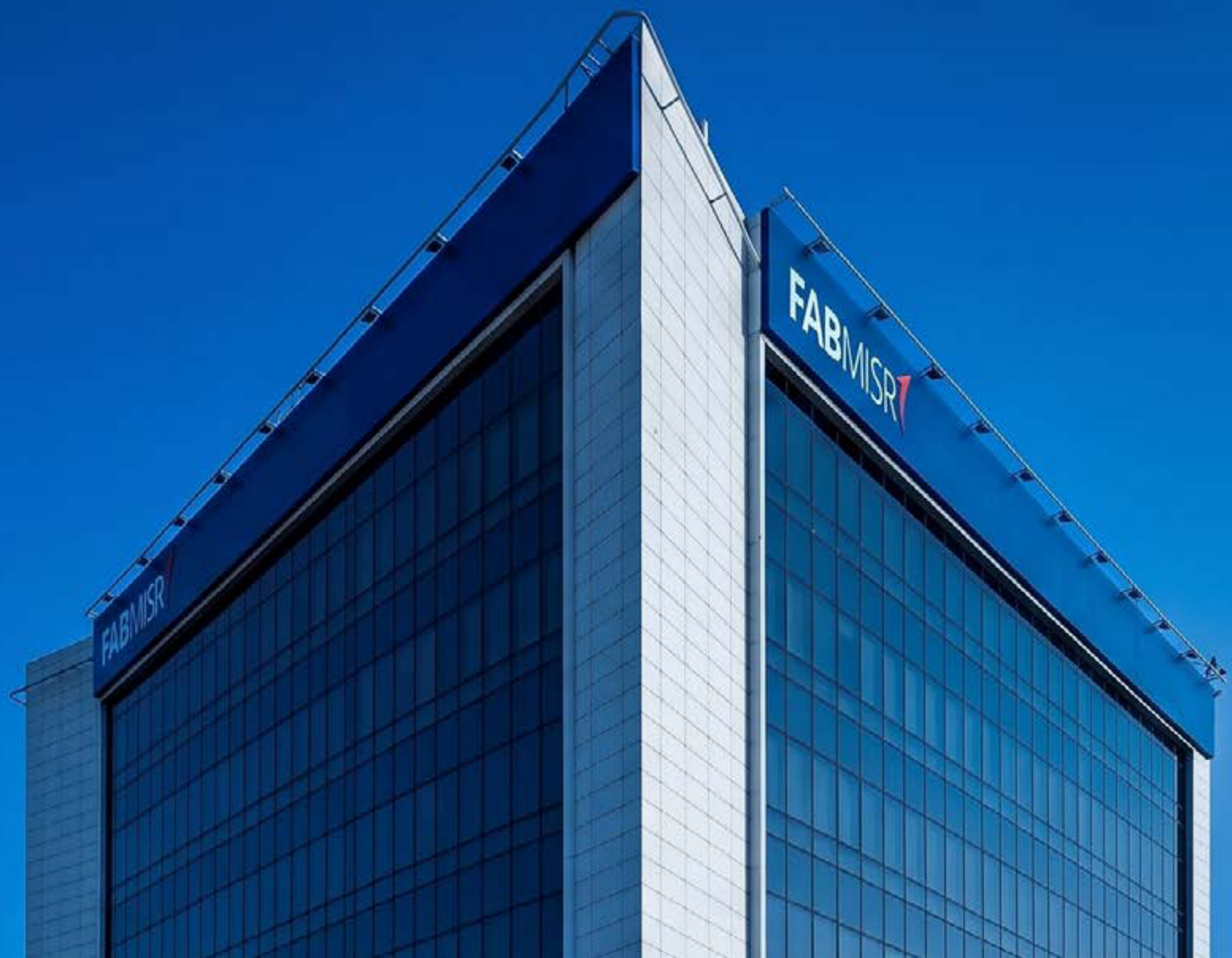
FABMISR

TURNING POTENTIAL INTO PROGRESS

Annual Report 2025



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01

Built to Go Further

Bank at a Glance

A strong foundation creates the confidence to aim higher. With FAB Group's global capabilities and a clear strategic vision, FABMISR continues to expand its potential and pursue new opportunities, building on its strength and moving confidently towards a stronger future.

