. dollar performance.

Customer deposits reached USD 6,400 million, representing an increase of USD 2,792 million, reflecting a growth rate of 78%, compared with December 2024, driven by growth across all business segments. Meanwhile, the Bank's loan and advances portfolio to customers and banks increased to USD 630 million, representing an increase of USD 160 million, representing a 34% increase compared with December 2024.

Our achievements this year extend beyond profitability and enhanced asset quality. We also maintained a robust capital adequacy ratio, calculated on a banking group basis in accordance with the regulations of the Central Bank of Egypt, reaching 22.58% as of December 31, 2025, compared with the minimum regulatory requirement of 12.50%, including the capital conservation buffer, as prescribed by the Central Bank of Egypt.

The Bank also continued to expand and enhance its digital banking services, recognizing technology as a key strategic enabler and a source of competitive advantage for both our retail and corporate customers. Accordingly, we continued to strengthen our digital offerings to keep pace with evolving customer needs and expectations, enabling the Bank to provide the latest technologies available in the banking industry.

Our branch network has expanded from 9 branches in 2016 to 24 branches by the end of 2025. In addition, a new branch was inaugurated in April 2026, bringing the total number of branches to 25, while preparations for another branch are nearing completion, with its opening scheduled later this year. We are also establishing and outfitting the Bank's new Head Office in the New Administrative Capital.

In keeping with our commitment to ensuring that all stakeholders share in the success achieved during the year, the Board of Directors has recommended that the General Assembly approve the distribution of first and second cash dividends to shareholders for the current year, totaling USD 70 million, compared with USD 30 million distributed last year. The Board has also recommended increasing the number of months' salary to be awarded to employees as an annual bonus this year.

In closing, I would like to express my sincere appreciation to the members of the Board of Directors for their continued guidance and support. I also extend my deepest gratitude to the Bank's executive management and all employees for their unwavering dedication and tireless efforts.

We look forward to another year of continued achievement and sustained growth. On behalf of myself and the Board of Directors, I would also like to thank our valued customers and all those who do business with the Bank for their continued support and trust, which we have always greatly valued and deeply appreciated. We reaffirm our unwavering commitment to delivering distinguished banking services of the highest standard.



Mr. Amr Mohamed Kamel

Non-Executive Chairman

A Message from The Non - Executive Chairman

Dear Shareholders,

It is my pleasure to present to you the Arab International Bank's 2025 Annual Report, which reflects a year marked by significant risks and challenges. The Bank's achievements during the year were the result of a balanced approach founded on sound corporate governance and effective oversight, strengthening our ability to adapt to changing circumstances while successfully delivering on our strategic objectives.

Throughout the year, the Board of Directors remained focused on reinforcing the principles of good corporate governance, promoting proactive risk management, and maintaining a strong capital position that safeguards our shareholders' interests and supports the Bank's long-term financial stability.

During 2025, we navigated a domestic and regional economic landscape characterized by profound transformation. While the region experienced geopolitical shocks and heightened tensions that weighed on financial and credit markets, the Egyptian market underwent a strategic shift in monetary policy toward monetary easing and the gradual reduction of interest rates. Against this evolving backdrop, the Arab International Bank's unique business model once again proved to be a source of strength and stability. Supported by our well-balanced financial structure, we successfully managed risks, enhanced our financial resilience, improved our operational efficiency, and delivered solid growth and performance that reflect our institutional ambitions and our unwavering commitment to all stakeholders.

In closing, I would like to express my sincere appreciation to our customers and shareholders for their continued trust and support. I also extend my gratitude to my fellow members of the Board of Directors for their wise leadership, and to the Chief Executive Officer and Managing Director, the senior management team, and all employees of the Arab International Bank for their dedication and outstanding achievements throughout a year of exceptional performance.

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.

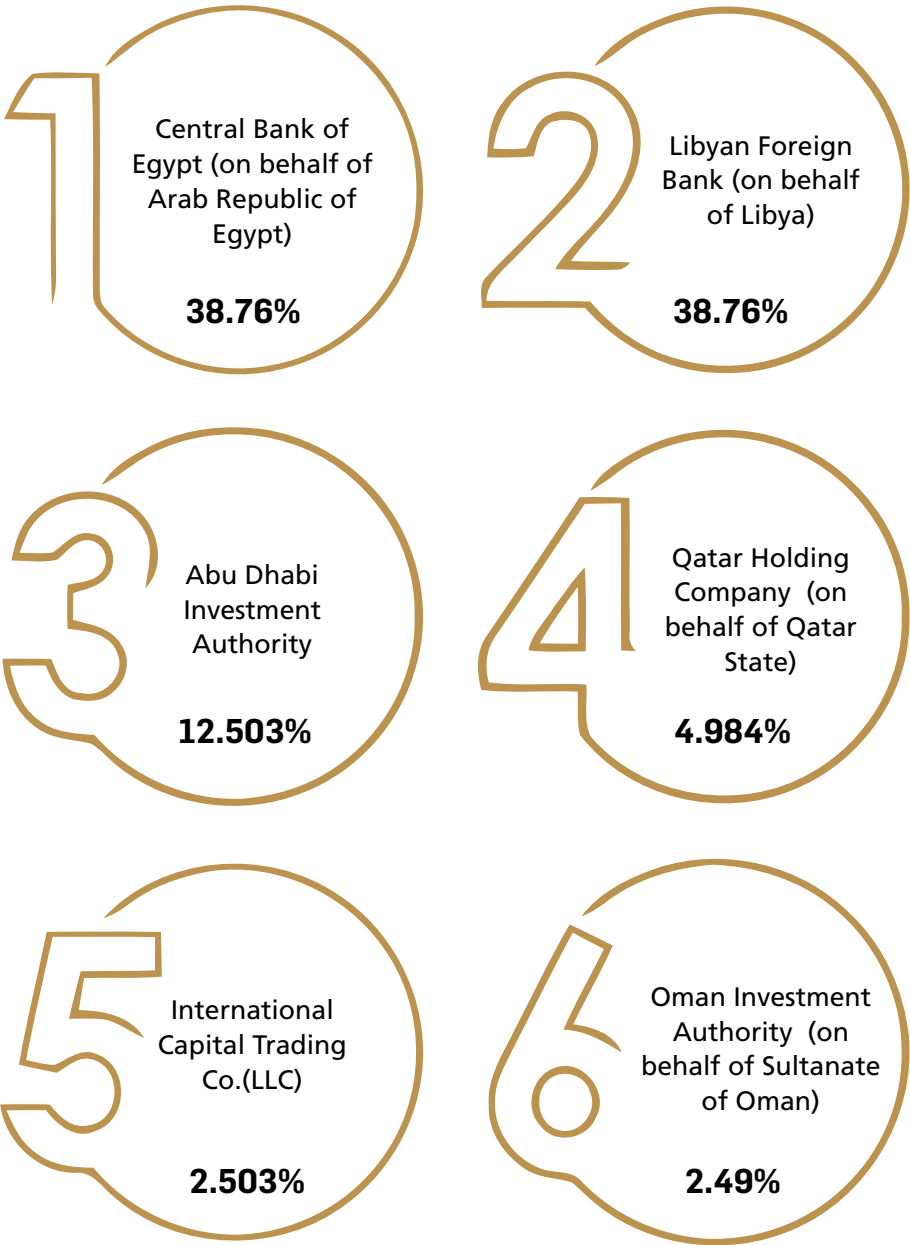
Within the framework of the endeavors exerted by the Bank to expand its activities and the establishment of new branches, in addition to providing all the services to its customers in a manner according to which the Bank can carry out transactions in all currencies including the Egyptian Pound along 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



TOTAL
100%

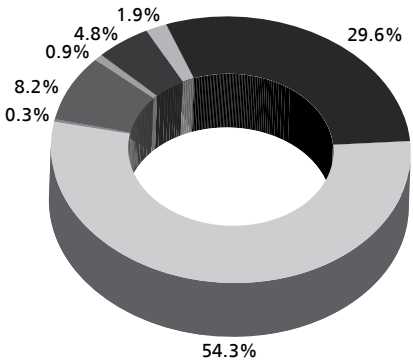
Members of the Board of Directors 2025

Dr. Mostafa Kamal Madbouly Member of the Board of Directors	Mr. Amr Mohamed Kamel Non-Executive Chairman
Mr. Mohamed Abdel-Hamid Aboumoussa Member of the Board of Directors	Mr. Hisham Ramez Abdel Hafez Chief Executive Officer - Managing Director
Mrs. May Sherif Abouelnaga Member of the Board of Directors	
Mr. Ashraf Mohamed Bahie Eldin Member of the Board of Directors	
Mr. Khaled Amr E. Algonseil Member of the Board of Directors	
Mr. Ali Mahmoud Hassan Mohamed Member of the Board of Directors	
Mr. Adel Gomaa Amer Member of the Board of Directors	
Mr. Marei Muftah Raheel Member of the Board of Directors	
Mr. Mohamed Mustafa Elamari Member of the Board of Directors	
Mr. Ahmed Ashtewi Alwirfili Member of the Board of Directors	
Mr. Khaled Mohamed Al Khajeh Member of the Board of Directors	
Mr. Ahmed Salem Alneyadi 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	

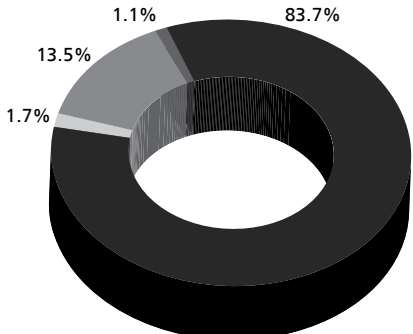
The most significant financial information & indications

	2025	2024
Income Statement Items		
		(US\$ Thousands)
Total operating income	202 784	139 599
Total operating expenses	(76 557)	(67 950)
Profit before provisions	126 227	71 649
Net profit	125 235	77 435
Financial Position Items		
		(US\$ Million)
Total Assets	7 650	4 626
Cash & Placement with banks	2 262	1 573
Net loans and advances	630	470
Treasury bills	4 151	1 980
Investments at fair value through other comprehensive income	23	23
Financial investments at amortized cost	66	74
Investments in subsidiaries & associates	368	368
Customers' deposits	6 400	3 608
Shareholders' equity	1 035	938
Ratios (%)		
	%	%
Assets Quality		
Total assets growth rate	65.34	4.20
Loans provision to gross loans	24.23	29.85
Loans provision to non-performing loans	141.67	110.14
Capital Adequacy		
Total equity growth rate	10.37	3.17
Total equity to total assets	13.5	20.3
Liquidity		
Net loans to total deposits	9.65	12.89
Net loans to total customers' deposits	9.85	13.03
Total customers' deposits to total deposits	98.01	98.93
Liquid assets to total assets ratio	72.79	71.12
Profitability		
Operating income on average assets	2.04	1.71
Return to average equity	12.69	8.38
Return to paid in capital	20.87	12.91

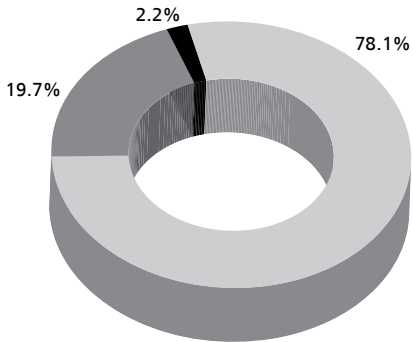
(US\$ Thousands)		
Assets Breakdown	31/12/2025	%
Cash & Cash at Banks	2 261 996	29.6
Treasury Bills	4 150 777	54.3
Investments at fair value through OCI	23 312	0.3
Loans & Facilities	630 182	8.2
Investments at amortized cost	65 861	0.9
Investments in Associates	367 917	4.8
Others	149 503	1.9
	7 649 548	100



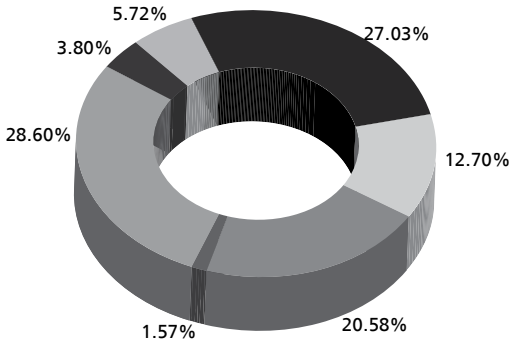
(US\$ Thousands)		
Resources Breakdown	31/12/2025	%
Customers' Deposits	6 399 935	83.7
Banks' deposits	129 810	1.7
Shareholders' equity	1 035 277	13.5
Others	84 526	1.1
	7 649 548	100



(US\$ Thousands)		
Gross Loans and Facilities by Type	31/12/2025	%
Individuals	18 331	2.2
Corporates	649 906	78.1
Banks	163 483	19.7
	831 720	100
Provisions	(201 538)	

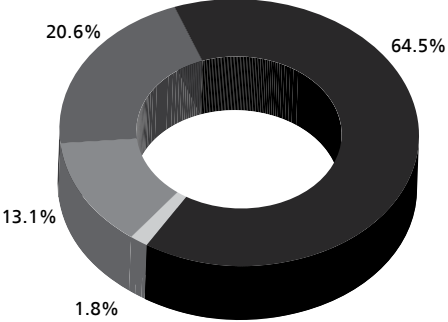


(US\$ Thousands)		
Distribution of Loans According to Sectors	31/12/2025	%
Financial	224 841	27.03
Industrial	105 647	12.70
Petroleum & Gas	171 137	20.58
Commercial	13 055	1.57
Tourism	237 902	28.60
Construction	31 605	3.80
Others	47 533	5.72
Total	831 720	100



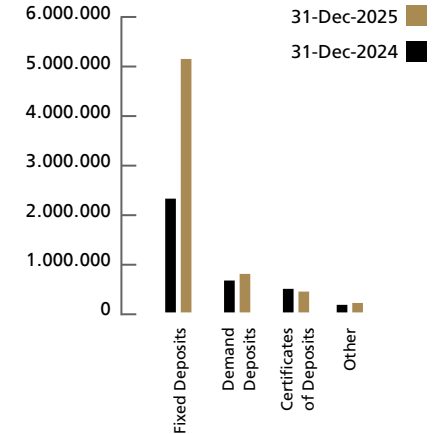
(US\$ Thousands)

Associates by Sectors	31/12/2025	%
Financial institutions	237 397	64.5
Tourism	6 800	1.8
Commercials & Industrial	48 000	13.1
Technology & Education	75 720	20.6
Total	367 917	100



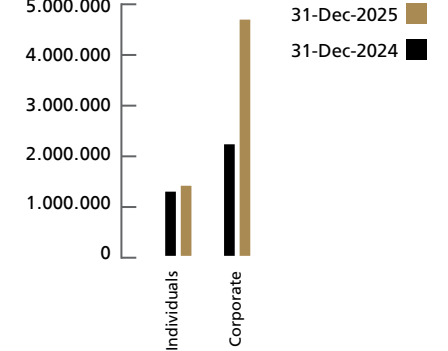
(US\$ Thousands)

Customers Deposits	31/12/2025	31/12/2024
Fixed Deposits	5 061 409	2 307 496
Demand Deposits	992 148	779 720
Certificates of Deposits	308 856	486 140
Other	37 522	34 659
Total	6 399 935	3 608 015



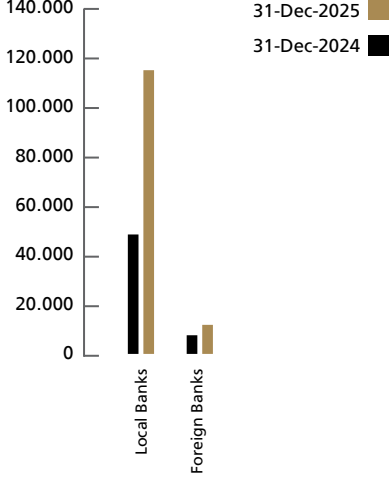
(US\$ Thousands)

Distribution of Customers Deposits by Client Type	31/12/2025	31/12/2024
Individuals	1 538 373	1 358 936
Corporate	4 861 562	2 249 079
Total	6 399 935	3 608 015



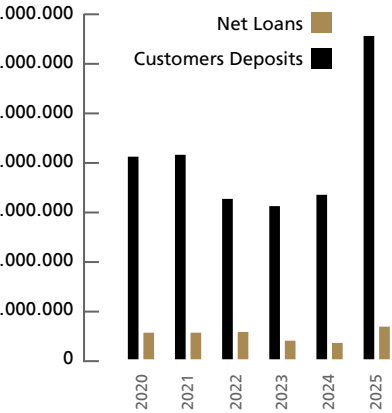
(US\$ Thousands)

Distribution of Interbanks Deposits by Region	31/12/2025	31/12/2024
Local Banks	118 625	30 162
Foreign Banks	11 185	8 907
Total	129 810	39 069



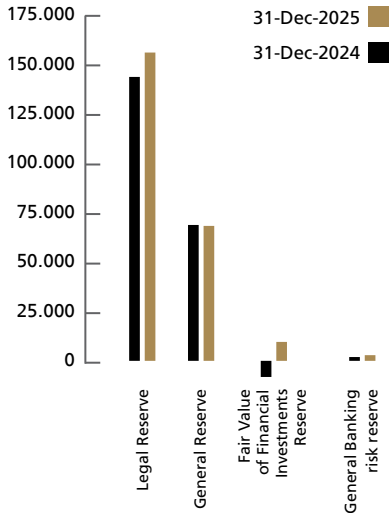
(US\$ Thousands)

Net Loans Versus Customers Deposits	Net Loans	Customers Deposits
2020	595 029	4 030 604
2021	557 080	4 212 211
2022	568 044	3 314 756
2023	493 884	3 274 763
2024	470 108	3 608 015
2025	630 182	6 399 935



(US\$ Thousands)

Reserves Distribution	31/12/2025	31/12/2024
Legal Reserve	154 368	146 625
General Reserve	73 582	73 582
Fair Value of Financial Investments Reserve	10 602	(7 367)
General Banking risk reserve	52	42
Total	238 604	212 882



Board of Directors' Report

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The Board of Directors’ Report on the Bank’s activities as at December 31, 2025

Executive Summary

The total assets in the financial statements as at December 31, 2025 amounted to \$ 7.6 billion, compared to \$ 4.6 billion as at December 31, 2024, with an increase amounted to 3 billion US\$ that represents a percentage of increase amounted to 65.2%. The main reason for the increase in total assets this year compared to the previous year is the increase of EGP assets amounted to 130 billion EGP that represents a percentage of increase amounted to 122.3%, and the increase of FCY assets amounted to 219.2 million US\$ that represents a percentage of increase amounted to 8.5%, the reason for the increase is the increase in customers’ deposits in Egyptian pounds amounting to L.E 119.7 billion that represents a percentage of increase amounted to 114.7% and the increase in customers’ deposits in foreign currencies amounting to US\$ 145.5 million that represents a percentage of increase amounted to 9.4%.

The net profit as at December 31, 2025 amounted to US\$ 125.2 million, compared to US\$ 77.4 million as at December 31, 2024, with an increase of US\$ 47.8 million that represents an increase of 61.8%. The reason of the increase in net profit for the Bank this year compared to the previous year is the increase in the net interest income with an amount of US\$ 61.5 million and the increase of US\$ 3.2 million in dividends income, this was offset by an increase of US\$ 8.6 million in other administrative expenses and an increase of US\$ 2.2 million in other net operating “income/expenses”.

Suspense Interest amounted to US\$ 55.2 million this year compared to US\$ 55.7 million during the previous year.

It is worth noting that, the following items affected the net profit by a decrease of US\$ 31.2 million as per the separate financial statements for the year 2025:

- Increasing the mandatory reserve in Egyptian pounds from 14% to 18% that caused a decrease in net profit with an amount equivalent to US\$ 29 million.
- Revaluation of profits in Egyptian pounds against US dollars that caused a decrease in net profit with an amount equivalent to US\$ 2.2 million.

It is also worth noting that, the separate net profit as at December 31, 2025 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, 2025, the net profit will reach US\$ 182 million as appear in the consolidated financial statements (After the settlement of cash dividends in the separate income statement) excluding the effect of the previously mentioned decrease of US\$ 31.2 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, 2025, 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, 2025:

First: Financial Position

(1) Liabilities and owners’ equity:

The total amount of liabilities and owners’ equity as at December 31, 2025 amounted to US\$ 7.6 billion corresponding to US\$ 4.6 billion as at December 31, 2024 with an increase of US\$ 3 billion as showed in the following table:

Description	(Per Million US\$)					
	31/12/2025		31/12/2024		Change (-)/ +	
	Value	%	Value	%	Value	%
Shareholders’ equity	1 035	13.5	938	20.3	97	10
Customers’ deposits	6 400	83.7	3 608	78.0	2 792	78
Balances due to banks	130	1.7	39	0.8	91	232
Other liabilities & provisions	85	1.1	41	0.9	44	104
Total	7 650	100	4 626	100	3 024	65

(A) Shareholders’ Equity

The total shareholders’ equity as at December 31, 2025 amounted to US\$ 1 035 million corresponding to US\$ 938 million, as at December 31, 2024 with an increase amounting to US\$ 97 million. Hereunder is an analysis of the shareholder’s equity items as at December 31, 2025 & December 31, 2024:

(A/1) Capital

The issued and paid-in capital of the Bank as at December 31, 2025 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 22.58 % as of December 31, 2025 (as a banking group) after 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 gains from revaluation of outstanding financial investments through other comprehensive income amounting to US\$ 10.6 million (increase) as at December 31, 2025 against the amount of US\$ 7.4 million (decrease) as of December 31, 2024, with an increase of US\$ 18 million, this increase is due to an increase in the fair value of investments in treasury bills at fair value through other comprehensive income.