01.1 About FAB Group

01.2 About FABMISR

01.3 Our Vision

01.4 Our Strategic Priorities

01.5 Leadership Messages

01.1

About FAB Group

Delivering impact through global expertise with regional leadership.

First Abu Dhabi Bank (FAB) is the UAE's global bank and one of the largest and most diversified financial institutions in the Middle East and North Africa. Headquartered in Abu Dhabi, the group serves individuals, businesses, governments, and institutional clients through an extensive network spanning the UAE and key international markets across five continents. With a resilient business model, strong financial fundamentals, and a customer-centric approach, FAB continues to strengthen its position as a trusted banking partner while supporting economic growth and facilitating global trade and investment.

Guided by a clear long-term strategy, FAB continues to invest in digital innovation, operational excellence, and sustainable growth to create lasting value for its stakeholders. The group is accelerating the adoption of advanced technologies, including artificial intelligence and data-driven solutions, to enhance customer experiences, improve operational efficiency, and deliver innovative financial solutions. At the same time, FAB remains committed to maintaining the highest standards of governance, risk management, and responsible banking.



Strong foundations create the conditions for lasting success



01.2

About FABMISR

Banking with Global Strength, Local Expertise.

As one of Egypt's largest operating banks and a proud member of the First Abu Dhabi Bank (FAB) Group—the UAE's global banking leader—FABMISR combines international expertise with deep local market knowledge to deliver innovative financial solutions for individuals, businesses, multinational corporations, and government institutions. Through its regional and global network, the bank connects customers to opportunities, supporting economic growth and creating long-term value.

Backed by the strength and capabilities of FAB Group, FABMISR is committed to delivering a comprehensive range of conventional and Islamic banking products and services while placing customers at the heart of everything it does. The bank continues to invest in digital innovation, operational excellence, and sustainable finance, enabling it to respond to evolving customer needs while contributing to Egypt's financial sector and broader economic development.

Following its establishment through the legal merger between Bank Audi Egypt and Bank FAB Egypt in 2022, FABMISR has strengthened its position as one of Egypt's leading banking institutions and the fourth largest private bank in Egypt by asset size. Building on this strong foundation, the Bank continues to expand its product offering, enhance its digital capabilities, and support entrepreneurship, SMEs, and key sectors of the economy through customer-centric financial solutions.

With a nationwide network of 74 branches, FABMISR serves retail, corporate, SME, and institutional customers through a diversified portfolio of banking products and services. By combining personalized service with global expertise, the bank continues to build trusted relationships with its customers while creating sustainable value for shareholders, employees, and the communities it serves.

Throughout 2025, FABMISR remained focused on executing its long-term strategy with discipline, resilience, and agility. The bank delivered strong performance across its core businesses while accelerating digital transformation, strengthening customer relationships, advancing sustainability initiatives, and reinforcing its commitment to responsible banking and long-term value creation.

01.3

Key Financial Highlights

Total Assets

EGP **484** **Billion**

↑ 17%

Customer Deposits

EGP **334** **Billion**

↑ 29%

Net Loans & Advances

EGP **184** **Billion**

↑ 30%

Net Profit*

EGP **16.7** **Billion**

↑ 5%

**Growth in net profit after neutralizing the impact of foreign exchange fluctuations.*

Net Fee & Commission Income

EGP **3.0** **Billion**

↑ 21%

Our Vision To be Egypt's most trusted regional banking partner, delivering innovative financial solutions that empower customers, drive sustainable growth, and shape the future of banking while creating long-term value for our customers, employees, shareholders, partners, and communities.

01.4

Our Strategic Priorities

Operational Excellence & Sustainable Growth: Driving sustainable growth through disciplined execution, sound risk management, and operational excellence. By continuously investing in its people, processes, governance, and technology, FABMISR strengthens organizational resilience, enhances efficiency, and creates long-term value for customers, shareholders, and the communities it serves.