(A/3) Retained Earnings

The retained earnings including the net profit of the year as at December 31, 2025 amounted to US\$ 196.7 million corresponding to US\$ 125.1 million as at December 31, 2024 with an increase of US\$ 71.6 million.

(B) Deposits

(B/1) Customers’ Deposits

The customers’ deposits & certificates of deposits as at December 31, 2025 amounted to US\$ 6.4 billion corresponding to US\$ 3.6 billion as at December 31, 2024 with an increase of US\$ 2.8 billion at a rate of increase of 77.8 %, the reason of this increase is due to the increase in customers’ deposits in foreign currencies amounting to US\$ 145.5 million at a rate of increase of 9.4 % and an increase in customers’ deposits in Egyptian pounds amounting to L.E 119.7 billion at a rate of increase of 114.7 %.

The interest paid in return for customers’ deposits as at 31 December 2025 amounted to US\$ 670.8 million corresponding to US\$ 312.5 million as at 31 December 2024 at an average interest rate that reached 22.3% for the Egyptian pound and 2.5% for foreign currencies during the current financial year corresponding to 22.7 % for the Egyptian pound and 2.8 % for foreign currencies during the comparative year.

(B/2) Placements from Banks

The Placements from Banks as at December 31, 2025 amounted to US\$ 129.8 million corresponding to US\$ 39.1 million as at December 31, 2024 with an increase amounting to US\$ 90.7 million at a rate of increase of 232 %.

The interest paid on Placements from Banks as at December 31, 2025 amounted to US\$ 8.1 million at an average interest rate that amounted to 25.4 % for the Egyptian pound and 3.2 % for foreign currencies corresponding to US\$ 5.5 million as at December 31, 2024 at an average interest rate of 26.8 % for the Egyptian pound and 4.5 % for foreign currencies.

(C) Other Liabilities

The Total amount of other liabilities as at December 31, 2025 amounted to US\$ 82.7 million corresponding to US\$ 39.7 million as at December 31, 2024 with an increase amounted to US\$ 43 million. The said increase is due to the increase in the interest income due to customers with an amount of US\$ 39.5 million, an increase in the balances of employees’ alternative pension scheme amounted to US\$ 2.9 and an increase in staff pension fund with an amount of US\$ 0.5 million.

(D) Other Provisions

The total other provisions as at December 31, 2025 amounted to US\$ 1.8 million corresponding to the amount of US\$ 1.7 million as at December 31, 2024.

(2) Assets

The total assets as at December 31, 2025 amounted to US\$ 7.6 billion corresponding to US\$ 4.6 billion as at December 31, 2024 with an increase amounted to US\$ 3 billion, as follows:

Description	31/12/2025		31/12/2024		(Per Million US\$)	
	Value	%	Value	%	Change (-)/ +	
					Value	%
Cash balances, balances with CBE and deposits due from banks	2 262	29.6	1 573	34.0	689	44
Financial investments	4 240	55.4	2 077	44.9	2 163	104
Loans to customers and banks (net)	630	8.2	470	10.1	160	34
Investments in associates	368	4.8	368	8.0	-	-
Fixed assets, intangibles & other assets	150	2.0	138	3.0	12	8
Total	7 650	100	4 626	100	3 024	65

(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, 2025 amounted to US\$ 2.3 billion corresponding to US\$ 1.6 billion as at December 31, 2024 with an increase of US\$ 689 million at an increase rate of 43.8% the said increase represents an increase in the balances with the Central Bank within the mandatory reserve percentage in Egyptian pound, that is equivalent to US\$ 582.2 million and an increase in foreign banks’ deposits amounting to US\$ 253.6 million and an increase in foreign banks’ current accounts that amounted to US\$ 5.5 million and an increase in local banks’ current accounts that amounted to US\$ 1.2 million this was offset by a decrease in local banks’ deposits by US\$ 153.2 million and decrease in cash balance by US\$ 0.7 million. The percentage of those balances as at December 31, 2025, amounted to about 35.3% of the volume of customers’ deposits, compared to 43.6% as at December 31, 2024.

(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, 2025 amounted to US\$ 4.2 billion corresponding to US\$ 2.1 billion as at December 31, 2024 with an increase of US\$ 2.1 billion at an increase rate of 104%. The value of such investments represents 55.4% of the total assets as at December 31, 2025 corresponding to 44.9% as at December 31, 2024.

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

(C) Loans to Customers and Banks (Net)

The net loans and facilities portfolio (after deducting the Expected Credit Losses ECL provisions) amounted to US\$ 630.2 million as at December 31, 2025 corresponding to US\$ 470.1 million as at December 31, 2024 with an increase amounting to US\$ 160.1 million that represents an increase of 34% the reason of this increase is due to the increase in net loans and facilities portfolio in Egyptian pounds amounting to L.E 7.8 billion that represents an increase of 149.5%.

The non-performing loans portfolio (stage 3) after excluding suspense interests and the fair value of collaterals amounted to US\$ 142.3 million on December 31, 2025, corresponding to US\$ 181.6 million during the previous year. The coverage ratio of Expected Credit Losses ECL provisions to the net loans and advances portfolio (excluding suspense interests) was 24.2% on December 31, 2025 corresponding to 29.8% as at December 31, 2024 while the coverage ratio of the non-performing loans Expected Credit Losses ECL provisions (stage 3) to the net non-performing loans portfolio (stage 3) was 75.4% as at December 31, 2025 corresponding to 66.8 % as at December 31, 2024.

The total amount of the interest income from loans and facilities portfolio amounted to US\$ 77.9 million at an average interest rate of 26.2% for the Egyptian pound and 7.8% for foreign currencies as at December 31, 2025 corresponding to US\$ 61.9 million at an average interest rate of 29.2% for the Egyptian pound and 8% for foreign currencies as at December 31, 2024.

(D) Investments in Subsidiaries & Associates

The volume of direct participation in the capital of the subsidiaries and associates companies as at December 31, 2025 and December 31, 2024 reached the amount of US\$ 367.9 million. The following is an analytical statement of such participations:

Description of Companies	Business Activity	Participation Percentage %	31/12/2025		31/12/2024		(Per thousand US\$)	
			Value	%	Value	%	Change (-)/ +	
							Value	%
Investments in Subsidiaries & Associates Participation Percentage 20% and More								
A-Subsidiaries								
Société Arabe Internationale de Banque (SAIB)	Banking	51.020	83 065		83 065		-	-
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			367 917		367 917		-	-

(E) Other Assets

On 31 December 2025, the other assets amounted to US\$ 72.5 million corresponding to US\$ 71.7 million as at December 31, 2024 with an increase of US\$ 0.8 million. The said increase is due to an increase in accrued interests with the amount of US\$ 6.9 million and increase of prepaid amounts to employees under the account of dividends, with the amount of US\$ 1.3 million and an increase in prepaid expenses with the amount of US\$ 0.7 million, this was offset by a decrease in the accrued dividends with the amount of US\$ 3.8 million and a decrease in advance payments to purchase fixed assets with the amount of US\$ 4.2 million.

(F) Fixed Assets

The net value of the fixed assets after depreciation as at December 31, 2025 reached the amount of US\$ 72.1 million corresponding to US\$ 62.2 million as at December 31, 2024 with an increase amounted to US\$ 9.9 million.

(G) Intangible Assets

The net intangible assets after amortization amounted to US\$ 4.9 million as at December 31, 2025, that are represented in computer software, corresponding to US\$ 4.5 million as at December 31, 2024 with an increase amounted to US\$ 0.4 million.

(H) Contingent Liabilities and Commitments

The net total amount of contingent liabilities and commitments after deducting the cash collaterals as at December 31, 2025 reached US\$ 103.3 million corresponding to US\$ 43.5 million as at December 31, 2024.

The total contingent liabilities provision that represents an obligation on the Bank as at December 31, 2025 amounted to US\$ 0.8 million corresponding to US\$ 0.5 million as at December 31, 2024 (the net revenues from fees and commissions of letters of credit & letters of guarantee as at December 31, 2025 amounted to US\$ 2.3 million corresponding to US\$ 2.9 million as at December 31, 2024).

Second: Income Statement

The net profit as at December 31, 2025 amounted to US\$ 125.2 million, compared to US\$ 77.4 million as at December 31, 2024, with an increase of US\$ 47.8 million that represents an increase of 61.8%. The reason of the increase in net profit for the Bank this year compared to the previous year is the increase in the net interest income with an amount of US\$ 61.5 million and the increase of US\$ 3.2 million in dividends income, this was offset by an increase of US\$ 8.6 million in other administrative expenses and an increase of US\$ 2.2 million in other net operating “income/expenses”. Moreover, the currency revaluation differences affected the net profit during the year 2025, by a decrease equivalent to US\$ 2.2 million. The following is a detailed statement of the revenues and expenses items as at December 31, 2025 & 2024:

Description	31/12/2025	31/12/2024	(Per thousand US\$)	
			Change (-) / +	
			Value	%
Operating income	881 638	457 628	424 010	93
Operating expenses	(678 854)	(318 029)	(360 825)	113
Total operating income	202 784	139 599	63 185	45
Administrative & general expenses	(76 557)	(67 950)	(8 607)	13
Net profits before provisions	126 227	71 649	54 578	76
Charge of impairment for credit losses	(992)	5 786	(6 778)	(117)
Net profit	125 235	77 435	47 800	62

(1) Revenues

The Bank achieved total operating income as at December 31, 2025 that amounted to US\$ 881.6 million corresponding to US\$ 457.6 million as at December 31, 2024 according to the following:

Description	31/12/2025		31/12/2024		(Per thousand US\$)	
	Change (-) / +					
	Value	%	Value	%	Value	%
Interest income & similar revenues	857 696	97.3	435 401	95.1	422 294	96.99
Net income from fees & commissions	5 995	0.7	5 467	1.2	529	10
Dividends	18 732	2.1	15 528	3.4	3 204	21
Net trading income	2 352	0.3	2 147	0.5	205	10
Financial investments profits (losses)	23	0.0	15	0.0	8	49
Other operating income (expenses)	(3 160)	-0.4	(930)	-0.2	(2 231)	240
Total	881 638	100	457 629	100	424 009	93

(A) Interest Income from loans & Similar Revenues

The interest income from loans and similar revenues represents 97.3 % of the total revenues as at December 31, 2025 compared to 95.1% as at December 31, 2024.

The following is a detailed statement of the interest received as at December 31, 2025/2024:

Description	31/12/2025		31/12/2024		(Per thousand US\$)	
	Change (-) / +					
	Value	%	Value	%	Value	%
From cash balances and deposits with banks (A)	76 664	9	123 284	28	(46 621)	(38)
From loans to customers & banks (B)	77 858	9	61 851	14	16 007	26
From investments portfolio (C)	703 174	82	250 266	58	452 908	181
Total	857 696	100	435 401	100	422 294	96.99

- (A) The decrease this year is due to the decrease in the average balances of cash balances and deposits with banks in Egyptian pound in addition to the decrease in the average rate of interest on deposits with banks in Egyptian pound and the decrease in the average rate of interest on deposits with banks in foreign currencies in addition to a decrease as a result of the currency revaluation differences of the returns of the cash balances and deposits with banks in Egyptian pound by the equivalent of US\$ 4.8 million.
- (B) The increase this year is due to the increase in the average balances of loans and facilities in Egyptian pound.
- (C) The increase this year is due to the increase in the return of the investment portfolio in Egyptian pound due to the increase in the average balances of the investment portfolio in Egyptian pound and the increase in the average rate of interest on the investment portfolio in Egyptian pound (despite a decrease as a result of the currency revaluation differences of the returns of the investment portfolio in Egyptian pound by the equivalent of US\$ 15.7 million).

(B) Net Income from Fees & Commissions

The net income from fees & commissions amounted to US\$ 6 million as at December 31, 2025 corresponding to US\$ 5.5 million as at December 31, 2024.

(C) Dividends Income

The dividends income amounted to US\$ 18.7 million as at December 31, 2025 compared to US\$ 15.5 million as at December 31, 2024.

(D) Net Trading Income

The net trading income as at December 31, 2025 amounted to US\$ 2.4 million compared to US\$ 2.1 million on December 31, 2024.

(E) Financial investments profits (losses)

The financial investments profits amounted to US\$ 23 thousand as at December 31, 2025 compared to US\$ 15 thousand as at December 31, 2024.

(F) Other Operating Income (Expenses)

The other operating income (expenses) amounted to US\$ 3.2 million (Expenses) as at December 31, 2025 compared to US\$ 0.9 million (Expenses) as at December 31, 2024 and the following table presents a detailed description of the other operating income (expenses):

Description	31/12/2025	31/12/2024	(Per thousand US\$)	
			Change (-) / +	
			Value	%
Gains (losses) from revaluation of assets & liabilities balances other than trading or the originally classified at fair value through profit & loss	(1 194)	825	(2 019)	(245)
Other revenues	526	592	(66)	(11)
Other provisions charge / reverse	(390)	(486)	96	(20)
Other expenses	(2 102)	(1 861)	(241)	13
Net other operating income (expenses)	(3 160)	(930)	(2 230)	240

(2) Expenses:

(A) Interests Paid

The interests paid as at December 31, 2025 amounted to US\$ 678.9 million compared to US\$ 318 million on December 31, 2024 and the following table presents a detailed description of the paid interests:

Interests Paid	31/12/2025		31/12/2024		(Per thousand US\$)	
	Value %		Value %		Change (-) / +	
	Value	%	Value	%	Value	%
Customers' deposits (A)	670 773	99	312 482	98	358 291	115
Banks' deposits (B)	8 081	1	5 547	2	2 534	46
Total	678 854	100	318 029	100	360 825	113

(A) The increase this year is due to the increase in the average balances of the customers' deposits in Egyptian pound and foreign currencies.

(B) The increase this year is due to the increase in the average balances of the banks' deposits in Egyptian pound.

(B) Administrative and General Expenses

The administrative and general expenses as at December 31, 2025 reached the amount of US\$ 76.6 million corresponding to US\$ 68 million as at December 31, 2024, with an increase of US\$ 8.6 million, and an increase rate of 12.6%.

(C) Expected Credit losses ECL

The income statement included charge of expected credit losses ECL during the year 2025 by an amount of US\$ 1 million against the reversal of expected credit losses ECL that amounted to US\$ 5.8 million during the year 2024, and the table hereunder presents their description as follows:

Description	31/12/2025	31/12/2024	(Per thousand US\$)	
			Change (-) / +	
			Value	%
Loans and facilities to customers	2 286	6 596	(4 310)	65
Loans & facilities to Banks	(3 378)	(253)	(3 125)	1 235
Deposits due from banks	101	(70)	171	(244)
Treasury bills	(16)	(136)	120	88
Equity instruments at amortized cost	15	(351)	366	(104)
Total	(992)	5 786	(6 778)	(117)

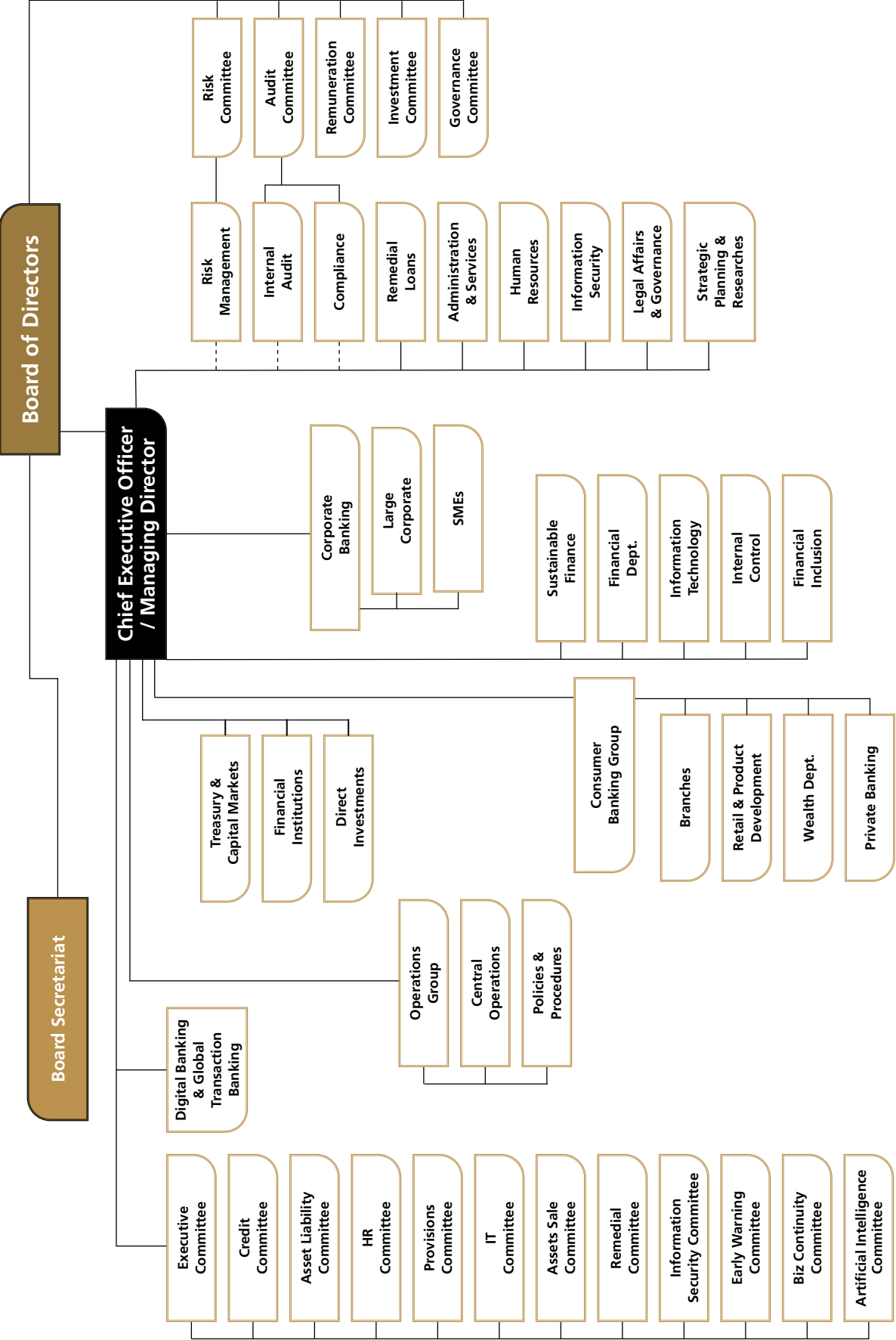
Governance

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03

26% 74% 4%

The Main Organizational Structure of The Arab International Bank



Board of Directors Governance

The Arab International Bank adopts policies and work procedures, designed pursuant to effective regulatory controls, ensuring proper management, in implementation to the governance instructions issued by the Central Bank of Egypt and the best international practices. The Board of Directors has the widest powers for Bank management, except for the powers explicitly preserved for the General Meeting, in compliance with Article (27) of the Bank's Articles of Association.

The Board of Directors of the Arab International Bank consists of sixteen members, while observing the entire separation between the tasks and responsibilities of the Non-Executive Board Chairman & the CEO/Managing Director of the Bank, so as to separate between the regulatory & supervisory role of the Board of Directors and the executive role of the daily management tasks, carried out by the CEO & Managing Director. The Board consists of Nonexecutive Board Chairman, the CEO/Managing Director & fourteen nonexecutive members. The Board of Directors of the Arab International Bank is distinguished for the diversity of experiences and efficiencies of the member states, having concluded its incorporation agreement, realizing a unique and distinctive combination to the Board of Directors

Governance framework at Arab international bank

The Board of Directors of the Arab International Bank and its committees enjoy robust governance framework. The Board has the widest powers for directing and controlling the bank, in compliance with its incorporation agreement. Accordingly, it periodically acknowledges and applies policies and covenants guaranteeing the performance of its work optimally and ensuring the organization of the Bank's operations and activities. The Bank's governance framework aims to enlighten the bank personnel about the governance & decision-making know-how. The Bank provides bank services to individuals, small and medium enterprises, wealth management and corporate bank services.