Customer-Centric Banking: Through its nationwide network of 74 branches, FABMISR provides a comprehensive portfolio of retail, business, corporate, investment, treasury, and Islamic banking solutions, serving individuals, SMEs, corporates, and institutional clients. The bank is committed to building lasting relationships by delivering seamless, personalized financial solutions that evolve with the changing needs of every customer segment.

Digital Transformation: Digital innovation remains a key driver of FABMISR's growth strategy. Through continued investment in secure banking technologies, digital capabilities, and strategic partnerships, the bank delivers agile, technology-enabled solutions that enhance accessibility, simplify financial services, improve operational efficiency, and elevate the overall customer experience.

01.5

A Word from Our Chairman

H.E. Sultan Al Jaber

Chairman & Non-Executive Board Member

I am pleased to present the results of First Abu Dhabi Bank Misr for the financial year ended 31 December 2025, reflecting balanced operating performance and sustainable growth across our core banking activities.

The bank recorded net profit of approximately EGP 16.7 billion, representing a 5% increase after excluding the impact of exchange rate movements, underscoring the resilience of our business model and the efficiency of our operating performance. Total assets also increased by 17% to reach EGP 484 billion, driven by disciplined expansion in the loans and advances portfolio, which grew by 30% to EGP 184 billion, reaffirming our role in supporting vital sectors and driving economic activity.

On the funding side, customer deposits recorded strong growth of 29% to reach EGP 334 billion, reflecting our customers' continued confidence in the bank.

Shareholders' equity increased by 26% to EGP 76 billion, further strengthening our capital base and supporting our future expansion plans. Net fee and commission income grew by 21% to reach EGP 3 billion, demonstrating the success of our strategy to diversify revenue streams and enhance value-added services.

These results were achieved through the clarity of our strategy, disciplined risk management, and our continued focus on delivering sustainable value for all stakeholders. Looking ahead, we will continue to build on these achievements while maintaining a balanced approach that combines disciplined growth, enhanced operational efficiency, and support for the national economy across all sectors.

I would like to take this opportunity to thank our shareholders for their trust, our customers for their loyalty, and the bank's management and employees for their dedicated efforts, which have been the cornerstone of this performance.





01.5

A Word from Our CEO

Ahmed Issa

CEO & Board Director

Since taking on the role of Chief Executive Officer and Board Director of FABMISR in February 2026, I have been focused on building on the bank's strong momentum and translating its established strengths into the next phase of sustainable growth. The progress achieved in 2025 provides a strong foundation for this journey, reflecting the strength of the bank's strategy, the resilience of its business model, and its ability to deliver sustainable value in an evolving economic landscape.

2025 was another year of meaningful progress for FABMISR, reflecting the strength of its strategy, the resilience of its business model, and its ability to deliver sustainable value in an evolving economic landscape. Guided by disciplined execution and a long-term vision, the bank achieved strong financial performance, expanded its customer franchise, strengthened its market position, and continued investing in the capabilities shaping the future of banking.

Building on the successful integration that established FABMISR as one of Egypt's largest operating banks, the bank continued to strengthen its capabilities and deliver greater value for its customers and stakeholders. Backed by the regional strength of the First Abu Dhabi Bank Group and its deep understanding of the Egyptian market, FABMISR combines global expertise with local insight to deliver innovative financial solutions that support individuals, businesses, and institutions across Egypt.

Throughout the year, the bank remained focused on strengthening customer relationships, accelerating digital transformation, enhancing operational excellence, and embedding sustainability across its business. FABMISR continued to finance strategic sectors, advance financial inclusion, support entrepreneurs and SMEs, and invest in solutions that contribute to Egypt's long-term economic development.

As the banking landscape continues to evolve, FABMISR remains committed to responsible growth, continuous innovation, and creating sustainable value for its customers, shareholders, employees, and the communities it serves.

The bank's achievements in 2025 are a testament to the dedication of its employees, the confidence of its customers, the guidance of its board of directors, and the continued trust of its shareholders, regulators, and partners.