The Bank governance framework comprises sturdy code of ethics, considered as guidelines for the daily code of conduct, with which the members of the Executive Management and the Bank employees should comply. This code of ethics consists of the standards, laws and systems which the employees should peruse and stick to while performing their daily tasks and activities. It is considered fundamental element upon assessment of the Bank employees' performance.

| Board Committees

The Board committees play a very significant role in the decision-making process. They support the Board and help with the fulfillment of its responsibilities. The specialized committees assist the Board performance as they allow the members' effective accurate participation and help them to have precise control on the Bank's activities and performance. Observing their specialized nature, the committees can study technical aspects. They are empowered to provide the Board with the necessary recommendations to acquire final approval thereto. The Board of Directors of the Arab International Bank formed five committees, most of which are chaired by the Nonexecutive Board Members. The Board reviews and ratifies the committee's formation, powers and performance on regular basis. Each committee convenes periodically, as per its formation decision adopted by the Board of Directors, so as to perform its duties and to have enough time for discussing the reports submitted to it by the competent departments and submit its recommendations before the Board of Directors for ratification.

| Board Committees

- Risk Committee
- Auditing Committee
- Salaries & Remunerations Committee
- Investment Committee
- Governance Committee

| Internal Control Systems

Stout internal controls represent positive indicators to the sturdy governance system adopted in the corporation. At the Bank we enjoy a wide-scale structure, appropriate for an organized international financial institution.

Therefore, the Board of Directors shoulders the responsibility of acknowledging and supervising the strategy of risk management and the Bank's internal control systems, specifically designed to facilitate the Bank operations & its performance, the efficiency of its business, the guarantee of the quality and integrity of internal and external reports, the compliance to the laws and regulations in force, determine the nature of risk and the extent of the Bank's ability to assume such responsibility for the realization of its objectives. Members of the Board of Directors and the Senior Management accord high priority to maintaining a stout regulatory framework as basis for providing effective management of risks, compliance and internal control. The Board Members fulfill their responsibilities in terms of supervising the performance of the internal control systems at the Bank and ensuring their effectiveness.

One of the fundamental components of the internal control structure at the Arab International Bank is to determine responsibilities and maintain the independency of the regulatory departments, which are technically affiliated to the Board of Directors through its committees, while are administratively affiliated to the CEO and Managing Director. The Arab International Bank adopts the four-defense-line-model, which is a tool used by banks and financial institutions all over the world, to support methods of risk management, the roles and responsibilities of regulatory positions. This model consists of:

• First line of defense:

It is represented in the Executive Departments (To name but a few: corporate banking, retail banking, financing micro, small and medium enterprises, investment departments etc.). They are perpetually responsible for complying with the ratified policies to mitigate the risks pertaining to their activities and detect any risks.

• Second line of defense:

It is represented in the Risk and Compliance Departments, assisted in this concern by the supporting departments at the Bank (To name but a few: Legal, Information Technology, Human Resources, Information Security and Financial Departments, ----- etc.)

The Risk Department at the Bank should detect, assess and control risks all over the Bank, while the Compliance Department should ascertain the Bank's compliance to all legal and regulatory requirements, taking into consideration that this department should be entirely independent of the executive departments, through direct affiliation to the Board competent committees.

• Third line of defense:

It is represented in the Internal Auditing Department, which carries out independent comprehensive auditing to ascertain the availability of proper policies and procedures for all the Bank's operations and the compliance thereto. This ascertainment comprises the effectiveness of the first and second defense lines, provided that the department should be independent of all the Bank's other departments, while observing that there are policies and work plans already laid down to guarantee the independence and effectiveness of the tasks carried out by these departments at the Bank.

• Fourth Line of Defense:

It is represented by the external auditors and the Central Bank, whose duties are considered independent additional auditing of the Bank to ascertain the extent of its compliance to the legal and regulatory requirements.

For more information about the governance at the Arab International Bank, kindly refer to the Annual Governance Report via the following link

[AIB Governance Report 2025](#)

Separate Financial Statements

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04



Forvis Mazars Mostafa Shawki	KRESTON EGYPT Tamer Nabrawy & Co.
Public Accountants & Consultants	Public Accountants & Consultants

Auditors’ report on the separate financial statements

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 financial position as at December 31, 2025 and the related separate statements of income, comprehensive income, changes in owner’s equity and cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management’s Responsibility for the separate financial statements

These separate financial statements are the responsibility of Bank’s management. Management is responsible for the preparation and fair presentation of these separate financial statements in accordance with the rules of preparation and presentation of the banks’ financial statements, basis of recognition and measurement issued by Central Bank of Egypt Board of Directors on December 16, 2008 as amended by the regulations issued on February 26, 2019 and in the light of the prevailing Egyptian laws and regulations. Management’s responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of separate financial statements that are free from material misstatements, 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 these 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 the Bank as of December 31, 2025, and of its separate financial performance and its separate cash flows for the year then ended in accordance with the rules of preparation and presentation of the banks’ financial statements, basis of recognition and measurement issued by Central Bank of Egypt Board of Directors on December 16, 2008 as amended by the regulations issued on February 26, 2019 and in light of the prevailing Egyptian laws and regulations.

Emphasis of Matter

Without considering the following as a qualification:

The separate financial statements for the fiscal year ended December 31, 2024, which represent the opening balances of the current financial statements were audited by other auditors, who issued an unqualified opinion thereon dated May 19, 2025.

Report on Legal and Other Regulatory Requirements

We did not note material contravention, during the financial year ended 31 December 2025, of the provisions of Central Bank of Egypt and the banking sector Law no 194 of 2020 in the light of our audit of the separate financial statements.

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

The financial information included in the Board of Directors’ report, which is prepared in accordance with the Bank’s books of account to the extent that such information is recorded in those books.

Auditors

Rashad Ahmed Hosny

CBE Register No.27
Forvis Mazars Mostafa Shawki
Public Accountants & Consultants



Cairo: 29 April 2026

Tamer Mohamed Nabrawy

CBE Register No 362
Tamer Nabrawy &Co.
KRESTON EGYPT
Public Accountants & Consultants



Separate Statement of Financial Position

For The Financial Year Ended December 31, 2025

(All amounts are presented in thousand USD)			
	Note No.	31/12/2025	31/12/2024
Assets			
Cash and due from Central Bank	(16)	872 809	291 255
Due from banks	(17)	1 389 187	1 282 202
Treasury bills	(18) & (21)	4 150 777	1 979 684
Loans and facilities to banks	(19)	159 346	88 136
Loans and facilities to customers	(20)	470 836	381 972
Financial investments			
- At fair value through other comprehensive income	(21)	23 312	23 406
- At amortized cost	(21)	65 861	73 508
Investments in associates & subsidiaries	(22)	367 917	367 917
Intangible assets	(23)	4 930	4 490
Other assets	(24)	72 450	71 693
Fixed assets	(25)	72 123	62 163
Total assets		7 649 548	4 626 426
Liabilities & Equity Liabilities			
Due to Banks	(26)	129 810	39 069
Customers' deposits	(27)	6 399 935	3 608 015
Other liabilities	(28)	82 704	39 700
Other provisions	(29)	1 822	1 662
Total liabilities		6 614 271	3 688 446
Equity			
Paid-up & issued capital	(30-A)	600 000	600 000
Reserves	(30-B)	238 604	212 882
Net profit for the year & retained earnings	(30-C)	196 673	125 098
Total equity		1 035 277	937 980
Total liabilities and equity		7 649 548	4 626 426

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



Gamal Zaghloul
CFO



Hisham Ramez
Chief Executive Officer - Managing Director



Amr Mohamed Kamel
Non-Executive Chairman

Separate Income Statement

For the Financial Year Ended December 31, 2025

(All amounts are presented in thousand USD)			
	Note No.	31/12/2025	31/12/2024
Interest from loans and similar income	(6)	857 696	435 401
Interest on deposits and similar expenses	(6)	(678 854)	(318 029)
Net Interest Income		178 842	117 372
Fees and commissions income	(7)	6 246	5 622
Fees and commissions expenses	(7)	(251)	(155)
Net Income from Fees and commissions		5 995	5 467
Net Income from revenues, Fees and Commissions		184 837	122 839
Dividends income	(8)	18 732	15 528
Net trading income	(9)	2 352	2 147
Profits (losses)from financial investments	(10)	23	15
Credit impairment / charged	(13)	(992)	5 786
Administrative expenses	(11)	(76 557)	(67 950)
Other operating revenues (expenses)	(12)	(3 160)	(930)
Net Profit For The Year		125 235	77 435
Earning per share (US\$/Share)	(14)	3522.30	2050.90

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



Gamal Zaghloul
CFO



Hisham Ramez
Chief Executive Officer - Managing Director



Amr Mohamed Kamel
Non-Executive Chairman

Separate Statement of Comprehensive Income

For The Financial Year Ended December 31, 2025

	(All amounts are presented in thousand USD)	
	31/12/2025	31/12/2024
Net profit for the year	125 235	77 435
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	218	(11 832)
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)	17 751	7 495
Total items of other comprehensive income for the year	17 969	(4 337)
Total other comprehensive income for the year	143 204	73 098

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

Separate Statement of Changes in Shareholders' Equity

For The Financial Year Ended December 31, 2025

	(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, 2023							
Balance as at 1 January 2024	600 000	139 761	73 582	(3 030)	31	98 846	909 190
Transferred to general banking risk reserve	-	-	-	-	11	(11)	-
Transferred to legal reserve	-	6 864	-	-	-	(6 864)	-
Dividends distributions	-	-	-	-	-	(45 249)	(45 249)
Net change in other comprehensive income items	-	-	-	(4 337)	-	-	(4 337)
Reverse / Charge of General banking risk reserve	-	-	-	-	-	941	941
Net profit of the year	-	-	-	-	-	77 435	77 435
Balance as at 31 December, 2024	600 000	146 625	73 582	(7 367)	42	125 098	937 980
31 December, 2025							
Balance as at 1 January 2025	600 000	146 625	73 582	(7 367)	42	125 098	937 980
Transferred to general banking risk reserve	-	-	-	-	10	(10)	-
Transferred to legal reserve	-	7 743	-	-	-	(7 743)	-
Dividends distributions	-	-	-	-	-	(45 907)	(45 907)
Net change in other comprehensive income items	-	-	-	17 969	-	-	17 969
Reverse / Charge of General banking risk reserve	-	-	-	-	-	-	-
Net profit of the year	-	-	-	-	-	125 235	125 235
Balance as at 31 December, 2025	600 000	154 368	73 582	10 602	52	196 673	1 035 277

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

Separate Statement of Cash Flows

For the Financial Year Ended December 31, 2025

(All amounts are presented in thousand USD)			
	Note No.	31/12/2025	31/12/2024
Cash flows from operating activities			
Net Profit for the year		125 235	77 435
Adjustments to reconcile net profit to net cash flows provided from operating activities			
Fixed assets depreciation	(25)	3 432	3 057
Intangible assets amortization	(23)	2 608	1 785
Impairment charges for expected credit losses	(13)	992	(5 786)
Charges / reverse of other provisions	(29)	148	(187)
Foreign currencies translation differences / other provisions	(29)	12	(79)
Foreign currencies translation differences at amortized cost in other currencies	(21)	(485)	19 085
Amortization of issuance premium / discount	(21)	(2 244)	(1 566)
Profits (losses) from financial investments at fair value through other comprehensive income	(10)	(23)	(15)
Gain / loss from sale of fixed assets		-	(81)
Amounts used from other provisions		-	(16)
Dividends	(8)	(18 732)	(15 528)
Operating profits before changes in assets & liabilities provided from operating activities		110 943	78 104
Net change in assets & liabilities			
Due from Banks and CBE		(661 212)	17 986
Treasury bills of more than three months maturity		(1 753 871)	(350 505)
Loans and facilities to customers and banks		(160 654)	30 119
Other assets		(757)	(14 866)
Due to Banks		90 741	(168 430)
Customers' deposits		2 791 920	333 252
Other liabilities		43 004	(6 999)
Net cash flows provided from (used in) operating activities (1)		460 114	(81 339)
Cash flows from investing Activities			
Payments for fixed assets purchasing		(13 393)	(2 411)
Gain / loss from sale of fixed assets		-	81
Payments for intangible assets purchasing		(3 048)	(3 082)
Payments / proceeds from Financial investments at amortized cost	(21)	10 391	5 236
Increase in associates' capital		-	-
Gained profits from dividends appropriations		18 732	11 761
Net cash flows (used in) provided from investing activities (2)		12 682	11 585
Cash flows from Financing Activities			
Dividends paid		(45 908)	(44 307)
Net cash flows (used in) Financing activities (3)		(45 908)	(44 307)
Net decrease/increase of cash & cash equivalents during the year (1)+(2)+(3)		426 888	(114 061)
Cash & cash equivalents at the beginning of the year		1 453 389	1 567 450
Cash & cash equivalents at the end of the year		1 880 277	1 453 389
Cash & cash equivalents are represented as:			
Cash and due from the Central Bank	(16)	872 809	291 255
Due from Banks	(17)	1 389 317	1 282 432
Treasury bills	(18)	4 150 777	1 979 684
Due from the Central Bank within the required reserve ratio		(844 887)	(262 675)
Treasury bills of more than three months maturity		(119 000)	(40 000)
		(3 568 739)	(1 797 307)
Cash & cash equivalents at the end of the year	(31)	1 880 277	1 453 389

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

Separate Statement of Proposed Dividends

For the Year Ended December 31, 2025

(All amounts are presented in thousand USD)			
	Note No.	31/12/2025	31/12/2024
Net profit for the year (as per income statement)		125 235	77 435
Less: general banking risk reserve		(10)	(10)
Net distributable profits for the year		125 225	77 425
Add : Retained earnings	(30-C)	71 436	47 663
Total		196 661	125 088
To be distributed as follows :			
Legal Reserve (10%)		12 524	7 744
Shareholders' dividends (primary share doesn't exceed 5% of the nominal value of the share)		30 000	30 000
Board of Directors remunerations		1 936	1 936
Employee's profit share		16 378	13 198
Shareholders' dividends (second share)		40 000	
The Banking System Support and Development Fund		* 1 252	774
Retained earnings at the end of the year		94 571	71 436
Total		196 661	125 088

*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 2025

(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 24 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, 2025 was 1 218 employees and workers, compared with 1 205 as of December 31, 2024.

These financial statements for the financial year ended at December 31, 2025 were approved by the Board of Directors as at 29 April 2026.

(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, 2025 to get complete information on the Bank's financial position, income statement, cash flows and change in shareholders' equity.

(B) Accounting for investments in subsidiaries and associates

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

(B-1) Investments in subsidiaries

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

(B-2) Investments in associates

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

Accounting for acquisition of subsidiary companies by the Bank is carried out according to the purchase method. The recognition of acquisition of companies by the Bank is measured at fair value or the value of assets given by the Bank in return for the purchase of companies and / or issued equity instruments and / or any other costs incurred by the Bank and / or any liabilities accepted by the Bank on behalf of the acquired company on the date of

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

(C) Segment reporting

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

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

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

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

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

(E) Financial assets

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

(E/1) Financial assets at amortized cost:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(F) Off setting financial instruments:

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

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

(G) Interest income and expense

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

(H) Fees and commissions income:

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

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

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

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

(I) Dividend income

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

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

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

(K) Impairment of financial assets

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

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

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

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

- The low risk financial instrument is classified at initial recognition in the first stage and the credit risk shall be continuously monitored by the credit risk department of the Bank.
- If there is significant increase in credit risk since initial recognition, the financial instrument is to be transferred to the second stage as it shall not be considered as impaired financial instrument yet in this stage.
- In case of indicators of impairment in the value of the financial instrument, it shall be transferred to the third stage.

- The financial assets established or acquired by the Bank and include a higher rate of credit risk than the rates of the Bank for low risk financial assets at initial recognition, shall be directly classified in the second stage. Accordingly, their credit loss shall be measured based on the expected credit risk over the lifetime of the asset.

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

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

(K/2) Quantitative criteria

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

(K/3) Qualitative criteria

For banking retail loans, small and micro finance enterpris

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

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

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

- Debt instruments, treasury bills and other bills

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

(A/2) Limiting and avoiding risks policies

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

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

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

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

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

Collaterals

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

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

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

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

Credit-related commitments

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

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

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

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

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

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

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

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

Ratings of The Bank	31/12/2025		31/12/2024	
	Loans & Facilities	Impairment provision	Loans & Facilities	Impairment provision
	%	%	%	%
Performing loans	17.97	5.86	6.80	0.01
Regular watching	56.44	39.81	59.18	39.15
Watch list	-	-	-	-
Non-performing loans	25.59	54.33	34.02	60.84
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	31/12/2025	31/12/2024
Treasury bills and government notes	4 216 638	2 053 192
Due from Banks	1 389 187	1 282 202
Loans to Banks	159 346	88 136
Loans and facilities to customers:		
Retail loans:		
Debit current accounts	1 462	960
Credit cards	2 312	2 058
Personal loans	14 536	14 429
Corporate loans:		
Debit current accounts	3 852	2 747
Syndicated loans	163 648	131 092
Direct loans	285 026	230 686
Other assets	20 235	13 305
Total	6 256 242	3 818 807
Off-balance sheet items exposed to credit risk		
Letters of credit	10 088	852
Letters of guarantee	81 512	41 128
Companies loans commitments	9 816	323
Money Market papers for facilities to suppliers	1 839	1 172
Total	103 255	43 475

- The above table represents the Bank maximum exposure to credit risk on December 31, 2025 – December 31, 2024 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 10.07% of the total maximum exposure is derived from loans and facilities to Banks and customers as at December 31, 2025, compared to 12.31% as at December 31, 2024.
- 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, 2025, 74.41% 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 65.98% on December 31, 2024.
- On December 31, 2025, 71.31% of loans and facilities portfolio to Banks and customers are neither past due nor impaired compared to 64.82% on December 31, 2024.
- Loans and facilities assessed individually amounted to US\$ 171 010 thousand on December 31, 2025 compared to US\$ 197 794 thousand on December 31, 2024.
- The Bank has implemented more prudent processes when granting loans and facilities during the financial year ended on December 31, 2025.
- On December 31, 2025 and on December 31, 2024, 100% of the investments in debt instruments and treasury bills represent debt instruments on the part of the Egyptian Government.

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

31/12/2025				
Due from banks	First stage 12 months	Second stage Over lifetime	Third stage Over lifetime	Total
Credit rating				
Performing loans	857 065	266 845	-	1 123 910
Regular watching	5 044	235 361	-	240 405
Watch list	2	25 000	-	25 002
Non-performing loans	-	-	-	-
	862 111	527 206	-	1 389 317
Less impairment loss provision	(6)	(124)	-	(130)
Book value	862 105	527 082	-	1 389 187

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

31/12/2025				
Treasury bills	First stage 12 months	Second stage Over lifetime	Third stage Over lifetime	Total
Credit rating				
Performing loans	456 215	-	-	456 215
Regular watching	-	-	-	-
Watch list	-	-	-	-
Non-performing loans	-	-	-	-
	456 215	-	-	456 215
Less impairment loss provision	(1 842)	-	-	(1 842)
Book value	454 373	-	-	454 373

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

31/12/2025				
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	-	-	-	-
Watch list	20 000	143 483	-	163 483
Non-performing loans	-	-	-	-
	20 000	143 483	-	163 483
Less impairment loss provision	(1 127)	(3 010)	-	(4 137)
Book value	18 873	140 473	-	159 346

31/12/2024				
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	30 000	58 813	-	88 813
Watch list	-	-	-	-
Non-performing loans	-	-	-	-
	30 000	58 813	-	88 813
Less impairment loss provision	(361)	(316)	-	(677)
Book value	29 639	58 497	-	88 136

31/12/2025				
Loans and credit facilities to individuals	First stage 12 months	Second stage Over lifetime	Third stage Over lifetime	Total
Credit rating				
Performing loans	18 322	-	-	18 322
Regular watching	-	-	-	-
Watch list	-	-	-	-
Non-performing loans	-	-	9	9
	18 322	-	9	18 331
Less impairment loss provision	(12)	-	(9)	(21)
Book value	18 310	-	-	18 310

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

31/12/2025				
Loans & credit facilities to corporate	First stage 12 months	Second stage Over lifetime	Third stage Over lifetime	Total
Credit rating				
Performing loans	44 864	56 869	-	101 733
Regular watching	77 094	300 078	-	377 172
Watch list	-	-	-	-
Non-performing loans	-	-	171 001	171 001
	121 958	356 947	171 001	649 906
Less impairment loss provision	(189)	(89 957)	(107 234)	(197 380)
Book value	121 769	266 990	63 767	452 526

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

31/12/2025				
Debt instruments at amortized cost	First stage 12 months	Second stage Over lifetime	Third stage Over lifetime	Total
Credit rating				
Performing loans	66 567	-	-	66 567
Regular watching	-	-	-	-
Watch list	-	-	-	-
Non-performing loans	-	-	-	-
	66 567	-	-	66 567
Less impairment loss provision	(706)	-	-	(706)
Book value	65 861	-	-	65 861

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

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

31/12/2025				
Due from Banks	First stage 12 months	Second stage Over lifetime	Third stage Over lifetime	Total
Credit loss provision as at 1 January 2025	9	222	-	231
Net impairment charge/reverse through the year	(3)	(98)	-	(101)
Written off during the year	-	-	-	-
Foreign exchange differences	-	-	-	-
Balance at the end of the year	6	124	-	130

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

31/12/2025				
Treasury bills	First stage 12 months	Second stage Over lifetime	Third stage Over lifetime	Total
Credit loss provision as at 1 January 2025	1 752	-	-	1 752
Net impairment charge/reverse through the year	16	-	-	16
Written off during the year	-	-	-	-
Foreign exchange differences	74	-	-	74
Balance at the end of the year	1 842	-	-	1 842

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

31/12/2025				
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 2025	361	316	-	677
Net impairment charge/reverse through the year	766	2 612	-	3 378
Written off during the year	-	-	-	-
Foreign exchange differences	-	82	-	82
Balance at the end of the year	1 127	3 010	-	4 137

31/12/2024				
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 2024	399	62	-	461
Net impairment charge/reverse through the year	(38)	291	-	253
Written off during the year	-	-	-	-
Foreign exchange differences	-	(37)	-	(37)
Balance at the end of the year	361	316	-	677

31/12/2025				
Loans and credit facilities to individuals	First stage 12 months	Second stage Over lifetime	Third stage Over lifetime	Total
Credit loss provision as at 1 January 2025	-	-	10	10
Net impairment charge/reverse through the year	12	-	(1)	11
Written off during the year	-	-	-	-
Proceeds from loans previously written off	-	-	-	-
Foreign exchange differences	-	-	-	-
Balance at the end of the year	12	-	9	21

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

31/12/2025				
Loans & credit facilities to corporate	First stage 12 months	Second stage Over lifetime	Third stage Over lifetime	Total
Credit loss provision as at 1 January 2025	56	78 006	121 285	199 347
Net impairment charge/reverse through the year	127	7 891	(10 315)	(2 297)
Transfers from loans provision	-	-	2	2
Written off during the year	-	-	-	-
Transfers	-	3 960	(3 960)	-
Foreign exchange differences	6	100	222	328
Balance at the end of the year	189	89 957	107 234	197 380

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

31/12/2025				
Debt instruments at amortized cost	First stage 12 months	Second stage Over lifetime	Third stage Over lifetime	Total
Credit loss provision as at 1 January 2025	720	-	-	720
Net impairment charge/reverse through the year	(15)	-	-	(15)
Written off during the year	-	-	-	-
Foreign exchange differences	1	-	-	1
Balance at the end of the year	706	-	-	706

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

(A/6) Loans and facilities

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

	31/12/2025		31/12/2024	
	Loans & facilities to customers	Loans & facilities to Banks	Loans & facilities to customers	Loans & facilities to Banks
Neither past due nor impaired	429 577	163 483	345 544	88 813
Past due but not impaired	67 650	-	37 991	-
Impaired	171 010	-	197 794	-
Total	668 237	163 483	581 329	88 813
Less: Impairment loss provision	(197 401)	(4 137)	(199 357)	(677)
Net	470 836	159 346	381 972	88 136

Total impairment provision for loans and facilities reached US\$ 197 401 thousand at the end of the current financial period compared to US\$ 199 357 thousand at the end of the comparative year that included US\$ 107 243 thousand that represents loans impairment provision of loans individually valued (the third stage)compared to US\$ 121 295 thousand at the end of the comparative year. The rest of the loans portfolio which amounted to US\$ 90 158 thousand represent the loans impairment provision formed for the first and second stage of the credit portfolio compared to US\$ 78 062 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				
31/12/2025	Debit current accounts	Credit cards	Personal loans	Total
1. Performing loans	1 473	2 286	14 537	18 296
2. Regular watching	-	-	-	-
3. Watch list	-	-	-	-
Total	1 473	2 286	14 537	18 296

Corporate				
31/12/2025	Debit current accounts	Direct loans	Syndicated loans and facilities	Total
1. Performing loans	894	86 911	-	87 805
2. Regular watching	1	133 492	189 983	323 476
3. Watch list	-	-	-	-
Total	895	220 403	189 983	411 281

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				
31/12/2024	Debit current accounts	Credit cards	Personal loans	Total
4. Performing loans	960	2 033	14 429	17 422
5. Regular watching	-	-	-	-
6. Watch list	-	-	-	-
Total	960	2 033	14 429	17 422

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

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				
31/12/2025	Debit current accounts	Credit cards	Personal loans	Total
Past due up to 30 days	-	26	-	26
Past due more than 30 to 60 days	-	-	-	-
Past due more than 60 to 90 days	-	-	-	-
Total	-	26	-	26

Corporate				
31/12/2025	Debit current accounts	Direct loans	Syndicated loans and facilities	Total
Past due up to 30 days	150	45 304	-	45 454
Past due more than 30 to 60 days	2 351	19 819	-	22 170
Past due more than 60 to 90 days	-	-	-	-
Total	2 501	65 123	-	67 624

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

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

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 171 010 thousand compared to US\$ 197 794 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				
31/12/2025	Debit current accounts	Credit cards	Personal loans	Total
Loans individually subject to impairment	9	-	-	9
Fair value of collaterals	-	-	-	-

Corporate				
31/12/2025	Debit current accounts	Direct loans	Syndicated Loans and facilities	Total
Loans individually subject to impairment	4 008	125 389	41 604	171 001
Fair value of collaterals	96	20 665	7 991	28 752

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

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

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\$ 216 487 thousand, compared to US\$ 400 705 thousand at the end of the comparative year.

	31/12/2025	31/12/2024
Loans & Facilities to Customers		
Institutions		
- Debit current accounts	30 440	28 774
- Direct loans	186 047	371 931
Total	216 487	400 705

(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	31/12/2025	31/12/2024
Egyptian treasury bills			
- At fair value through other comprehensive income	(B)	3 696 404	1 535 959
- At amortized cost	(B)	456 215	445 477
Egyptian treasury bonds			
- At amortized cost	(B)	66 567	74 228
Total		4 219 186	2 055 664

(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	Total
Treasury bills & other government notes	4 219 186	-	-	4 219 186
Loans & facilities to Banks	163 483	-	-	163 483
Loans and facilities to customers:				
- Loans to individuals:				
- Debit current accounts	1 269	214	-	1 483
- Credit cards	2 131	181	-	2 312
- Personal loans	13 858	678	-	14 536
- Loans to Corporate:				
- Debit current accounts	6 605	800	-	7 405
- Direct loans	389 866	21 048	-	410 914
- Syndicated loans	231 587	-	-	231 587
Total as at 31 December 2025	5 027 985	22 921	-	5 050 906
Total as at 31 December 2024	2 709 766	16 040	-	2 725 806

- 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	-	-	-	-	-	4 219 186	-	4 219 186
Loans & facilities to Banks	163 483	-	-	-	-	-	-	163 483
Loans and facilities to customers:								
- Loans to individuals:								
- Debit current accounts	-	-	-	-	-	-	1 483	1 483
- Credit cards	-	-	-	-	-	-	2 312	2 312
- Personal loans	-	-	-	-	-	-	14 536	14 536
- Loans to Corporate:								
- Debit current accounts	150	6 230	130	-	-	-	895	7 405
- Direct loans	38 541	80 480	12 925	122 500	227	-	156 241	410 914
- Syndicated loans	22 667	18 937	-	48 637	31 378	-	109 968	231 587
Total as of 31 December 2025	224 841	105 647	13 055	171 137	31 605	4 219 186	285 435	5 050 906
Total as of 31 December 2024	132 999	71 961	6 611	169 082	2 535	2 055 664	286 954	2 725 806

B - Market risk

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

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

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

(B/1) Market risk measurement techniques

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

- Value at Risk (VaR)

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

- Stress Testing

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

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

Summary of value exposed to risk

Total value exposed to risk according to each risk category:

	31/12/2025			31/12/2024		
	Average	Higher	Lesser	Average	Higher	Lesser
Foreign Exchange Risk	22 226	96 300	2 018	52 703	143 732	5

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

	31/12/2025			31/12/2024		
	Average	Higher	Lesser	Average	Higher	Lesser
Foreign Exchange Risk	22 226	96 300	2 018	52 703	143 732	5

(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 2025	USD	Euro	GBP	L.E	Other	Total
Financial assets						
Cash and balances with the Central Bank	16 816	7 232	634	847 937	190	872 809
Due from Banks	1 258 806	75 337	50 064	1 049	3 931	1 389 187
Treasury bills	374 910	79 463	-	3 696 404	-	4 150 777
Loans and facilities to customers	338 182	399	-	132 255	-	470 836
Loans and facilities to banks	18 874	-	-	140 472	-	159 346
Financial investments:						
- Available for sale at fair value through other comprehensive income	23 312	-	-	-	-	23 312
- At amortized cost	57 003	-	-	8 858	-	65 861
Investments in subsidiaries and associates	367 917	-	-	-	-	367 917
Other assets	50 264	172	117	21 897	-	72 450
Total financial assets	2 506 084	162 603	50 815	4 848 872	4 121	7 572 495
Financial liabilities						
Due to Banks	30 397	2 894	20	96 494	5	129 810
Customers deposits & certificates of deposits	1 489 773	159 260	48 910	4 697 938	4 054	6 399 935
Other liabilities	30 772	87	13	51 832	-	82 704
Total financial liabilities	1 550 942	162 241	48 943	4 846 264	4 059	6 612 449
Net financial position	955 142	362	1 872	2 608	62	960 046

31 December 2024	USD	Euro	GBP	L.E	Other	Total
Financial assets						
Cash and balances with the Central Bank	18 476	6 528	692	265 378	181	291 255
Due from Banks	1 058 883	54 348	47 987	118 756	2 228	1 282 202
Treasury bills	374 187	69 538	-	1 535 959	-	1 979 684
Loans and facilities to customers	337 119	838	-	44 015	-	381 972
Loans and facilities to banks	29 639	-	-	58 497	-	88 136
Financial investments:						
- Available for sale at fair value through other comprehensive income	23 406	-	-	-	-	23 406
- At amortized cost	55 371	9 865	-	8 272	-	73 508
Investments in subsidiaries and associates	137 865	-	-	230 052	-	367 917
Other assets	49 244	659	363	21 427	-	71 693
Total financial assets	2 084 190	141 776	49 042	2 282 356	2 409	4 559 773
Financial liabilities						
Due to Banks	37 708	1 248	64	-	49	39 069
Customers deposits & certificates of deposits	1 367 496	139 686	47 038	2 051 516	2 279	3 608 015
Other liabilities	29 047	87	36	10 530	-	39 700
Total financial liabilities	1 434 251	141 021	47 138	2 062 046	2 328	3 686 784
Net financial position	649 939	755	1 904	220 310	81	872 989

(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 2025	Up to 1 month	More than 1 month to 3 Months	More than 3 months to 1 year	More than 1 year to 5 years	Over 5 years	Non-interest bearing	Total
Financial Asset							
Cash and balances with the Central Bank	-	-	-	-	-	872 809	872 809
Due from Banks	449 562	816 962	119 000	-	-	3 663	1 389 187
Treasury bills & government notes	484 717	1 176 737	2 489 323	-	-	-	4 150 777
Loans and facilities to customers	39 184	155 933	84 216	12 390	179 113	-	470 836
Loans and facilities to banks	-	-	-	159 346	-	-	159 346
Financial investments:							
- Financial investments at fair value through other comprehensive income	-	-	-	-	-	23 312	23 312
- At amortized cost	-	-	-	65 861	-	-	65 861
Investments in subsidiaries and associates	-	-	-	-	-	367 917	367 917
Other assets	-	-	-	-	-	72 450	72 450
Total financial assets	973 463	2 149 632	2 692 539	237 597	179 113	1 340 151	7 572 495
Financial liabilities							
Due to Banks	109 519	-	20 000	-	-	291	129 810
Customers' deposits & certificates of deposits	5 579 658	269 865	304 699	69 217	236	176 260	6 399 935
Other financial liabilities	-	-	-	-	-	82 704	82 704
Total financial liabilities	5 689 177	269 865	324 699	69 217	236	259 255	6 612 449
Interest re-pricing gap	(4 715 714)	1 879 767	2 367 840	168 380	178 877	1 080 896	960 046

31 December 2024	Up to 1 month	More than 1 month to 3 Months	More than 3 months to 1 year	More than 1 year to 5 years	Over 5 years	Non-interest bearing	Total
Total financial assets	769 738	1 969 885	831 534	154 446	76 937	757 233	4 559 773
Total financial liabilities	2 729 658	114 962	379 387	268 149	187	194 441	3 686 784
Interest re-pricing gap	(1 959 920)	1 854 923	452 147	(113 703)	76 750	562 792	872 989

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 2025	Up to 1 month	More than 1 month to 3 Months	More than 3 months to 1 year	More than 1 year to 5 years	Over 5 years	Non-interest bearing	Total
Financial liabilities							
Due to banks	109 519	-	20 000	-	-	291	129 810
Customers deposits & Certificates of deposits	5 579 658	269 865	304 699	69 217	236	176 260	6 399 935
Other financial liabilities	-	-	-	-	-	82 704	82 704
Total financial liabilities based on the contractual maturity date	5 689 177	269 865	324 699	69 217	236	259 255	6 612 449
Total financial assets based on the contractual maturity date	973 463	2 149 632	2 692 539	237 597	179 113	1 340 151	7 572 495

31 December 2024	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 liabilities based on the contractual maturity date	2 729 658	114 962	379 387	268 149	187	194 441	3 686 784
Total financial assets based on the contractual maturity date	769 738	1 969 885	831 534	154 446	76 937	757 233	4 559 773

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 2025		31 December 2024	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets:				
Due from banks	1 389 187	1 389 187	1 282 202	1 282 202
Loans and facilities to Banks	159 346	159 346	88 136	88 136
Loans and facilities to customers	470 836	470 836	381 972	381 972
Financial investments:				
At amortized cost	65 861	Not identified	73 508	Not identified
Financial liabilities:				
Due to banks	129 810	129 810	39 069	39 069
Customers deposits	6 399 935	Not identified	3 608 015	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 2025.

	31/12/2025	31/12/2024
Core capital (Tier One)		
Paid up capital	600 000	600 000
Reserves	255 974	246 480
Retained earnings	288 339	231 113
General risk reserve	-	-
Total balance of items of the accumulated other comprehensive income after regulatory amendments	(160 495)	(235 056)
Quarterly interim profits	162 935	113 684
Minority interest / Non-controlling interest	198 118	189 992
Difference between nominal value and current value of subordinated loans (deposit)	712	712
Total Core capital	1 345 583	1 146 925
Less:		
Investments In Financial Institutions:		
Amount exceeding 10% of the issued capital of the company for each separate investment (shares)	(131 507)	(84 155)
Amount exceeding 10% of the fund assets for each separate investment (mutual funds)	(1 151)	(913)
Subordinated loans	(143 483)	(58 813)
Intangible assets	(12 908)	(10 530)
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	1 056 534	992 514
Tier 2 Capital (core capital)		
Significant elements of required allowances for debt instruments, loans, credit facilities and contingent liabilities included in stage 1	23 386	18 467
45% of the specific reserve	32	32
45 % of the increase in fair value over the book value of financial investments in associates	1 242	321
Total Tier 1 Capital	24 660	18 820
Total capital base (1)	1 081 194	1 011 334
Risk-weighted assets & contingent liabilities		
Credit risk for items in & off-balance sheet	4 402 474	3 860 276
Market risk – foreign exchange rates	172 050	131 734
Operating risk	213 978	201 038
Total Risk-weighted assets & contingent liabilities (2)	4 788 502	4 193 048
Capital adequacy ratio (1) / (2)	% 22.58	% 24.12

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

	31/12/2025	31/12/2024
Tier 1 Capital after disposals (1)	1 057 405	992 514
Cash and Due from Central Bank	1 422 437	863 716
Balances due from Banks	1 659 904	1 401 023
Loans and credit facilities to banks	178 873	102 679
Treasury bills & other government notes	4 687 826	2 462 680
Financial assets at fair value through other comprehensive income	183 255	108 608
Financial assets at amortized cost	370 096	348 392
Investments in subsidiaries & associates	297 218	211 973
Loans & credit facilities granted to customers	2 043 253	1 609 541
Fixed assets (after deducting impairment loss provision and accumulated depreciation)	112 454	102 994
Other assets	208 929	156 810
The amount of exposure deducted (after disposing the first tier of the capital base)	(571 327)	(418 584)
Total banks’ exposure of items in the balance sheet after deducting the disposals of the first tier	10 592 918	6 949 832
Letters of credit – imports	3 243	5 850
Letters of credit – exports	16 260	18 527
Letters of guarantee	94 029	69 998
Letters of guarantee upon other Banks’ request or by their warranty	7 392	6 585
Accepted bills	9 129	2 461
Rediscounted bills	-	-
Total contingent liabilities	130 053	103 421
Total commitments	123 712	79 866
Total off- balance sheet exposure	253 765	183 287
Total in & off- balance sheet exposure (2)	10 846 683	7 133 119
Financial leverage ratio (1/2)	% 9.75	%13.91

(4) Significant accounting estimates and assumptions

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

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

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

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

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

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

(4/2) Financial derivatives fair value

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

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

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

(4/3) Debt instruments at amortized cost

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

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

(5) Segment Analysis

A - Segment analysis of business activities as at 31 December 2025

31 December 2025						
Revenues and expenses according to economic activity	Large corporate	Medium enterprises	Investment	Retail Banking	Other activities	Total
Revenue of business segment activity	123 097	38 243	738 654	2 012	6 874	908 880
Expenses of business segment activity	(14 852)	(1 900)	-	(679 128)	(2 932)	(698 812)
Segment operating income	108 245	36 343	738 654	(677 116)	3 942	210 068
Unclassified expenses						(84 833)
Profit for the year						125 235
Assets and liabilities of the segment activity						
Segment activity assets	2 534 562	205 855	4 598 137	18 331	-	7 356 885
Unclassified assets	-	-	-	-	-	292 663
Total assets						7 649 548
Segment activity liabilities	4 886 828	104 358	-	1 544 551	-	6 535 737
Unclassified liabilities	-	-	-	-	-	78 534
Total liabilities						6 614 271

Comparative year as at 31 December 2024						
Revenues and expenses according to economic activity	Large corporate	Medium enterprises	Investment	Retail Banking	Other activities	Total
Revenue of business segment activity	144 503	35 735	241 038	2 758	15 871	439 905
Expenses of business segment activity	(11 771)	(450)	-	(279 929)	-	(292 150)
Segment operating income	132 732	35 285	241 038	(277 171)	15 871	147 755
Unclassified expenses						(70 320)
Profit for the year						77 435

Comparative year as at 31 December 2024						
Assets and liabilities of the segment activity						
Segment activity assets	1 555 251	305 980	2 442 884	17 459	-	4 321 574
Unclassified assets	-	-	-	-	-	304 852
Total assets						4 626 426
Segment activity liabilities	2 219 849	68 367	-	1 365 593	-	3 653 809
Unclassified liabilities	-	-	-	-	-	34 637
Total liabilities						3 688 446

B - Geographical Segments Analysis

31 December 2025				
Revenues & expenses according to the geographical segments	Greater Cairo	Alexandria	Port said	Total
- Geographical segments revenues	878 572	5 445	-	884 017
- Geographical segments expenses	(742 453)	(15 943)	(386)	(758 782)
Segment operating income	136 119	(10 498)	(386)	125 235
Profit (loss) for the year	136 119	(10 498)	(386)	125 235
Assets & liabilities according to the geographical segments				
- Geographical segments assets	7 619 840	28 587	1 121	7 649 548
Total assets	7 619 840	28 587	1 121	7 649 548
Geographical segments liabilities	6 394 027	220 052	192	6 614 271
Total liabilities	6 394 027	220 052	192	6 614 271

Comparative year as at 31 December 2024				
Revenues & expenses according to the geographical segments	Greater Cairo	Alexandria	Port said	Total
- Geographical segments revenues	456 168	3 608	-	459 776
- Geographical segments expenses	(372 859)	(9 482)	-	(382 341)
Segment operating income	83 309	(5 873)	-	77 435
Profit (loss) for the year	83 309	(5 873)	-	77 435

Comparative year as at 31 December 2024				
Assets & liabilities according to the geographical segments				
- Geographical segments assets	4 601 576	24 850	-	4 626 426
Total assets	4 601 576	24 850	-	4 626 426
Geographical segments liabilities	3 489 442	199 004	-	3 688 446
Total liabilities	3 489 442	199 004	-	3 688 446

(6) Net interest income

	31/12/2025	31/12/2024
Interest from loans and similar revenues from loans and facilities:		
- Banks	21 399	13 458
- Customers	56 459	48 393
	77 858	61 851
Bonds & treasury bills	703 174	250 266
Deposits with Banks	76 664	123 284
Total	857 696	435 401
Costs of Deposits and similar costs:		
Deposits and current accounts:		
- Banks	(8 081)	(5 547)
- Customers	(670 773)	(312 482)
Total	(678 854)	(318 029)
Net	178 842	117 372

(7) Net income from fees and commissions

	31/12/2025	31/12/2024
Fees and commission income:		
Fees and commissions related to credit	4 129	4 488
Institutions' finance services fees	1 072	95
Other fees	1 045	1 039
Total	6 246	5 622
Fees and commission expenses:		
Other fees paid	(251)	(155)
Net	5 995	5 467

(8) Dividends income

	31/12/2025	31/12/2024
Equity instruments at fair value through other comprehensive income	346	315
Subsidiaries & associates	18 386	15 213
Total	18 732	15 528

(9) Net trading income

	31/12/2025	31/12/2024
Forex gain	2 352	2 147
Total	2 352	2 147

(10) Financial investments profits / losses

	31/12/2025	31/12/2024
Financial investments profits through other comprehensive income - treasury bills	23	15
Total	23	15

(11) Administrative expenses

	31/12/2025	31/12/2024
Staff costs		
Wages & salaries and their equivalents	53 172	48 651
The Bank contribution in employees fund	3 605	3 720
	56 777	52 371
Fixed assets depreciation	3 433	3 057
Software amortization	2 609	1 785
Other administrative expenses	13 738	10 737
Total	76 557	67 950

The average monthly salary of the twenty largest bonuses and salaries earned in the bank amounted to US\$ 478 983 for the year ended December 31, 2025 compared to US\$ 447 131 on December 31, 2024.