As I take on the responsibility of leading FABMISR, I look forward to building on this strong foundation, working alongside our people and stakeholders to further strengthen the bank's position and unlock its next phase of growth.

02

Built to Last

Environmental, Social, & Governance (ESG)

02.1 Our Sustainability Strategic Priorities

02.2 Our Strategic Priorities

02.3 2025 Key Sustainability Highlights

02.4 Governance Structure

02.5 Climate & Sustainable Finance

02.6 Financial Inclusion

02.7 Our People

02.8 Corporate Social Responsibility

02.9 Sustainability Risk & Compliance

Success means more when it creates value that endures. From responsible finance and environmental action to empowering people and communities, FABMISR is building with the future in mind. This enduring value gives success meaning by creating lasting impact.

02.1

Our Sustainability Strategic Priorities

FABMISR's sustainability priorities are anchored in the FAB Group ESG Strategy and adapted to the Bank's operating context in Egypt. Through three interconnected priorities, FABMISR integrates environmental, social, and governance considerations across its financing activities, operations, customer relationships, workforce, and governance practices, while contributing to national development priorities and the Group's broader sustainability ambitions.

02.2

Our Strategic Priorities

1. Supporting the global transition to a low-carbon and nature-positive future

- Expanding sustainable finance to support sustainable economic activity and clients' transition
- Embedding environmental and climate-related considerations into risk and credit processes
- Strengthening environmental and social risk management and climate-risk capabilities
- Reducing operational environmental impacts through improved resource efficiency and decarbonization initiatives
- Enhancing climate-related data and alignment with the FAB Group's evolving climate framework

ESG Material Topics:

- Management of Climate Risk
- Sustainable Facilitating, Lending and Investing
- Operational environmental footprint

2. Enabling a responsible transition for communities

- Broadening access to banking services and promoting financial inclusion
- Enhancing customer experience, accessibility, and customer outcomes
- Investing in employee wellbeing, learning, and career development while fostering a diverse and inclusive workplace
- Creating positive social impact through community investment and partnerships that support broader socioeconomic resilience
- Strengthening the measurement of social outcomes to better understand the value created for customers, employees, and communities

ESG Material Topics:

- Financial inclusion and accessibility
- Customer experience
- Diversity, inclusion, and talent retention
- Employee wellbeing
- Learning and development
- Community investments and socioeconomic impact

3. Championing and embedding best-in-class governance practices

- Embedding ESG considerations within governance and oversight
- Strengthening risk management, compliance, and financial crime controls
- Protecting customer privacy and strengthening data security
- Promoting accountability, responsible business conduct, and transparent decision-making
- Enhancing operational resilience and the management of emerging ESG and technology-related risks to maintain stakeholder trust

ESG Material Topics:

- Governance, business ethics and compliance
- Systemic and ESG risk management
- Customer privacy and data security
- Digitalization and innovation
- Responsible procurement



02.3

2025 Key Sustainability Highlights

Supporting the Green Transition

Responsible Financing

EGP 9.9 Bn
Total deployed funds of the sustainable finance portfolio
(+47.8% YoY)

EGP 6.5 Mn
Deployed towards operational Decarbonization projects
(72% Of the EGP 9 Mn roadmap investment plan implemented by 2025)

Environmental Footprint

7,964 tCO2e
Scope 1+2 emissions

3.16 tCO2e/FTE
Scope +4.3% emissions intensity
(11% reduction compared to 2023)

69,828 GJ
Total energy consumption
(+5.6% YoY)

0.4% reduction
In total energy intensity per FTE compared to 2024

172,275 kg
Wastepaper recycled
(+430% YoY)

Empowering People & Communities

Responsible Financing

2,524
Total employees
(+6% YoY)

37%
Female representation in the workforce

23%
Women in senior management positions

+108,215
Hours of training delivered to our employees

8.45%
Voluntary employee turnover
(Improved from 10% in 2024)

Social Responsibility

1,793
Financial inclusion accounts opened of which 59% for women

1,068
Participants reached through financial literacy campaigns

89%
Percentage of spend on local suppliers from total procurement spend

Building Trust through Strong Governance

Governance Structure

22%
Female representation in the board

Sustainability and Sustainable Finance Steering Committee
2 meetings held and 5 strategic sustainability initiatives overseen

Operational ESG Integration

100%
of employees **completed** FABMISR's compliance-related training

02.4

Governance Structure

FABMISR maintains a robust governance framework that supports responsible banking, sustainable growth, and effective decision-making. Sustainability oversight is embedded across the bank through clear accountability from the board of directors to executive management, ensuring ESG considerations are integrated into strategic planning and day-to-day operations.