(12) Other operating revenues (expenses)

	31/12/2025	31/12/2024
Gain (loss) revaluation of assets & liabilities balances other than trading or originally classified at fair value through profit & loss	(1 194)	825
Losses/ profits from sale of fixed assets	-	81
Other revenues	526	511
Other provisions charge / reverse	(390)	(486)
Other expenses	(2 102)	(1 861)
Total	(3 160)	(930)

(13) Credit impairment charge / reverse

	31/12/2025	31/12/2024
Loans and facilities to customers	2 286	6 596
Loans and facilities to banks	(3 378)	(253)
Balances with banks	101	(70)
Treasury bills	(16)	(136)
Debt instruments at amortized cost	15	(351)
Total	(992)	5 786

(14) Earnings per share

	31/12/2025	31/12/2024
Net profit for the year	125 235	77 435
Less:		
Board of Directors' remunerations	1 936	1 936
Employees share in profit	16 378	13 198
The Banking System Support and Development Fund	1 252	774
Net profit before distribution to the shareholders of the Bank	105 669	61 527
Issued common shares	30 000	30 000
Earnings per share (US\$ /share)	3 522.3	2 050 .90

(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 2025	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	872 809	-	-	872 809
Due from banks	1 389 317	-	-	1 389 317
Treasury bills	456 215	3 696 404	-	4 152 619
Loans and facilities to customers	668 237	-	-	668 237
Loans and facilities to banks	163 483	-	-	163 483
Financial investments at fair value through other comprehensive income	-	-	23 312	23 312
Financial investments at amortized cost	66 567	-	-	66 567
Other Financial assets	20 235	-	-	20 235
Total financial assets	3 636 863	3 696 404	23 312	7 356 579
Due to banks	129 810	-	-	129 810
Customers' deposits	6 399 935	-	-	6 399 935
Other financial liabilities	54 522	-	-	54 522
Total financial liabilities	6 584 267	-	-	6 584 267

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

(16) Cash and Due from Central Bank

	31/12/2025	31/12/2024
Cash	27 922	28 580
Due from the Central Bank of Egypt (within the required reserve ratio in L.E)	844 887	262 675
Balance	872 809	291 255
Non-interest-bearing balances	872 809	291 255
Balance	872 809	291 255

(17) Due from Banks

	31/12/2025	31/12/2024
Current accounts	21 323	14 693
Deposits	1 367 994	1 267 740
Total	1 389 317	1 282 433
Less: impairment loss provision	(130)	(231)
Balance	1 389 187	1 282 202
Due from the Central Bank of Egypt (other than the required reserve ratio in L.E)	173 539	277 244
Local Banks	145 750	139 166
Foreign Banks	1 070 028	866 023
Total	1 389 317	1 282 433
Less: impairment loss provision	(130)	(231)
Balance	1 389 187	1 282 202
Non- interest-bearing balances	3 663	2 962
Fixed interest balances	1 385 654	1 279 471
Total	1 389 317	1 282 433
Less: impairment loss provision	(130)	(231)
Balance	1 389 187	1 282 202
Current balances	1 389 317	1 282 433
Non-current balances	-	-
Total	1 389 317	1 282 433
Less: impairment loss provision	(130)	(231)
Balance	1 389 187	1 282 202

(18) Treasury bills & other government notess

	31/12/2025	31/12/2024
A- At amortized cost		
180 days maturity	-	-
364 days maturity	460 984	451 518
Balance	460 984	451 518
Less: unearned interest	(4 769)	(6 041)
Total	456 215	445 477
Less: impairment loss provision	(1 842)	(1 752)
Net (1)	454 373	443 725
B - At fair value through other comprehensive income		
30 days maturity	-	-
91 days maturity	597 643	191 782
180 days maturity	1 777 655	1 280 715
270 days maturity	1 520 216	63 770
364 days maturity	115 374	112 039
Balance	4 010 888	1 648 306
Less: unearned interest	(333 562)	(113 674)
Total	3 677 326	1 534 632
Reserve for change in fair value	19 078	1 327
Net (2)	3 696 404	1 535 959
Net (1+2)	4 150 777	1 979 684

(19) Loans and facilities to banks

	31/12/2025	31/12/2024
Loans	163 483	88 813
Less: impairment loss provision	(4 137)	(677)
Total	159 346	88 136
Non-current balances	159 346	88 136
Total	159 346	88 136

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 Société Arabe Internationale de Banque "SAIB" paid the amount of US\$ 10 million on October 20, 2024 accordingly, Société Arabe Internationale de Banque "SAIB" paid the amount of US\$ 10 million on October 17, 2025 the balance of the subordinated loan on December 31, 2025 becomes 20 million US dollars.

Loan of the Suez Canal Bank (SCB)

- On March 30, 2022, the Board of Directors of the Arab International Bank agreed to grant a subordinated loan that amounted to 650 million Egyptian pounds, in order to support the second tranche of the capital base of the Suez Canal Bank (SCB) when calculating the capital adequacy ratio in order to maintain the ratio established by the Central Bank of Egypt.
- The term of this loan is five years starting from June 9, 2022 and ending by June 8, 2027, provided that the loan is paid in full at the end of the period in one payment by June 8, 2027, and the Suez Canal Bank (SCB) may repay this loan in annual instalments that do not exceed more than 20% of the value of the loan.
- A return rate of 1.50% annually, is calculated on the loan amount over the corridor rate, and the interest is paid every three months.
- Suez Canal Bank paid the amount of 130 million Egyptian pounds on July 9, 2023 and 130 million Egyptian pounds on August 13,2024 accordingly, the balance of the subordinated loan on December 31, 2025 becomes 260 million Egyptian pounds .
- On 26 September 2024, the Board of Directors of Arb International Bank approved a subordinated deposit that amounted to LE 2.6 billion to support capital base of Suez Canal Bank (SCB). the term of this deposit is five years, starting from 30 July 2024 to 30 July 2029. the total amount of the deposit will be paid in full in one payment at the end of the deposit term. SCB may settle the deposit on equal annual instalments in a manner that does not exceed 20% of the loan amount subject to the approval of the Central Bank of Egypt.
- A return rate of 2% annually is calculated on the loan amount over the corridor rate, and the interest is paid every three months. and accordingly, the balance of the subordinated loan and deposit on December 31, 2025, becomes 2.080 billion Egyptian pounds.
- On 2 October 2025, the Board of Directors of Arb International Bank approved a subordinated deposit that amounted to LE 4.5 billion to support capital base of Suez Canal Bank (SCB). the term of this deposit is five years, starting from 9 November 2025 to 10 November 2030. the total amount of the deposit will be paid in

full in one payment at the end of the deposit term. SCB may settle the deposit on equal annual instalments in a manner that does not exceed 20% of the loan amount subject to the approval of the Central Bank of Egypt.

- A return rate of 2% annually is calculated on the loan amount over the corridor rate, and the interest is paid every three months. and accordingly, the balance of the subordinated loan and deposit on December 31, 2025, becomes 6.840 billion Egyptian pounds.

(20) Loans and facilities to customers

	31 December 2025			31 December 2024		
	Total	Impairment loss provision	Net	Total	Impairment loss provision	Net
Individuals						
Debit current accounts	1 483	(21)	1 462	970	(10)	960
Credit cards	2 312	-	2 312	2 058	-	2 058
Personal loans	14 536	-	14 536	14 429	-	14 429
Total (1)	18 331	(21)	18 310	17 457	(10)	17 447
Corporate including small loans for economic activities						
Debit current accounts	7 405	(3 553)	3 852	7 653	(4 906)	2 747
Direct loans	410 914	(125 888)	285 026	359 491	(128 805)	230 686
Syndicated loans and facilities	231 587	(67 939)	163 648	196 728	(65 636)	131 092
Total (2)	649 906	(197 380)	452 526	563 872	(199 347)	364 525
Total (1+2)	668 237	(197 401)	470 836	581 329	(199 357)	381 972

Provision for impairment losses

31 December 2025				
Individuals				
	Debit current accounts	Credit cards	Personal loans	Total
Balance as at 1 January 2025	9	-	1	10
Net impairment charge / reverse for the year	12	-	(1)	11
Amounts written off during the year	-	-	-	-
Proceeds from loans previously written off	-	-	-	-
Foreign exchange differences	-	-	-	-
Balance at the end of the year	21	-	-	21

Corporate				
	Debit current accounts	Direct loans	Syndicated loans and facilities	Total
Balance as at 1 January 2025	4 906	128 805	65 636	199 347
Net impairment charge / reverse for the year	(1 466)	(3 128)	2 297	(2 297)
Amounts transferred from loans provision	-	2	-	2
Amounts written off during the year	-	-	-	-
Foreign exchange differences	113	209	6	328
Balance at the end of the year	3 553	125 888	67 939	197 380

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

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

(21) Financial investments

At fair value through other comprehensive income:	31/12/2025	31/12/2024
A - Debt instruments - at fair value :		
Treasury Bills	3 696 404	1 535 959
B - Equity instruments at fair value through other comprehensive income:		
- Quoted	256	254
- Unquoted*	23 056	23 152
Total equity instruments at fair value through other comprehensive income	23 312	23 406
At fair value through profit or loss		
Total financial investments at fair value through other comprehensive income (1)	3 719 716	1 559 365
At amortized cost:		
Debt instruments:		
- Quoted	66 567	74 228
Less: impairment loss provision	(706)	(720)
	65 861	73 508
Treasury Bills:		
Treasury Bills (18)	456 215	445 477
Less: impairment loss provision	(1 842)	(1 752)
	454 373	443 725
Total debt instruments at amortized cost (2)	520 234	517 233
Total financial investments (1+2)	4 239 950	2 076 598
Current balances	4 150 777	1 989 549
Noncurrent balances	89 173	87 049
Total financial investments	4 239 950	2 076 598
Fixed interest debt instruments	65 861	73 508
Total debt instruments	65 861	73 508

* 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.

31-12-2025		
	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	23 406	73 508
Additions	-	-
Amortization of Premium / issue discount	-	2 244
Disposals (sale / reimbursement)	-	(10 390)
Assets of monetary nature valuation differences in foreign currency	-	484
Changes in fair value reserve	(94)	-
Transferred to retained earnings	-	-
Charge / reverse of impairment of financial investments at amortized cost	-	15
Balance at the end of the financial year	23 312	65 861

31-12-2024		
	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	24 865	96 610
Additions	-	10 500
Amortization of Premium / issue discount	-	1 566
Disposals (sale / reimbursement)	-	(15 736)
Assets of monetary nature valuation differences in foreign currency	-	(19 081)
Changes in fair value reserve	(1 459)	-
Transferred to retained earnings	-	-
Charge of impairment of financial investments at amortized cost	-	(351)
Balance at the end of the comparative year	23 406	73 508

(22) Investments in subsidiaries & associates

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

December 31, 2025								
First: Subsidiaries								
Name of Company	Total Assets	Total Liabilities (without equity)	Revenues of the company	Net Profits (losses) of the company	Hosting country of the company	Balance as at 1/1/2025	Balance as at 31/12/2025	Share %
Societe Arab International de Banque (SAIB) (A)	3 607 598	3 203 090	538 485	30 108	A.R.E	83 065	83 065	% 51.0228
Total subsidiaries						83 065	83 065	
Second: Associates								
Name of Company	Total Assets	Total Liabilities (without equity)	Revenues of the company	Net Profits (losses) of the company	Hosting country of the company	Balance as at 1/1/2025	Balance as at 31/12/2025	Share %
Suez Canal Co. For Technology (B)	45 733	9 507	28 834	25 872	A.R.E	75 720	75 720	% 24.08
International Company for Tourist Investments (ICIT) (C)	125 995	30 931	32 138	15 753	A.R.E	6 800	6 800	% 20.00
World Trade Centre (WTC) (D)	150 240	17 050	8 199	2 484	A.R.E	48 000	48 000	% 50.00
Suez Canal Bank (SCB)	5 666 360	5 241 216	843 678	134 702	A.R.E	154 332	154 332	% 41.50
Total associates						284 852	284 852	
Total subsidiaries & associates						367 917	367 917	

- A. The balances of the latest approved financial statements of the company were recognized on August 31, 2025, and were approved by the auditor.
- B. The balances of the initial financial statements of the company were recognized on December 31, 2025
 - 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 as at 31-12-2019
 - The investment was reduced by USD 12 million, and the comparative figures were adjusted accordingly to reflect such reduction, which represents the increase over 40% of the Company's issued share capital, in compliance with the instructions issued by the Central Bank of Egypt prohibiting banks from owning shares in non-financial companies exceeding 40% of the company's issued share capital.

Investments in subsidiaries & associates (continued)

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

December 31, 2024								
First: Subsidiaries								
Name of Company	Total Assets	Total Liabilities (without equity)	Revenues of the company	Net Profits (losses) of the company	Hosting country of the company	Balance as at 1/1/2024	Balance as at 31/12/2024	Share %
Societe Arab International de Banque (SAIB) (A)	2 950 487	2 562 571	477 544	34 323	A.R.E	83 065	83 065	% 51.0228
Total subsidiaries						83 065	83 065	
Second: Associates								
Name of Company	Total Assets	Total Liabilities (without equity)	Revenues of the company	Net Profits (losses) of the company	Hosting country of the company	Balance as at 1/1/2024	Balance as at 31/12/2024	Share %
Suez Canal Co. For Technology (B)	54 070	7 945	19 416	16 461	A.R.E	75 720	75 720	% 24.08
International Company for Tourist Investments (ICIT) (C)	131 386	30 249	29 887	19 070	A.R.E	6 800	6 800	% 20.00
World Trade Centre (WTC) (D)	146 098	15 192	8 311	2 967	A.R.E	48 000	48 000	% 50.00
Suez Canal Bank (SCB)	3 544 345	3 271 463	454 201	111 750	A.R.E	154 332	154 332	% 41.50
Total associates						284 852	284 852	
Total subsidiaries & associates						367 917	367 917	

(23) Intangible Asset

	31/12/2025	31/12/2024
Computer software		
Net book value at the beginning of the year	4 490	3 192
Additions	3 049	3 083
Disposals	-	-
Amortization during the year	(2 609)	(1 785)
Net book value at the end of the year	4 930	4 490
Cost	15 501	12 453
Accumulated amortization	(10 571)	(7 963)
Net book value at the end of the year	4 930	4 490

(24) Other Assets

	31/12/2025	31/12/2024
Accrued revenue	20 235	13 305
Accrued dividends	677	4 445
Prepaid expenses	2 148	1 476
Prepaid amounts to employees under the account of dividends	11 622	10 358
Advance payments to purchase fixed assets	31 927	36 165
Assets reverted to the Bank in return for customers debts	3 244	3 335
Other	15 161	15 048
Total	85 014	84 132
Less: impairment loss provision	(12 564)	(12 439)
Net	72 450	71 693

(25) Fixed Assets

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

	Land	Buildings & Improvements	Furniture Fittings & Office Equipment	Vehicles	Computers	Total
Balance as at 1 January 2025						
Cost	36 228	36 567	8 070	3 237	10 689	94 791
Accumulated depreciation	-	(15 930)	(6 226)	(1 497)	(8 975)	(32 628)
Net Book Value as at 1 January 2025	36 228	20 637	1 844	1 740	1 714	62 163
Additions	-	10 924	1 157	-	1 312	13 393
Disposals	-	-	-	-	(1)	(1)
Accumulated Depreciation of Disposals	-	-	-	-	1	1
Depreciation during the year	-	(1 605)	(584)	(557)	(687)	(3 433)
Net Book Value as at 31 December 2025	36 228	29 956	2 417	1 183	2 339	72 123
Net Book Value as at 31 December 2024	36 228	20 637	1 844	1 740	1 714	62 163
Balance as at 31 December 2025						
Cost	36 228	47 491	9 227	3 237	12 000	108 183
Accumulated depreciation	-	(17 535)	(6 810)	(2 054)	(9 661)	(36 060)
Net Book Value as at 31 December 2025	36 228	29 956	2 417	1 183	2 339	72 123

(26) Due to Banks

	31/12/2025	31/12/2024
Current accounts	11 316	9 069
Deposits	118 494	30 000
Balance	129 810	39 069
Local banks	118 625	30 162
Foreign banks	11 185	8 907
Balance	129 810	39 069
Non - interest bearing balances	291	426
Interest-bearing balances	129 519	38 643
Balance	129 810	39 069
Current balance	129 810	39 069
Non - current balance	-	-
Balance	129 810	39 069

(27) Customers Deposits

	31/12/2025	31/12/2024
Demand deposits (current accounts)	295 265	262 967
Time and call deposits	5 061 409	2 307 496
Certificates of deposits	308 856	486 140
Saving deposits	696 883	516 753
Other deposits	37 522	34 659
Balance	6 399 935	3 608 015
Financial institutions deposits	4 861 562	2 249 079
Individual deposits	1 538 373	1 358 936
Balance	6 399 935	3 608 015
Non-interest-bearing balances	176 260	154 315
Fixed interest-bearing balances	6 172 464	3 430 151
Variable interest-bearing balances	51 211	23 549
Balance	6 399 935	3 608 015
Current balances	6 330 482	3 339 679
Non-current balances	69 453	268 336
Balance	6 399 935	3 608 015

(28) Other Liabilities

	31/12/2025	31/12/2024
Accrued interest	54 522	14 989
Pension fund	4 357	3 835
Employees’ alternative benefit plan	19 039	16 092
Sundry credit balances	4 786	4 784
Balance	82 704	39 700

(29) Other Provisions

31-12-2025						
	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	874	-	-	-	-	874
Contingent liabilities provision	202	7	-	(82)	-	127
Contingent liabilities provision	524	3	-	227	-	754
Commitments and facilities provision	62	2	-	3	-	67
Total	1 662	12	-	148	-	1 822

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

(30) Owners’ Equity

(A) Paid in Capital

The fully paid issued and paid in capital as at December 31, 2025 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

	31/12/2025	31/12/2024
Legal Reserve (Analytical Note No. B-1)	154 368	146 625
General Reserve	73 582	73 582
Fair value reserve of financial investments (Analytical Note No. B-2)	10 602	(7 367)
General Banking risk reserve (Analytical Note No. B-3)	52	42
Total of reserves at the end of the year	238 604	212 882

(B/1) Legal Reserve

	31/12/2025	31/12/2024
Balance at the beginning of the year	146 625	139 761
Transferred from net profit of the year	7 743	6 864
Balance at the end of the year	154 368	146 625

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

	31/12/2025	31/12/2024
Balance at the beginning of the year	(7 367)	(3 030)
Net change in fair value of financial investments	17 969	(4 337)
Balance at the end of the year	10 602	(7 367)

(B/3) General Banking Risk Reserve

	31/12/2025	31/12/2024
Balance at the beginning of the year	42	31
Transferred to general banking risk reserve - no longer used	10	11
Balance at the end of the year	52	42

- 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

	31/12/2025	31/12/2024
Balance at the beginning of the year	125 098	98 846
Net profit of the year	125 235	77 435
Shareholder's dividends	(30 000)	(30 000)
Employees' share in profit	(13 197)	(12 843)
Board of Directors' remunerations	(1 936)	(1 716)
General bank risk reserve	(10)	(11)
Transferred to legal reserve under registration	(7 743)	(6 864)
The Banking system support and development Fund	(774)	(690)
Surplus in employees' profit share from previous years	-	941
Balance at the end of the year	196 673	125 098

(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:

	31/12/2025	31/12/2024
- Cash at hand	27 922	28 580
- Balances with Banks	1 270 317	1 242 432
- Treasury Bills	582 038	182 377
Balance at the end of the year	1 880 277	1 453 389

(32) Commitments and contingent liabilities**(A) Legal claims**

There are lawsuits filed against the Bank as at 31 December 2025 and a provision was formed with full amount.

(B) Commitments for loans, guarantees and facilities

	31/12/2025	31/12/2024
Letters of guarantee	81 512	41 128
Letters of Credit – import	10 088	852
Letters of Credit – export	-	-
Commitments for corporate loans	9 816	323
Money market papers for facilities to suppliers	1 839	1 172
Total	103 255	43 475

(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		
	31/12/2025	31/12/2024
Loans and facilities to customers & banks		
Outstanding loans at the beginning of the year	93 804	61 823
Loans issued during the financial year	84 671	41 981
Loans paid during the financial year	(10 000)	(10 000)
Outstanding loans at the end of the year	168 475	93 804

(B) Deposits from related parties

Subsidiaries & Associates		
	31/12/2025	31/12/2024
Deposits at the beginning of the year	128 578	127 054
Deposits issued during the financial year	1 250	1 617
Deposits refunded during the financial year	(3 274)	(93)
Deposits at the end of the year	126 554	128 578

(C) Other

	31/12/2025	31/12/2024
Due from Banks	439	3 411
Due to Banks	20 004	30 004

(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, 2025 amounted to US\$ 91 552 thousand, compared to US\$ 94 677 thousand on December 31, 2024, and pursuant to the Actuary's Report which stated that "in the light of the Bank's guarantee of investment return of 9% on the reserve fund, there is a deficit amounting to US\$ 161 thousand in the employees' pension reserve fund on December 31, 2025 after adding the difference of the investment return guaranteed by the Bank by 9% for the fiscal year 2025, that amounted to US\$ 4 197 thousand, along with the postponement of settlement of the last portion of the subordinated loan, that amounted to US\$ 4 991 thousand."

Based on the opinion of the Actuary, the Employees' Pension Fund has been supported this year, through the income statement as at 31 December 2025 by US\$ 4 197 thousand which represents the investment return difference (9%) that is guaranteed by the Bank and the realized investment return (2025) in addition to the amount of US\$ 161 thousand that represents the actuarial deficit of the fund, as indicated in the actuary's report, along with the postponement of settlement of the last portion of the subordinated loan, that amounted to US\$ 4 991 thousand, provided that, the said portion will be settled during the following years when the employees' pension reserve fund is quite adequate to cover such settlement according to the directives of the Actuary Expert referred to above.

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Forvis Mazars Mostafa Shawki	KRESTON EGYPT Tamer Nabrawy &Co.
Public Accountants & Consultants	Public Accountants & Consultants

Auditors’ report on the Consolidated Financial Statements

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” and its subsidiary “together the Group”, which comprise the consolidated financial position as at December 31, 2025 and the consolidated statements of income, comprehensive income, changes in owner’s equity and cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management’s Responsibility for the Consolidated Financial Statements

These consolidated financial statements are the responsibility of the Group management. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the rules of preparation and presentation of the banks’ financial statements, basis of recognition and measurement issued by Central Bank of Egypt Board of Directors on December 16, 2008 as amended by the regulations issued on February 26, 2019 and in the light of the prevailing Egyptian laws and regulations. Management’s responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatements, 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 the Egyptian Standards on Auditing and in the light of the prevailing Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the 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 “The Group” 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 Group 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 these 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 the Bank as of December 31, 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with the rules of preparation and presentation of the banks’ financial statements, basis of recognition and measurement issued by Central Bank of Egypt Board of Directors on December 16, 2008 as amended by the regulations issued on February 26, 2019 and in light of the prevailing Egyptian laws and regulations.

Emphasis of Matter

Without considering the following as a qualification:

The consolidated financial statements for the fiscal year ended December 31, 2024, which represent the opening balances of the current financial statements were audited by other auditors, who issued an unqualified opinion thereon dated May 19, 2025.

Auditors

Rashad Ahmed Hosny

CBE Register No.27
Forvis Mazars Mostafa Shawki
Public Accountants & Consultants



Cairo: 29 April 2026

Tamer Mohamed Nabrawy

CBE Register No 362
Tamer Nabrawy &Co.
KRESTON EGYPT
Public Accountants & Consultants



Consolidated Statement of Financial Position

For The Financial Year Ended December 31, 2025

(All amounts are presented in thousand USD)			
	Note No.	31-12-2025	31-12-2024
Assets			
Cash and due from Central Bank	(15)	1 149 751	468 041
Due from banks	(16)	1 932 040	1 796 527
Treasury bills & other government notes	(17)	4 685 984	2 460 928
Loans and facilities to banks	(18)	178 873	102 679
Loans and facilities to customers	(19)	2 025 335	1 595 727
Financial investments			
- At fair value through other comprehensive income	(20)	183 255	108 608
- Amortized cost	(20)	368 571	346 264
Investments in associates	(21)	297 218	235 583
Intangible assets	(22)	12 908	10 530
Other assets	(23)	196 021	146 280
Fixed assets	(24)	112 454	102 994
Total assets		11 142 410	7 374 161
Liabilities & Equity			
Liabilities			
Due to Banks	(25)	287 683	162 248
Customers' deposits	(26)	9 348 494	5 918 286
Other loans	(27)	13 456	17 541
Other liabilities	(28)	122 767	82 821
Other provisions	(29)	4 485	6 307
Deferred tax liabilities		473	808
Total liabilities		9 777 358	6 188 011
Equity			
Paid-up capital	(30 - A)	600 000	600 000
Reserves	(30 - B)	285 917	246 482
Foreign exchange translation differences		(190 146)	(199 166)
Difference between current value and nominal value of the subordinated deposit		712	712
Retained earnings	(30 - C)	470 451	348 130
Total AIB shareholders' equity		1 166 934	996 158
Minority interest / Non-controlling interest		198 118	189 992
Total equity		1 365 052	1 186 150
Total liabilities and equity		11 142 410	7 374 161

- 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

CFO



Hisham Ramez

Chief Executive Officer - Managing Director



Amr Mohamed Kamel

Non-Executive Chairman

Consolidated Income Statement

For the Financial Year Ended December 31, 2025

(All amounts are presented in thousand USD)			
	Note No.	31-12-2025	31-12-2024
Interest from loans and similar income	(6)	1 353 954	867 544
Interest on deposits and similar expenses	(6)	(1 039 615)	(610 724)
Net Interest Income		314 339	256 820
Fees and commissions income	(7)	38 223	33 833
Fees and commissions expenses	(7)	(8 105)	(7 472)
Net Income from Fees and commissions		30 118	26 361
Net income from interest, fees and commissions		344 457	283 181
Dividends income	(8)	1 144	772
Net trading income	(9)	5 511	12 082
Profits (Losses) from financial investments	(20)	1 330	147
Impairment charge for credit losses	(13)	(21 531)	(17 278)
Administrative expenses	(10)	(169 489)	(156 602)
Other operating expenses	(11)	(5 437)	(8 782)
Profits from investments in associates		60 291	47 921
Profits before tax		216 276	161 441
Income tax	(12)	(19 417)	(15 613)
Profit For The Year		196 859	145 828
Minority interest / Non-controlling interest - Profits		14 747	16 811
AIB shareholders' share		182 112	129 017
Profit For The Year		196 859	145 828

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



Gamal Zaghloul

CFO



Hisham Ramez

Chief Executive Officer - Managing Director



Amr Mohamed Kamel

Non-Executive Chairman

Consolidated statement of Comprehensive Income

For The Financial Year Ended December 31, 2025

(All amounts are presented in thousand USD)		
	31-12-2025	31-12-2024
Net profit for the year	196 859	145 828
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	7 312	(18 669)
Items transferred to retained earnings – exclusion of “fair value of equity instruments reserve at fair value through other comprehensive income”	-	(2)
Income tax	(286)	(1 142)
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 (Treasury Bills)	24 212	7 495
Net change in fair value of financial investments in equity instruments at fair value through other comprehensive income	-	2 274
Transferred to income statement (net)	(2)	(10)
Income tax	(1 479)	(225)
Expected credit loss for debt instruments at fair value through other comprehensive income	174	251
Total other comprehensive income items for the year	29 931	(10 028)
Total comprehensive income for the year	226 790	135 800

- 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, 2025

(All amounts are presented in thousand USD)			
	Note No.	31-12-2025	31-12-2024
Cash flows from operating activities			
Net Profit for the year before taxes		216 276	161 441
Adjustments to reconcile net profit to net cash provided from operating activities			
Depreciation & amortization of fixed and intangible assets	(10)	16 135	13 717
Impairment charge / reverse for expected credit losses	(13)	21 531	17 278
Other provisions charge / reverse	(29)	1 114	4 337
Profits of investments in associates		(60 291)	(47 921)
Amortization of premium and issue discount of bonds	(20)	(5 447)	(4 702)
(Profits) / losses of financial investments	(20)	(1 330)	(147)
Dividends distribution	(8)	(1 144)	(772)
Gain from sale of fixed assets	(11)	(305)	(1)
Amounts used from other provisions	(29)	(3 275)	(43)
Impairment charge (Assets reverted to the bank)	(11)	(1 641)	2 385
Translation differences (Non-monetary transactions)		(12 586)	66 187
Operating profits before changes in assets & liabilities provided from / used in operating activities		169 037	211 759
Net change in assets & liabilities			
Due from Banks and central Bank (Within the mandatory reserve ratio)		(757 025)	165 280
Treasury bills		(1 898 339)	(290 482)
Loans and facilities to Banks and customers		(521 123)	213 708
Other assets		(21 254)	(23 967)
Due to Banks		112 434	(194 952)
Customers' deposits		3 430 208	(113 359)
Other liabilities		30 959	(32 001)
Income tax paid		(11 111)	(11 051)
Net cash flows provided from operating activities (1)		533 786	(75 065)
Cash flows from Investing Activities			
Payments for fixed and intangible assets purchasing and branches fitting - out furnishing		(44 374)	(10 434)
Proceeds / (Payments) for purchasing financial investments at amortized cost		10 391	5 236
Payments for intangible assets purchasing		(6 675)	(4 330)
Proceeds from fixed assets sale		305	111
Dividends received		19 530	12 218
Purchase of financial investments other than financial assets at fair value through profit or loss		(131 763)	(186 123)
Proceeds from disposal of financial investments other than financial assets at fair value through profit or loss		59 939	125 827
Net cash flows (used in) / provided from investing activities (2)		(92 647)	(57 495)
Cash flows from Financing Activities			
Proceeds from other loans		209	205
Repayments of other loans		(14 514)	(30 707)
Dividends paid		(71 311)	(68 688)
Net cash flows (used in) financing activities (3)		(85 616)	(99 190)
Net increase of cash & cash equivalents during the year (1)+(2)+(3)		355 523	(231 750)
Cash & cash equivalents at the beginning of the year		2 070 619	2 302 369
Cash & cash equivalents at the end of the year		2 426 142	2 070 619
Cash & cash equivalents are represented in:			
Cash and due from the Central Bank	(15)	1 149 751	468 041
Due from Banks		1 952 719	1 829 912
Treasury bills	(17)	4 685 984	2 460 928
Due from the Central Bank (within the required reserve ratio)		(1 116 818)	(433 962)
Due from Banks with maturities of more than three months		(144 169)	(70 000)
Treasury bills with maturity of more than three months		(4 101 325)	(2 184 300)
Cash & cash equivalents at the end of the year	(31)	2 426 142	2 070 619

- 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, 2025

	Issued and Paid in Capital	Legal reserve	General risk reserve	Capital reserve
Balance as of 1 January, 2024	600 000	147 228	87 686	2 983
Transferred to capital reserve	-	-	-	144
Transferred to legal reserve	-	8 439	-	-
Net change in fair value of investments at fair value through other comprehensive income	-	-	-	-
Transferred to general banking risk reserve	-	-	-	-
Items transferred to retained earnings - Exclusion of fair value reserve of financial investments at fair value through other comprehensive income	-	-	-	-
Foreign exchange translation differences	-	-	-	-
Adjustments of profits for the year 2023- difference between estimated and actual profits	-	-	-	-
Dividends distributions for the year 2023	-	-	-	-
Net profit of the year	-	-	-	-
Balance at 31 December 2024	600 000	155 667	87 686	3 127
Balance as of 1 January, 2025	600 000	155 667	87 686	3 127
Transferred to general banking risk reserve	-	-	-	-
Transferred to legal reserve	-	9 494	-	-
Net change in fair value of investments at fair value through other comprehensive income	-	-	-	-
Foreign exchange translation differences	-	-	-	-
Dividends distributions for the year 2024	-	-	-	-
Net profit of the year	-	-	-	-
Balance at 31 December 2025	600 000	165 161	87 686	3 127

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

(All amounts are presented in thousand USD)

Special reserve	Fair value reserve of investments at fair value through OCI	General banking risk reserve	Foreign exchange translation differences	Reserve of the difference between current value and nominal value of subordinated deposit	Retained earnings	Minority Interest / Non-controlling interest	Total
70	9 748	201	(153 684)	712	275 333	195 693	1 165 970
-	-	-	-	-	(144)	-	-
-	-	-	-	-	(8 439)	-	-
-	(10 026)	-	-	-	-	(10 571)	(20 597)
-	-	11	-	-	(11)	-	-
-	(2)	-	-	-	2	-	-
-	-	-	(45 482)	-	-	-	(45 482)
-	-	-	-	-	674	-	674
-	-	-	-	-	(48 302)	(11 941)	(60 243)
-	-	-	-	-	129 017	16 811	145 828
70	(280)	212	(199 166)	712	348 130	189 992	1 186 150
70	(280)	212	(199 166)	712	348 130	189 992	1 186 150
-	-	10	-	-	(10)	-	-
-	-	-	-	-	(9 494)	-	-
-	29 931	-	-	-	-	5 989	35 920
-	-	-	9 020	-	-	-	9 020
-	-	-	-	-	(50 287)	(12 610)	(62 897)
-	-	-	-	-	182 112	14 747	196 859
70	29 651	222	(190 146)	712	470 451	198 118	1 365 052

Notes to The Consolidated Financial Statements

for The Financial Year Ended December 31, 2025

(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 24 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, 2025 were approved by the Board of Directors as at April 29, 2026.

(2) Summary of Significant Accounting Policies Applied

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

(A) Basis of Consolidated financial statements preparation

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

(B) Basis of consolidation

(B-1) Investments in subsidiaries

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

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

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

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

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

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

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

The bases of consolidation include the following:

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

Transactions with Minority Interest / Noncontrolling Interest:

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

(B-2) Investments in associates

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

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

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

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

(C) Segment Reporting

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

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

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

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

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

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

(E) Financial Assets

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

(E/1) Financial Assets at Amortized Cost

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(F) Off setting financial instruments

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

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

(G) Interest income and expense

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

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

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

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

(H) Fees and commissions income

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

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

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

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

(I) Dividend income

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

(J) Purchase Reverse Repo Agreements and Sale Repo Agreements

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

(K) Impairment of Financial Assets

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

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

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

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

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

(K-1) Significant Increase in Credit Risk (SICR)

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

(K-2) Quantitative Criteria

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

(K-3) Qualitative Criteria

For banking retail loans, small and micro finance enterprise

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

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

Loans granted to institutions and medium enterprises

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

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

Payment default

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

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

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

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

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

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

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

(L) Investment Property

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

(M) Intangible assets (Computers’ software)

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

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

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

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

(N) Fixed assets

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

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

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

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

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

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

(O) Other Assets

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

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

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

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

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

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

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

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

(P) The impairment of non-financial assets

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

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

(Q) Lease Contracts

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

Q/1 - Lessee

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

Q/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 year.

(W) Trust/Fiduciary Activities

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

(3) Financial Risk Management

The Bank, as a result of the activities it exercises, is exposed to various financial risks; acceptance of risks is a basis in the financial activities. Some risks or group of risks are analyzed, evaluated and managed together. The Bank objective is to balance between the risk and return and to reduce the possible negative effects on the Bank's financial performance. The most important types of risks are credit risk, market risk, liquidity risk and other operating risks. The market risk comprises foreign currency exchange rates, interest rate risk and other pricing risks. The risk management policies have been set to determine and analyze the risks, set limits to the risk and control them through reliable methods and updated information systems. The Bank regularly reviews the risk management policies and systems and amends them to reflect the changes in markets, products and services and the best updated applications.

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

A - Credit Risk

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

A/1 Credit Risk Measurement

Loans and facilities to Banks and customers

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

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

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

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

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

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

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

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

Debt instruments, treasury bills and other bills

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

A/2 Limiting and avoiding risks policies

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

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

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

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

The following are other controls to limit the credit risk:

Collaterals

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

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

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

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

Credit-Related Commitments

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

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

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

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

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

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

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

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

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

Ratings of The Bank	31/12/2025	31/12/2024
	Loans & facilities to customers	Loans & facilities to customers
	%	%
Performing loans	48.89	46.73
Regular watching	32.81	34.67
Watch list	6.58	3.74
Non-performing loans	11.72	14.86
Total	100	100

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

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

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

A/4 Banking General Risk Measurement Model

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

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

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

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

A/5 Maximum limits for credit risk before collaterals

Balance sheet items exposed to credit risks	31/12/2025	31/12/2024
Due from Banks	1 932 040	1 796 527
Treasury bills (net)	4 685 984	2 460 928
Loans & facilities to banks (net)	178 873	102 679
Loans & facilities to customers (net)	2 025 335	1 595 727
Financial investments: (net)		
- Debt instruments	498 221	412 748
Other assets	50 680	41 285
Total	9 371 133	6 409 894
Off-balance sheet items exposed to credit risk		
Letters of credit	97 517	121 894
Letters of guarantee	210 707	159 871
Loans commitments & irrevocable other liabilities related to credit	9 816	3 616
Money market papers for facilities to suppliers	1 839	1 172
Total	319 879	286 553

The above table represents the maximum exposure to credit risk on December 31, 2025 – December 31, 2024, 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 23.52 % of the total maximum exposure is derived from loans and facilities to Banks and customers as at December 31, 2025, compared to 26.5 % as at December 31, 2024 while investments in debt instruments represent 5.32 % as at December 31, 2025, compared to 6.44 % as at December 31, 2024.

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, 2025, 81.7 % 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 81.4 % on December 31, 2024.
- On December 31, 2025, 89.12 % of loans and facilities portfolio to banks & customers are considered to be neither past due nor impaired compared to 85.12 % on December 31, 2024.
- Loans and facilities assessed individually are valued at US\$ 273 081 thousand on December 31, 2025 compared to US\$ 279 380 thousand on December 31, 2024.
- The Bank has implemented more prudent processes when granting loans and facilities during the financial year ended on December 31, 2025.
- On December 31, 2025 and on December 31, 2024, more than 92.35 % 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:

31/12/2025				
Due from banks	First stage 12 months	Second stage Over lifetime	Third stage Over lifetime	Total
Credit rating				
Performing loans	1 380 575	286 845	-	1 667 420
Regular watching	5 044	235 361	-	240 405
Watch list	2	25 000	-	25 002
	1 385 621	547 206	-	1 932 827
Less: impairment loss provision	(549)	(238)	-	(787)
Book value	1 385 072	546 968	-	1 932 040

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

31/12/2025				
Treasury bills at amortized cost	First stage 12 months	Second stage Over lifetime	Third stage Over lifetime	Total
Credit rating				
Performing loans	456 215	-	-	456 215
	456 215	-	-	456 215
Less: impairment loss provision	(1 842)	-	-	(1 842)
Book value	454 373	-	-	454 373

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

31/12/2025				
Loans and credit facilities to individuals	First stage 12 months	Second stage Over lifetime	Third stage Over lifetime	Total
Credit rating				
Performing loans	206 620	7 948	159	214 727
Regular watching	355 109	7 663	3 541	366 313
Watch list	-	-	-	-
Non-performing loans	-	14 484	13 790	28 274
	561 729	30 095	17 490	609 314
Less: impairment loss provision	(12 815)	(3 363)	(13 678)	(29 856)
Less: suspense interest	-	-	-	-
Less: Undue interest	(5 382)	(1 658)	(5)	(7 045)
Book value	543 532	25 074	3 807	572 413

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

31/12/2025				
Loans & credit facilities to corporate	First stage 12 months	Second stage Over lifetime	Third stage Over lifetime	Total
Credit rating				
Performing loans	875 517	82 177	-	957 694
Regular watching	91 591	391 784	189	483 564
Watch list	-	22 984	9 088	32 072
Non-performing loans	-	-	244 808	244 808
	967 108	496 945	254 085	1 718 138
Less impairment loss provision	(5 103)	(97 089)	(161 951)	(264 143)
Less: suspense interest	-	-	(316)	(316)
Less: Undue interest	(62)	-	-	(62)
Less: Unearned discount of discounted commercial papers	(695)	-	-	(695)
Book value	961 248	399 856	91 818	1 452 922

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

31/12/2025				
Debt instruments at amortized cost	First stage 12 months	Second stage Over lifetime	Third stage Over lifetime	Total
Credit rating				
Performing loans	370 096	-	-	370 096
	370 096	-	-	370 096
Less impairment loss provision	(1 525)	-	-	(1 525)
Book value	368 571	-	-	368 571

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

A/6 Loans and facilities

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

	December 31, 2025		December 31, 2024	
	Loans & facilities to customers	Loans & facilities to banks	Loans & facilities to customers	Loans & facilities to banks
Neither past due nor impaired *	1 933 339	182 181	1 535 819	103 084
Past due but not impaired	121 032	-	62 945	-
Past due but impaired	272 765	-	279 057	-
Total	2 327 136	182 181	1 877 821	103 084
Less: impairment loss provision **	(293 999)	(3 308)	(276 012)	(405)
Prepaid interest	(7 107)	-	(5 502)	-
Unearned discount of discounted commercial papers	(695)	-	(580)	-
Net	2 025 335	178 873	1 595 727	102 679

- * 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\$ 293 999 thousand on December 31, 2025 compared to US\$ 276 012 thousand on December 31, 2024. 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 2025 as follows:

Neither past due nor impaired

31/12/2025	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	7 727	5 857	148 772	36 416	292 245	294 514	347 903	4 208	1 137 642
2- Regular watching	9 661	9 981	314 367	-	18 936	161 768	248 953	-	763 666
3- Watch list	-	-	-	-	26 189	5 842	-	-	32 031
Total	17 388	15 838	463 139	36 416	337 370	462 124	596 856	4 208	1 933 339

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

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\$ 273 081 thousand on December 31, 2025 compared to US\$ 279 380 thousand as of December 31, 2024.