The Board-level Corporate Governance, Nomination and Sustainability Committee oversees the bank's sustainability strategy, monitors progress against ESG objectives, and provides strategic direction to ensure alignment with regulatory requirements and the wider FAB Group sustainability framework.

Management-level governance is further strengthened through the Sustainability and Sustainable Finance Steering Committee, which coordinates implementation across business functions and monitors the execution of sustainability initiatives.

Sustainability considerations are embedded within the bank's governance, risk management, and business processes, including credit evaluation, investment decisions, and operational activities. This integrated approach enables FABMISR to effectively manage ESG-related risks while identifying opportunities that create long-term value for customers, shareholders, employees, and the communities it serves.

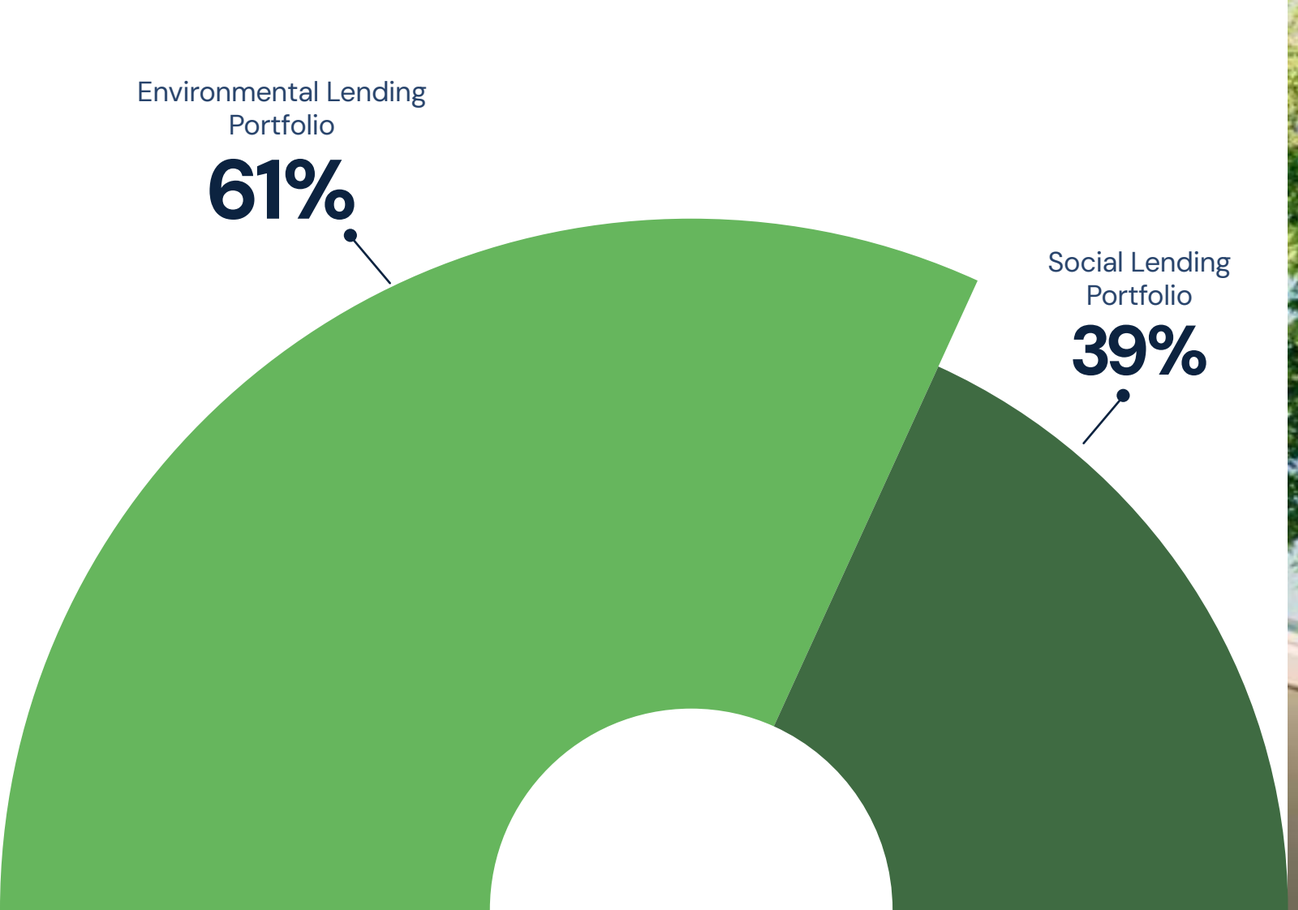
02.5

Climate & Sustainable Finance

As part of its commitment to supporting Egypt's sustainable development agenda and the global transition to a low-carbon economy, FABMISR continues to expand its sustainable finance activities in line with the FAB Group's Sustainable Finance Framework and the Central Bank of Egypt's Sustainable Finance Guidelines.

Throughout 2025, the bank continued to finance projects that generate positive environmental and social impact across key sectors, including renewable energy, energy efficiency, green buildings, sustainable transportation, healthcare, education, and water management. Climate-related considerations remain integrated into financing decisions and portfolio management, reinforcing the bank's prudent risk management approach while supporting clients throughout their sustainability transition.

By combining responsible financing with disciplined risk management, FABMISR continues to strengthen its role as a trusted financial partner, contributing to economic growth, environmental resilience, and long-term sustainable value creation.



02.6

Financial Inclusion

Financial inclusion remains a cornerstone of FABMISR's strategy and commitment to supporting inclusive economic growth. The bank continues to expand access to financial services by delivering tailored banking solutions that address the needs of underserved customer segments, including women, youth, farmers, and people with disabilities. During 2025, FABMISR opened **1,793 financial inclusion accounts**, of which **59% were for women**, reflecting the bank's ongoing efforts to broaden financial access and promote economic participation.

Beyond banking services, FABMISR continued to strengthen financial literacy across local communities through **10 financial literacy campaigns** conducted across key governorates, including Cairo, Giza, and Al Gharbia. These initiatives reached **1,068 participants,** enhancing financial awareness and supporting informed financial decision-making among underserved communities.

The bank also maintained a strong focus on inclusivity and youth empowerment. Participation rates remained particularly high in entrepreneurship and investment awareness sessions, demonstrating FABMISR's commitment to building financial capability and creating long-term socioeconomic value.