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.

31/12/2025			
	Individuals	Corporate	Total
Loans (separately) subject to impairment	28 272	244 809	273 081
Fair value of collaterals	6 851	49 603	56 454

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

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					
31/12/2025	Debit current accounts	Credit cards	Personal loans	Real estate loans	Total
Past due up to 30 days	-	2 693	36 436	5 897	45 026
Past due more than 30 to 60 days	-	-	-	3 128	3 128
Past due more than 60 to 90 days	-	-	-	106	106
Total	-	2 693	36 436	9 131	48 260

Corporate					
31/12/2025	Debit current accounts	Direct loans	Other loans	Syndicated loans	Total
Past due up to 30 days	183	50 012	355	-	50 550
Past due more than 30 to 60 days	2 378	19 819	-	-	22 197
Past due more than 60 to 90 days	-	-	25	-	25
Total	2 561	69 831	380	-	72 772

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

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

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.

31/12/2025			
	Treasury bills & other government notes	Investments in securities	Total
From (AA-) to (AA+)	-	16 935	16 935
From (A -) to (A+)	-	46 253	46 253
Less than (A-)	4 685 984	435 033	5 121 017
	4 685 984	498 221	5 184 205

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

A/8 Acquisition of Collaterals

- Assets acquired during the year

Asset Nature	31/12/2025	31/12/2024
	Book value (Thousand US\$)	Book value (Thousand US\$)
Real Estate	10 245	1 401

- The assets acquired are initially classified under the item of other assets in the balance sheet and these assets are to be sold or used for the purpose of the bank whenever is practicable.

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 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	4 685 984	-	-	-	4 685 984
Loans & facilities to Banks (net)	140 473	-	-	38 400	178 873
Loans and facilities to customers (net)	1 760 752	230 610	28 697	5 276	2 025 335
Financial investments:					
- Debt instruments	353 132	-	-	145 089	498 221
Total as at 31 December 2025	6 940 341	230 610	28 697	188 765	7 388 413
Total as at 31 December 2024	4 209 853	153 244	17 222	191 763	4 572 082

- Business Sectors

The following table represents an analysis of the most significant credit risk limits of the Bank 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	-	-	-	-	4 685 984	-	4 685 984
Loans & facilities to banks (net)	178 873	-	-	-	-	-	178 873
Loans and facilities to customers (net):							
Loans to individuals:							
- Debit current accounts	-	-	-	-	-	14 924	14 924
- Credit cards	-	-	-	-	-	16 908	16 908
- Personal loans	-	-	-	-	-	502 160	502 160
- Real estate loans	-	-	-	-	-	38 421	38 421
Loans to Corporate:							
- Debit current accounts	16 356	148 748	59 027	15 849	-	100 530	340 510
- Direct loans	175 290	76 824	31 400	23 655	-	220 471	527 640
- Syndicated loans	6 800	14 980	-	49 347	-	501 237	572 364
- Other loans	-	1 450	1 707	-	-	9 251	12 408
Financial investments:							
Debt instruments	73 980	-	-	-	424 241	-	498 221
Total as of 31 December 2025	451 299	242 002	92 134	88 851	5 110 225	1 403 902	7 388 413
Total as of 31 December 2024	279 792	182 211	72 568	17 164	2 824 344	1 196 003	4 572 082

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 2025			The financial year ended 31 December 2024		
	Medium	High	Low	Medium	High	Low
Foreign exchange risk	22 323	96 674	2 021	52 832	144 335	8

(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 2025	USD	Euro	GBP	L.E	Other	Total
Financial assets						
Cash and balances with the Central Bank	18 367	7 640	888	1 122 398	458	1 149 751
Due from Banks	1 642 860	77 223	50 848	156 204	4 905	1 932 040
Treasury bills	672 879	124 629	-	3 888 476	-	4 685 984
Loans and facilities to customers	768 390	399	-	1 256 546	-	2 025 335
Loans and facilities to banks	38 401	-	-	140 472	-	178 873
Financial investments:						
- At fair value through other comprehensive income	61 924	-	-	121 331	-	183 255
- At amortized cost	193 773	-	-	174 798	-	368 571
Investments in associates	297 218	-	-	-	-	297 218
Other assets (Unearned revenue)	16 469	162	29	34 020	-	50 680
Total financial assets	3 710 281	210 053	51 765	6 894 245	5 363	10 871 707
Financial liabilities						
Due to Banks	154 920	8 822	20	123 766	155	287 683
Customers deposits & certificates of deposits	2 348 272	200 740	49 962	6 744 219	5 301	9 348 494
Other loans	10 000	-	-	3 456	-	13 456
Other liabilities (Unearned interests)	8 828	107	14	59 174	-	68 123
Total financial liabilities	2 522 020	209 669	49 996	6 930 615	5 456	9 717 756
Net financial position	1 188 261	384	1 769	(36 370)	(93)	1 153 951
31 December 2024	USD	Euro	GBP	L.E	Other	Total
Total financial assets	3 189 738	198 539	50 710	3 713 321	3 334	7 155 642
Total financial liabilities	2 355 518	198 061	48 867	3 522 517	3 022	6 127 985
Net financial position	834 220	478	1 843	190 804	312	1 027 657

(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 net value of the financial instruments that is categorized based on re-pricing dates or maturity dates, whichever earlier.

31 December 2025	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	-	-	-	-	-	1 149 751	1 149 751
Due from Banks	874 347	915 692	139 000	-	-	3 001	1 932 040
Treasury bills & government notes	489 615	1 324 010	2 872 359	-	-	-	4 685 984
Loans and facilities to customers	349 407	373 135	115 147	698 801	488 845	-	2 025 335
Loans and facilities to banks	-	-	38 400	140 473	-	-	178 873
Financial investments:							
- At fair value through other comprehensive income	4 829	1 213	5 906	101 486	16 216	53 605	183 255
- At amortized cost	21 802	-	9 127	286 674	50 968	-	368 571
Investments in subsidiaries & associates	-	-	-	-	-	297 218	297 218
Other financial assets (Unearned revenue)	-	-	-	-	-	50 680	50 680
Total financial assets	1 740 000	2 614 050	3 179 939	1 227 434	556 029	1 554 255	10 871 707
Financial liabilities							
Due to Banks	267 392	-	20 000	-	-	291	287 683
Customers' deposits & certificates of deposits	7 403 726	534 061	451 828	568 720	237	389 922	9 348 494
Other loans	-	172	11 315	-	1 969	-	13 456
Other liabilities (Unearned interests)	-	-	-	-	-	68 123	68 123
Total financial liabilities	7 671 118	534 233	483 143	568 720	2 206	458 336	9 717 756
Interest re-pricing gap	(5 931 118)	2 079 817	2 696 796	658 714	553 823	1 095 919	1 153 951

31 December 2024	Up to 1 month	More than 1 month to 3 Months	More than 3 months to 12 Months	More than 1 year to 5 years	Over 5 years	Non-interest bearing	Total
Total financial assets	1 545 851	2 436 513	1 192 230	577 963	696 493	706 592	7 155 642
Total financial liabilities	4 216 455	329 550	666 595	572 808	2 740	339 837	6 127 985
Interest re-pricing gap	(2 670 604)	2 106 963	525 635	5 155	693 753	366 755	1 027 657

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 2025		31 December 2024	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Due from banks	1 932 040	1 932 040	1 796 527	1 796 527
Loans and facilities to Banks	178 873	178 873	102 679	102 679
Loans and facilities to customers:	2 025 335	2 025 335	1 595 727	1 595 727
Financial investments:				
- At amortized cost	368 571	Not identified	346 264	Not identified
Financial liabilities				
Due to banks	287 683	287 683	162 248	162 248
Customers’ deposits	9 348 494	Not identified	5 918 286	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 2025.

	31/12/2025	31/12/2024
Tier 1 Capital (primary capital)		
Paid up capital	600 000	600 000
Reserves	255 974	246 480
Retained earnings	288 339	231 113
General risk reserve	-	-
Total balance of items of the accumulated other comprehensive income after regulatory amendments	(160 495)	(235 056)
Quarterly interim profits	162 935	113 684
Minority interest / non-controlling interest	198 118	189 992
Difference between nominal value and current value of subordinated loans (deposit)	712	712
Total Primary Capital	1 345 583	1 146 925
Less:		
Investments in financial institutions:		
Amount exceeding 10% of the issued capital of the company for each separate investment (shares)	(131 507)	(84 155)
Amount exceeding 10% of the fund assets for each separate investment (mutual funds)	(1 151)	(913)
Subordinated loans	(143 483)	(58 813)
Intangible assets	(12 908)	(10 530)
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	1 056 534	992 514
Tier 2 Capital (primary capital)		
Significant elements of required allowances for debt instruments, loans, credit facilities and contingent liabilities included in stage 1	23 386	18 467
45% of the specific reserve	32	32
45% of the increase in the fair value over the book value of financial investments in associate companies.	1 242	321
Total Tier 2 Capital	24 660	18 820
Total Capital Base (1)	1 081 194	1 011 334
Risk-weighted assets & contingent liabilities		
Credit risk of included in and off-balance sheet items	4 402 474	3 860 276
Market risk - exchange rates	172 050	131 734
Operating risk	213 978	201 038
Total risk-weighted assets & contingent liabilities (2)	4 788 502	4 193 048
Capital adequacy ratio (1) / (2)	22.58 %	24.12 %

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

	31/12/2025	31/12/2024
Tier 1 Capital after disposals (1)	1 057 405	992 514
Cash and Due from Central Bank	1 422 437	863 716
Balances due from Banks	1 659 904	1 401 023
Loans and credit facilities to banks	178 873	102 679
Treasury bills & other government notes	4 687 826	2 462 680
Financial assets at fair value through other comprehensive income	183 255	108 608
Financial assets at amortized cost	370 096	348 392
Investments in subsidiaries & associates	297 218	211 973
Loans & credit facilities granted to customers	2 043 253	1 609 541
Fixed assets (after deducting impairment loss provision and accumulated depreciation)	112 454	102 994
Other assets	208 929	156 810
The amount of exposure deducted (after disposing the first tier of the capital base)	(571 327)	(418 584)
Total banks' exposure of items in the balance sheet after deducting the disposals of the first tier	10 592 918	6 949 832
Letters of credit – imports	3 243	5 850
Letters of credit – exports	16 260	18 527
Letters of guarantee	94 029	69 998
Letters of guarantee upon other Banks' request or by their warranty	7 392	6 585
Accepted bills	9 129	2 461
Rediscounted bills	-	-
Total contingent liabilities	130 053	103 421
Total commitments	123 712	79 866
Total off- balance sheet exposure	253 765	183 287
Total balance sheet & off- balance sheet exposure (2)	10 846 683	7 133 119
Financial leverage ratio (1/2)	9.75 %	13.91 %

(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 year that are attributed by high risk leading to a significant amendment introduced to the fair value of assets and liabilities during the following financial year.

(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\$ 8 009 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 2025						
Revenues and expenses according to economic activity	Large corporate	Medium enterprises	Investment	Retail Banking	Other activities	Total
Revenue of business segment activity	405 925	63 297	1 233 791	450 241	6 874	2 160 128
Expenses of business segment activity	(267 933)	(29 976)	(417 331)	(1 104 979)	(38 799)	(1 859 018)
Segment operating income	137 992	33 321	816 460	(654 738)	(31 925)	301 110
Unclassified expenses						(84 833)
Profit for the year before taxes						216 277
Taxes						(19 418)
Profit for the year						196 859
Assets and liabilities of the segment activity						
Segment activity assets	3 533 085	267 362	6 376 713	530 616	141 971	10 849 747
Unclassified assets						292 663
Total assets						11 142 410
Segment activity liabilities	5 366 272	129 619	196 620	3 958 249	48 066	9 698 826
Unclassified liabilities						78 532
Total liabilities						9 777 358

31 December 2024						
Revenues and expenses according to economic activity	Large corporate	Medium enterprises	Investment	Retail Banking	Other activities	Total
Revenue of business segment activity	403 059	62 536	381 565	69 752	61 988	978 900
Expenses of business segment activity	(215 403)	(11 914)	(27 096)	(366 113)	(126 613)	(747 139)
Segment operating income	187 656	50 622	354 469	(296 361)	(64 625)	231 761
Unclassified expenses						(70 320)
Profit for the year before taxes						161 441
Taxes						(15 613)
Profit for the year						145 828

31 December 2024						
Assets and liabilities of the segment activity	Large corporate	Medium enterprises	Investment	Retail Banking	Other activities	Total
Segment activity assets	3 063 042	359 353	3 149 754	376 267	120 893	7 069 309
Unclassified assets						304 852
Total assets						7 374 161
Segment activity liabilities	3 789 618	189 578	-	2 155 429	18 751	6 153 376
Unclassified liabilities						34 635
Total liabilities						6 188 011

B - Geographical Segments analysis

31 December 2025					
Revenues & expenses according to the geographical segments	Greater Cairo	Alexandria, Delta & Sinai	Upper Egypt	Other	Total
- Geographical segments revenues	2 002 165	101 750	12 001	19 350	2 135 266
- Geographical segments expenses	(1 787 259)	(102 636)	(11 544)	(17 550)	(1 918 989)
Segment operating income	214 906	(886)	457	1 800	216 277
Profit for the year before taxes					216 277
Taxes					(19 418)
Profit for the year					196 859
Assets & liabilities according to the geographical segments					
- Geographical segments assets	10 858 569	210 590	23 560	49 691	11 142 410
Total assets	10 858 569	210 590	23 560	49 691	11 142 410
Geographical segments liabilities	9 006 514	640 582	65 472	64 790	9 777 358
Total liabilities	9 006 514	640 582	65 472	64 790	9 777 358

31 December 2024					
Revenues & expenses according to the geographical segments	Greater Cairo	Alexandria, Delta & Sinai	Upper Egypt	Other	Total
- Geographical segments revenues	1 403 157	82 349	6 291	23 436	1 515 233
- Geographical segments expenses	(1 255 765)	(76 771)	(6 182)	(15 074)	(1 353 792)
Segment operating income	147 392	5 578	109	8 362	161 441
Profit for the year before taxes					161 441
Taxes					(15 613)
Profit for the year					145 828

31 December 2024					
Assets & liabilities according to the geographical segments	Greater Cairo	Alexandria, Delta & Sinai	Upper Egypt	Other	Total
- Geographical segments assets	7 168 780	147 281	14 155	43 945	7 374 161
Total assets	7 168 780	147 281	14 155	43 945	7 374 161
Geographical segments liabilities	5 587 123	505 423	30 588	64 877	6 188 011
Total liabilities	5 587 123	505 423	30 588	64 877	6 188 011

(6) Net interest income

	31/12/2025	31/12/2024
Interest from loans and similar revenues:		
Loans and facilities:		
- To banks	21 315	12 064
- To customers	363 327	311 291
	384 642	323 355
Bonds & treasury bills	819 575	335 846
Deposits with Banks	149 737	208 343
Total	1 353 954	867 544
	31/12/2025	31/12/2024
Cost of Deposits and similar costs from:		
Deposits and current accounts:		
- To banks	(10 587)	(8 576)
- To customers	(1 026 255)	(597 536)
- Other loans	(2 773)	(4 612)
Total	(1 039 615)	(610 724)
Net	314 339	256 820

(7) Net fees and commissions income

	31/12/2025	31/12/2024
Fees and commissions income:		
Fees and commissions related to credit	28 943	27 049
Institution's finance services fees	1 072	95
Custody and bookkeeping activities fees	219	292
Other fees	7 989	6 397
Total	38 223	33 833
Fees and commission expenses:		
Other fees paid	(8 105)	(7 472)
Net	30 118	26 361

(8) Dividends income

	31/12/2025	31/12/2024
Equity instruments at fair value through other comprehensive income	1 130	760
Mutual funds	14	12
Total	1 144	772

(9) Net trading income

	31/12/2025	31/12/2024
Forex gain	4 481	11 098
Debt instruments at fair value through profit or loss	1 030	984
Total	5 511	12 082

(10) Administrative expenses

	31/12/2025	31/12/2024
Staff costs		
Wages & salaries and their equivalents	113 091	108 282
The Bank contribution in employees fund	3 605	3 720
Social insurance	1 173	1 086
	117 869	113 088
Amortization & depreciation	16 135	13 717
Other administrative expenses	35 485	29 797
Total	169 489	156 602

(11) Other operating expenses

	31/12/2025	31/12/2024
Gain from revaluation of assets & liabilities balances other than trading or originally classified at fair value through profit & loss	(1 194)	825
Finance lease*	(214)	(188)
Operating lease	(686)	(707)
Gains from fixed assets sale	305	1
Other provisions charge / reverse	(1 356)	(5 011)
Impairment (losses) of assets reverted to the bank	1 641	(2 385)
Other expenses	(3 933)	(1 317)
Total	(5 437)	(8 782)

* 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

	31/12/2025	31/12/2024
Current tax *	(19 753)	(15 249)
Deferred tax	336	(364)
Balance	(19 417)	(15 613)

* The current taxes include the value of the tax due on the return on treasury bills and bonds for the financial year then ended of SAIB Bank.

(13) Credit losses impairment charge

	31/12/2025	31/12/2024
Loans & facilities to customers	(19 004)	(15 867)
Loans & facilities to banks	(2 822)	(376)
Due from banks	(293)	(74)
Treasury bills	(16)	(136)
Debt instruments at amortized cost	604	(825)
Total	(21 531)	(17 278)

(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 2025	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	1 149 751	-	-	1 149 751
Balances with banks	1 932 827	-	-	1 932 827
Treasury bills	456 215	4 231 611	-	4 687 826
Loans and facilities to customers	2 327 452	-	-	2 327 452
Loans to banks	182 181	-	-	182 181
Financial investments at fair value through other comprehensive income	-	-	183 255	183 255
Financial investments at amortized cost	370 096	-	-	370 096
Other Financial assets	50 680	-	-	50 680
Total financial assets	6 469 202	4 231 611	183 255	10 884 068
Balances due to banks	287 683	-	-	287 683
Customers' deposits	9 348 494	-	-	9 348 494
Other financial liabilities	68 123	-	-	68 123
Total financial liabilities	9 704 300	-	-	9 704 300

31 December 2024	Amortized cost	Debt instruments at fair value through other comprehensive income	Equity instruments at fair value through other comprehensive income	Total carrying value
Cash and balances with CBE	468 041	-	-	468 041
Balances with banks	1 797 021	-	-	1 797 021
Treasury bills	445 477	2 017 203	-	2 462 680
Loans and facilities to customers	1 878 144	-	-	1 878 144
Loans to banks	103 084	-	-	103 084
Financial investments at fair value through other comprehensive income	-	-	108 608	108 608
Financial investments at amortized cost	348 392	-	-	348 392
Other Financial assets	41 285	-	-	41 285
Total financial assets	5 081 444	2 017 203	108 608	7 207 255
Balances due to banks	162 248	-	-	162 248
Customers' deposits	5 918 286	-	-	5 918 286
Other financial liabilities	29 910	-	-	29 910
Total financial liabilities	6 110 444	-	-	6 110 444

(15) Cash and Due from Central Bank

	31/12/2025	31/12/2024
Cash	32 933	34 079
Due from Central Bank (within the mandatory reserve percentage in L.E)	1 116 818	433 962
Balance	1 149 751	468 041
Non-interest-bearing balances	1 149 751	468 041
Balance	1 149 751	468 041

(16) Due from Banks

	31/12/2025	31/12/2024
Current accounts	28 506	16 447
Deposits	1 904 321	1 780 574
Total	1 932 827	1 797 021
Less: impairment loss provision	(787)	(494)
Balance	1 932 040	1 796 527
Due from central Bank (other than the mandatory reserve percentage in L.E)	272 536	395 864
Local Banks	565 466	510 360
Foreign Banks	1 094 825	890 797
Total	1 932 827	1 797 021
Less: impairment loss provision	(787)	(494)
Balance	1 932 040	1 796 527
Non- interest-bearing balances	9 928	3 638
Variable interest balances	3 841	4 001
Fixed interest balances	1 919 058	1 789 382
Total	1 932 827	1 797 021
Less: impairment loss provision	(787)	(494)
Balance	1 932 040	1 796 527
Current balances	1 932 827	1 797 021
Non-current balances	-	-
Total	1 932 827	1 797 021
Less: impairment loss provision	(787)	(494)
Balance	1 932 040	1 796 527

Analysis of due from banks impairment loss provision	31/12/2025	31/12/2024
Balance at the beginning of the year	494	420
Net impairment charge / reverse	293	74
Balance at the end of the year	787	494

Analysis of the provision of impairment loss for due to banks categorized into stages	31/12/2025	31/12/2024
Stage 1 ECL over 12 months	549	171
Stage 2 ECL over lifetime	238	323
Total	787	494

(17) Treasury bills & other government notes

	31/12/2025	31/12/2024
A – Treasury bills at amortized cost		
91 days maturity	-	-
364 days maturity	460 984	451 518
Balance	460 984	451 518
Less: unearned interest	(4 769)	(6 041)
Total	456 215	445 477
Less: impairment loss provision	(1 842)	(1 752)
Net (1)	454 373	443 725
B – Treasury bills at fair value through other comprehensive income		
30 days maturity	-	-
91 days maturity	600 368	291 963
182 days maturity	1 826 733	1 311 829
273 days maturity	1 602 485	63 770
364 days maturity	549 877	478 839
Total	4 579 463	2 146 401
Less: unearned interest	(367 208)	(131 003)
Reserve of change in fair value	19 356	1 805
Net (2)	4 231 611	2 017 203
Net (1+2)	4 685 984	2 460 928
Analysis of the provision of impairment loss for treasury bills at amortized cost	31/12/2025	31/12/2024
Balance at the beginning of the year	1 752	1 633
Net impairment charge / reverse	16	136
Foreign exchange differences	74	(17)
Balance at the end of the year	1 842	1 752
Analysis of the provision of impairment loss for Treasury Bills at amortized cost categorized into stages	31/12/2025	31/12/2024
Stage 1 ECL over 12 months	1 842	1 752
Total	1 842	1 752

(18) Loans and facilities to banks

	31/12/2025	31/12/2024
Loans	182 181	103 084
Total loans and facilities to banks	182 181	103 084
Less:		
Impairment loss provision	(3 308)	(405)
Total	178 873	102 679

(19) Loans and facilities to customers

	31/12/2025	31/12/2024
Individuals		
Personal loans	526 518	344 367
Debit current accounts	17 398	17 152
Credit cards	19 515	12 432
Real estate loans	45 883	32 495
Total (1)	609 314	406 446
Corporate loans including small loans granted to economic activities:		
Direct loans	658 348	505 987
Syndicated loans	663 583	610 451
Debit current accounts	363 409	324 478
Other loans	32 798	30 782
Total (2)	1 718 138	1 471 698
Total loans and facilities to customers (1+2)	2 327 452	1 878 144
Less: Impairment loss provisions	(293 999)	(276 012)
Less: Unearned discount of discounted commercial papers	(695)	(580)
Less: Suspense interest	(316)	(323)
Less: Prepaid interest	(7 107)	(5 502)
Net	2 025 335	1 595 727

Provision for impairment losses

The Provision for impairment losses movement analysis for loans and facilities to customers is as follows	31/12/2025	31/12/2024
Balance at the beginning of the year	276 012	308 268
Impairment charges / reverse during the year	19 004	15 867
Foreign exchange differences	4 337	(32 714)
Debts written off	(5 770)	(16 170)
Transfers	-	-
Proceeds from loans previously written off	2	349
Amounts reimbursed during the year	414	412
Balance at the end of the year	293 999	276 012

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

31/12/2025	Stage 1 ECL over 12 months	Stage 2 ECL over lifetime	Stage 3 ECL over lifetime	Total
Individuals	12 815	3 363	13 678	29 856
Corporate	5 103	97 089	161 951	264 143
Total	17 918	100 452	175 629	293 999
31/12/2024	Stage 1 ECL over 12 months	Stage 2 ECL over lifetime	Stage 3 ECL over lifetime	Total
Individuals	7 812	1 376	10 771	19 959
Corporate	6 002	84 134	165 917	256 053
Total	13 814	85 510	176 688	276 012

(20) Financial investments

	31/12/2025	31/12/2024
1 - Financial investments at fair value through other comprehensive income		
A - Debt instruments - at fair value		
- Debt instruments – quoted in the market	129 650	66 484
B - Equity instruments at fair value through other comprehensive income		
- Quoted	256	254
- Unquoted	51 051	40 268
- Mutual funds	2 298	1 602
Total financial investments at fair value through other comprehensive income (1)	183 255	108 608
2 - Financial investments at amortized cost		
A - Debt instruments:		
- Quoted	370 096	348 392
Less: Impairment loss provision	(1 525)	(2 128)
Total financial investments at amortized cost (2)	368 571	346 264
Total financial investments (1+2)	551 826	454 872
- Current balances	191 692	114 997
- Non-current balances	360 134	339 875
Total financial investments	551 826	454 872
Fixed interest debt instruments	290 048	278 647
Variable interest debt instruments	208 173	134 101
	498 221	412 748

Analysis of financial investments impairment loss provision at amortized cost:

	31/12/2025	31/12/2024
Balance at the beginning of the year	2 128	1 307
Net impairment charge / reverse	(604)	825
Reclassification of expected credit loss for financial investments at fair value through other comprehensive income	-	-
Translation differences	1	(4)
Balance at the end of the year	1 525	2 128

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

	31/12/2025	31/12/2024
Stage 1 ECL over 12 months	1 525	2 128
Total	1 525	2 128

Gains (Losses) of financial investments:

	31/12/2025	31/12/2024
Profits from the sale of financial investments at fair value through other comprehensive income - treasury bonds	175	39
Gains of financial investments	-	15
Impairment losses (reverse) charge of financial assets at fair value through comprehensive income	(192)	(504)
Profits from the sale of financial investments at fair value through other comprehensive income - Treasury bills	1 347	597
Balance	1 330	147

31 December 2025	Financial investments at fair value through other comprehensive income	Financial investments at amortized cost	Total
Balance as at 1 January 2025	108 608	346 263	454 871
Additions	93 914	37 849	131 763
Disposals	(37 244)	(32 910)	(70 154)
Amortized issue premium / issuance discount for the year	398	5 049	5 447
Translation differences for assets of monetary nature in foreign currency	5 435	11 716	17 151
Expected credit losses reversed on financial investments at amortized cost	-	-	-
Change in fair value reserve of financial investments in debt instruments at fair value through comprehensive income	11 576	-	11 576
Change in fair value reserve of financial investments in equity instruments at fair value through comprehensive income	568	-	568
Impairment charge / reverse of financial investments at amortized cost	-	604	604
Balance as at 31 December 2025	183 255	368 571	551 826

31 December 2024	Financial investments at fair value through other comprehensive income	Financial investments at amortized cost	Total
Balance as at 1 January 2024	164 587	354 170	518 757
Additions	91 285	105 337	196 622
Disposals	(97 378)	(44 147)	(141 525)
Amortized issue premium / issuance discount for the year	390	4 312	4 702
Translation differences for assets of monetary nature in foreign currency	(26 139)	(72 583)	(98 722)
Change in fair value reserve of financial investments in debt instruments at fair value through comprehensive income	(24 696)	-	(24 696)
Change in fair value reserve of financial investments in equity instruments at fair value through comprehensive income	559	-	559
Impairment charge / reverse of financial investments at amortized cost	-	(825)	(825)
Balance as at 31 December 2024	108 608	346 264	454 872

(21) Investments in associates

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

31 December 2025								
Name of Company	Assets	Liabilities (without equity)	Revenues	Net Profits (losses)	Country of company's premises	Balance as at 1/1/2025	Balance as at 31/12/2025	Share %
Suez Canal Co. For Technology (A)	45 733	9 507	28 834	25 872	A.R. E	50 727	49 486	% 24.08
International Company for Tourist Investments (ICTI)	125 995	30 931	32 138	15 753	A.R. E	19 466	18 383	% 20
World Trade Centre (WTC) (B)	150 240	17 050	8 199	2 484	A.R. E	53 158	54 331	% 50
Suez Canal Bank (SCB)	5 666 360	5 241 216	843 678	134 702	A.R. E	108 123	169 737	% 41.50
*International Company for leasing - Incolease	258 931	232 528	41 430	4 909	A.R. E	4 109	5 281	% 20.19
*Cairo National Company for Brokerage and Securities	100	102	3	(5)	A.R. E	-	-	% 32
*Cairo Factoring Company (C)	39	2 246	-	(446)	A.R. E	-	-	% 40
Total of associates						235 583	297 218	

31 December 2024								
Name of Company	Assets	Liabilities (without equity)	Revenues	Net Profits (losses)	Country of company's premises	Balance as at 1/1/2024	Balance as at 31/12/2024	Share %
Suez Canal Co. For Technology (A)	54 575	7 945	19 416	16 461	A.R. E	52 855	50 727	% 24.08
International Company for Tourist Investments (ICTI)	131 386	30 249	29 887	19 070	A.R. E	19 008	19 466	% 20
World Trade Centre (WTC) (B)	146 098	19 215	8 311	2 967	A.R. E	51 706	53 158	% 50
Suez Canal Bank (SCB)	3 544 345	3 271 463	454 201	111 750	A.R. E	101 081	108 123	% 41.50
*International Company for leasing - Incolease	143 353	122 927	24 720	3 879	A.R. E	5 498	4 109	% 20.19
*Cairo National Company for Brokerage and Securities	94	95	3	(5)	A.R. E	-	-	% 32
*Cairo Factoring Company (C)	37	2 106	-	(418)	A.R. E	-	-	% 40
Total of associates						230 148	235 583	

- A. The balances were recorded as per the latest financial statements available of the Company as at 31 August 2025 and approved by the Auditor on 5 November 2025.

The comparative figures for Suez Canal Company for Technology were adjusted to reflect the goodwill generated upon acquisition amounting to USD 35.6 million, with the corresponding amount added to the investment value, as well as the related effect on foreign currency translation differences.
- B. 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.

The investment was reduced by USD 12 million, and the comparative figures were adjusted accordingly to reflect such reduction, which represents the increase over 40% of the Company's issued share capital, in compliance with the instructions issued by the Central Bank of Egypt prohibiting banks from owning shares in non-financial companies exceeding 40% of the company's issued share capital.
- C. 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.
- * Investments in associates included in the financial statements of Société Arabe Internationale de Banque (SAIB).

(22) Intangible Assets

	31/12/2025	31/12/2024
Net book value at the beginning of the year	10 530	9 347
Additions	6 676	4 331
Disposals	-	-
Amortization for the year	(4 298)	(3 148)
Net book value at the end of the year	12 908	10 530

(23) Other Assets

	31/12/2025	31/12/2024
Accrued revenues	50 680	41 285
Accrued dividends	677	677
Prepaid expenses	7 313	5 854
Prepaid amounts to employees under the account of dividends	11 622	10 358
Advance payments to purchase fixed assets	60 976	42 137
Assets reverted to the Bank in return for customers debts (after deducting the impairment)	40 570	28 774
Deposits and imprests	15	10
Other (after deducting of impairment)	24 168	17 185
Total	196 021	146 280

(24) Fixed Assets

	Land	Buildings & Improvements	Furniture Fittings & Office Equipment	Vehicles	Computers	Total
Balance as at 1 January 2024						
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 1 January 2024	36 637	43 408	11 755	1 089	7 873	100 762
Additions	-	1 718	5 307	1 455	4 321	12 801
Disposals	-	-	-	(411)	-	(411)
Depreciation during the year	-	(3 360)	(4 005)	(537)	(2 667)	(10 569)
Disposals' accumulated depreciation	-	-	-	411	-	411
Net Book Value as at 31 December 2024	36 637	41 766	13 057	2 007	9 527	102 994
Balance as at 1 January 2025						
Cost	36 637	77 321	53 797	3 975	42 227	213 957
Accumulated depreciation	-	(35 555)	(40 740)	(1 968)	(32 700)	(110 963)
Net Book Value as at 1 January 2025	36 637	41 766	13 057	2 007	9 527	102 994
Additions	-	14 900	2 935	-	3 463	21 298
Disposals	-	(39)	-	-	(1)	(40)
Depreciation during the year	-	(3 505)	(4 467)	(632)	(3 234)	(11 838)
Disposals' accumulated depreciation	-	39	-	-	1	40
Net Book Value as at 31 December 2025	36 637	53 161	11 525	1 375	9 756	112 454
Cost	36 637	92 182	56 732	3 975	45 689	235 215
Accumulated depreciation	-	(39 021)	(45 207)	(2 600)	(35 933)	(122 761)
Net Book Value as at 31 December 2025	36 637	53 161	11 525	1 375	9 756	112 454

(25) Due to Banks

	31/12/2025	31/12/2024
Current Accounts	16 162	12 249
Deposits	271 521	149 999
Balance	287 683	162 248
Central Bank of Egypt	-	-
Local Banks	236 653	95 162
Foreign Banks	51 030	67 086
Balance	287 683	162 248
Non - interest bearing balances	5 135	3 605
Fixed interest bearing balances	282 548	158 643
Balance	287 683	162 248
Current balance	287 683	162 248
Non – current balance	-	-
Balance	287 683	162 248

(26) Customers' Deposits

	31/12/2025	31/12/2024
Demand deposits (current accounts)	876 064	660 600
Time and call deposits	6 729 936	3 747 996
Certificates of deposits	838 866	779 000
Saving deposits	774 455	618 633
Other deposits	129 173	112 057
Balance	9 348 494	5 918 286
Financial Institutions deposits	6 681 194	3 773 572
Individuals' deposits	2 667 300	2 144 714
Balance	9 348 494	5 918 286
Non-interest-bearing balances	389 916	309 502
Fixed interest-bearing balances	7 104 697	4 078 599
Variable interest-bearing balances	1 853 881	1 530 185
Balance	9 348 494	5 918 286
Current balances	8 758 874	5 341 949
Non-current balances	589 620	576 337
Balance	9 348 494	5 918 286

(27) Other loans

	31/12/2025	31/12/2024
Social Fund for Development loan - development of small enterprises (new & existing)	-	48
Agricultural development loan – (the leading bank / CIB)	210	197
(CBE) Mortgage finance initiative to low and medium income individuals	3 246	3 296
Arab Fund for Economic and Social Development loan	10 000	14 000
Total other loans	13 456	17 541

(28) Other liabilities

	31/12/2025	31/12/2024
Accrued interest	68 123	29 910
Unearned revenues	1 713	1 555
Employees' fund	4 357	3 835
Alternative employees benefit plan	19 039	16 092
E-payment System	2 787	1 643
Accrued expenses	2 867	3 671
Dividends payable	18	18
Other credit balances	23 863	26 097
Balance	122 767	82 821

(29) Other Provisions

31/12/2025					
	Beginning of the year balance	Exchange differences	Formed/ (reversed) during the year	Used during the year	Year ending balance
Legal claims provision	4 061	212	142	(3 275)	1 140
Potential claims provision	202	7	(82)	-	127
Contingent liabilities provision	1 893	118	991	-	3 002
Commitments and facilities provision	151	2	63	-	216
Total	6 307	339	1 114	(3 275)	4 485

31/12/2024					
	Beginning of the year balance	Exchange differences	Formed/ (reversed) during the year	Used during the year	Year ending balance
Legal claims provision	731	(171)	3 525	(24)	4 061
Potential claims provision	147	(13)	68	-	202
Contingent liabilities provision	1 508	(232)	617	-	1 893
Commitments and facilities provision	72	(29)	127	(19)	151
Total	2 458	(445)	4 337	(43)	6 307

(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 2025 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

	31/12/2025	31/12/2024
Legal Reserve (Analytical Note No. B-1)	165 161	155 667
General Reserve	87 686	87 686
Capital reserve	3 127	3 127
Special reserve	70	70
Fair value reserve - financial investments – at fair value through other comprehensive income (Analytical Note No. B-2)	29 651	(280)
General banking reserve (Analytical Note No. B-3)	222	212
Total of reserves at the end of the year	285 917	246 482

(B/1) Legal Reserve

	31/12/2025	31/12/2024
Balance at the beginning of the year	155 667	147 228
Transferred from the profit of the year	9 494	8 439
Balance at the end of the year	165 161	155 667

(B/2) Fair Value Reserve of Financial Investments at fair value through other comprehensive income.

	31/12/2025	31/12/2024
Balance at the beginning of the year	(280)	9 748
Net change in fair value of investments at fair value through other comprehensive income	29 931	(10 028)
Balance at the end of the year	29 651	(280)

(B/3) General banking risk reserve

	31/12/2025	31/12/2024
Balance at the beginning of the year	212	201
Transferred to general banking reserve	10	11
Balance at the end of the year	222	212

(C) Retained Earnings

	31/12/2025	31/12/2024
Balance at the beginning of the year	348 130	275 333
Net profit of the year	182 112	129 017
Dividends appropriations	(50 287)	(48 302)
Transferred to legal reserve	(9 494)	(8 439)
Transferred to capital reserve	-	(144)
Transferred to general banking risk reserve	(10)	(11)
Adjustments of profits for the year 2023 – difference between estimated and actual profits	-	674
Net change in fair value of investments at fair value through other comprehensive income	-	2
Balance at the end of the year	470 451	348 130

(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:

	31/12/2025	31/12/2024
Cash at hand & due balances from the Central Bank of Egypt	32 933	34 079
Due from banks	1 808 550	1 759 912
Treasury bills	584 659	276 628
Balance at the end of the year	2 426 142	2 070 619

(32) Contingent Liabilities & Commitments

Commitments for loans, Guarantees and facilities

	31/12/2025	31/12/2024
Letters of guarantee	210 707	159 871
Letters of Credit – import	16 217	29 261
Letters of Credit – export	81 300	92 633
Money market papers for facilities to suppliers	1 839	1 172
Commitments for corporate loans	977 936	621 380
Accepted and endorsed bills of exchange	9 131	2 462
Total	1 297 130	906 779

(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	
	31/12/2025	31/12/2024
Loans & facilities to customers and banks	162 806	76 061
Customers' deposits	257 998	253 527
Due from banks	552	508
Due to banks	6	4
Other balances	62	61

(34) Investment Funds - financial investments at fair value through other comprehensive income

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 159 412 certificates and their nominal value amounted to US\$ 66 880. The Bank allocated 101 175 certificates with a nominal value of US\$ 42 447 to carry out the activity of the fund.
- The redemption value per certificate on the financial position date amounted to L.E 515.62 that represents the equivalent of US\$ 10.82.

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 232 704 certificates and their nominal value amounted to US\$ 488 144. The Bank allocated 50 000 certificates with a nominal value of US\$ 104 885 to carry out the activity of the fund.
- The redemption value per certificate on the financial position date amounted to L.E 409.4 that represents the equivalent of US\$ 8.59.

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 1 026 503 certificates and their nominal value amounted to US\$ 2 153 298. The Bank allocated 25 000 certificates with a nominal value of US\$ 52 443 to carry out the activity of the fund.
- The redemption value per certificate on the financial position date amounted to L.E 613.37 that represents the equivalent of US\$ 12.87.

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 11 145 975 certificates and their nominal value amounted to US\$ 2 338 094. The Bank allocated 500 000 certificates with a nominal value of US\$ 104 885 to carry out the activity of the fund.
- The redemption value per certificate on the financial position date amounted to L.E 43.17 that represents the equivalent of US\$ 0.91.

(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, 2025 amounted to US\$ 91 552 thousand, compared to US\$ 94 677 thousand on December 31, 2024, and pursuant to the Actuary's Report which stated that "in the light of the Bank's guarantee of investment return of 9% on the reserve fund, there is a deficit amounting to US\$ 161 thousand in the employees' pension reserve fund on December 31, 2025 after adding the difference of the investment return guaranteed by the Bank by 9% for the fiscal year 2025, that amounted to US\$ 4 197 thousand, along with the postponement of settlement of the last portion of the subordinated loan, that amounted to US\$ 4 991 thousand."

Based on the opinion of the Actuary, the Employees' Pension Fund has been supported this year through the income statement as at 31 December 2025, by US\$ 4 197 thousand which represents the investment return difference (9%) that is guaranteed by the Bank and the realized investment return (2025) in addition to the amount of US\$ 161 thousand that represents the actuarial deficit of the fund, as indicated in the actuary's report, along with the postponement of settlement of the last portion of the subordinated loan, that amounted to US\$ 4 991 thousand, provided that, the said portion will be settled during the following years when the employees' pension reserve fund is quite adequate to cover such settlement according to the directives of the Actuary Expert referred to above.

(36) Comparative figures

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

Interconnection with the Bank



172 Branch Addresses

06

Hotline
19604



Branch Addresses

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