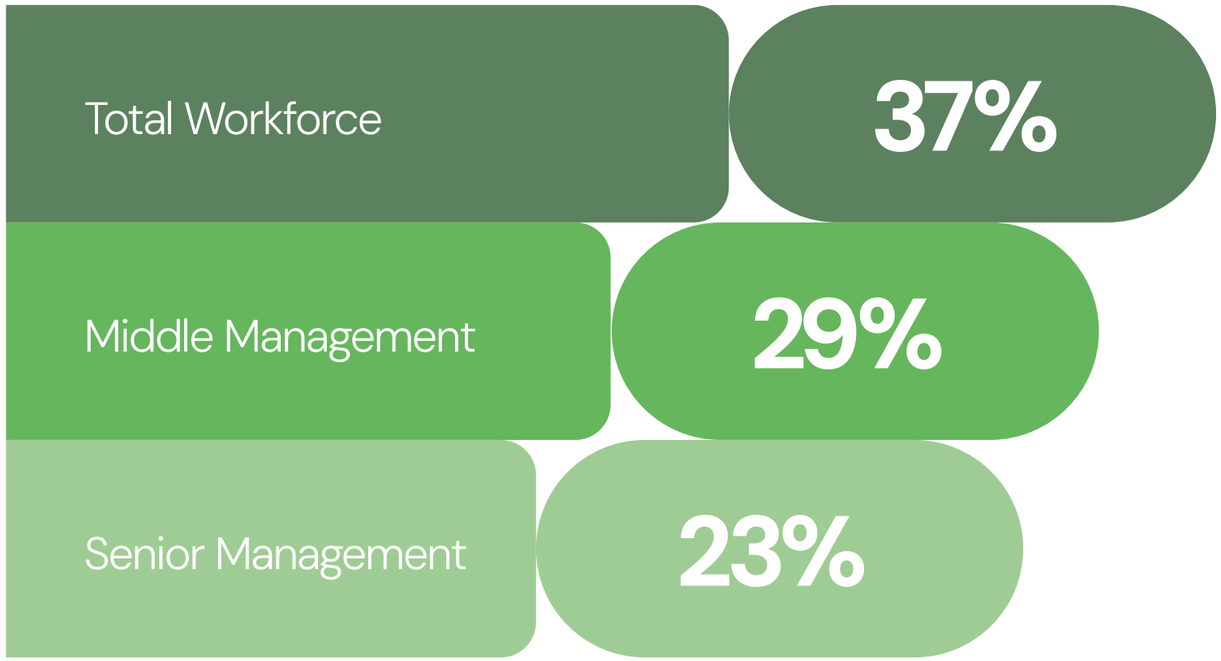
1,793 financial inclusion accounts opened

59% were women

10 financial literacy campaigns created

that reached **1,068** participants

Women Across the Organization



02.7

Our People

FABMISR continues to invest in its people as the foundation of sustainable growth and long-term success. The bank remains committed to fostering a diverse, inclusive, and high-performing workplace through equitable employment practices, continuous learning opportunities, and a culture built on collaboration, respect, and professional development.

During 2025, the bank's workforce expanded to **2,524 employees,** representing a **5.8% year-on-year increase,** while maintaining a strong focus on employee engagement, wellbeing, and talent development. FABMISR also continued to advance gender diversity across the organization, with **women** representing **37% of the total workforce, 29% of middle management, and 23% of senior management positions.**

Learning and development is a key priority in strengthening organizational capabilities. Supported by a comprehensive learning and development framework, FABMISR delivered **108,215 training hours** during the year, combining regulatory training with targeted development programmes aligned with business priorities and employees' professional growth.

02.8

Corporate Social Responsibility

Supporting communities remains a core element of FABMISR's commitment to creating sustainable value beyond banking. Through strategic partnerships and targeted initiatives, the bank continues to invest in programs that promote social inclusion, economic empowerment, education, entrepreneurship, and community development, contributing to Egypt's national development priorities.

During 2025, FABMISR continued to implement impactful community initiatives in collaboration with reputable development partners, with a particular focus on improving livelihoods, expanding financial inclusion, empowering women and youth, and fostering long-term socioeconomic resilience. These initiatives reflect the bank's commitment to responsible growth and creating a positive and lasting impact for the communities it serves.

Al Falouga Village Development Project

جمعية الأورمان

25
homes renovated
for safer living conditions

6
biogas units
for cleaner & sustainable energy

12
cattle heads
for sustainable livelihood & food security

15
families supported
through entrepreneurship & financial inclusion

In partnership with Orman Association, FABMISR continued the second phase of the comprehensive development project for Al Falouga Village, reinforcing its commitment to sustainable community development in line with Egypt Vision 2030.

The initiative focused on improving quality of life through an integrated approach that included:

- Renovation of 25 homes to provide safer living conditions
- Installation of six biogas units to promote clean energy and environmental sustainability
- Provision of 12 cattle heads to support sustainable livelihoods and strengthen food security
- Support for 15 families through entrepreneurship and micro-project financing, creating sustainable income opportunities and advancing financial inclusion



Cattle provided to support the biogas units



Renovated home in Al Falouga



Use of the biogas-powered stove in Al Falouga



The start of an entrepreneurial project

02.8

Corporate Social Responsibility

Women in Sports Platform

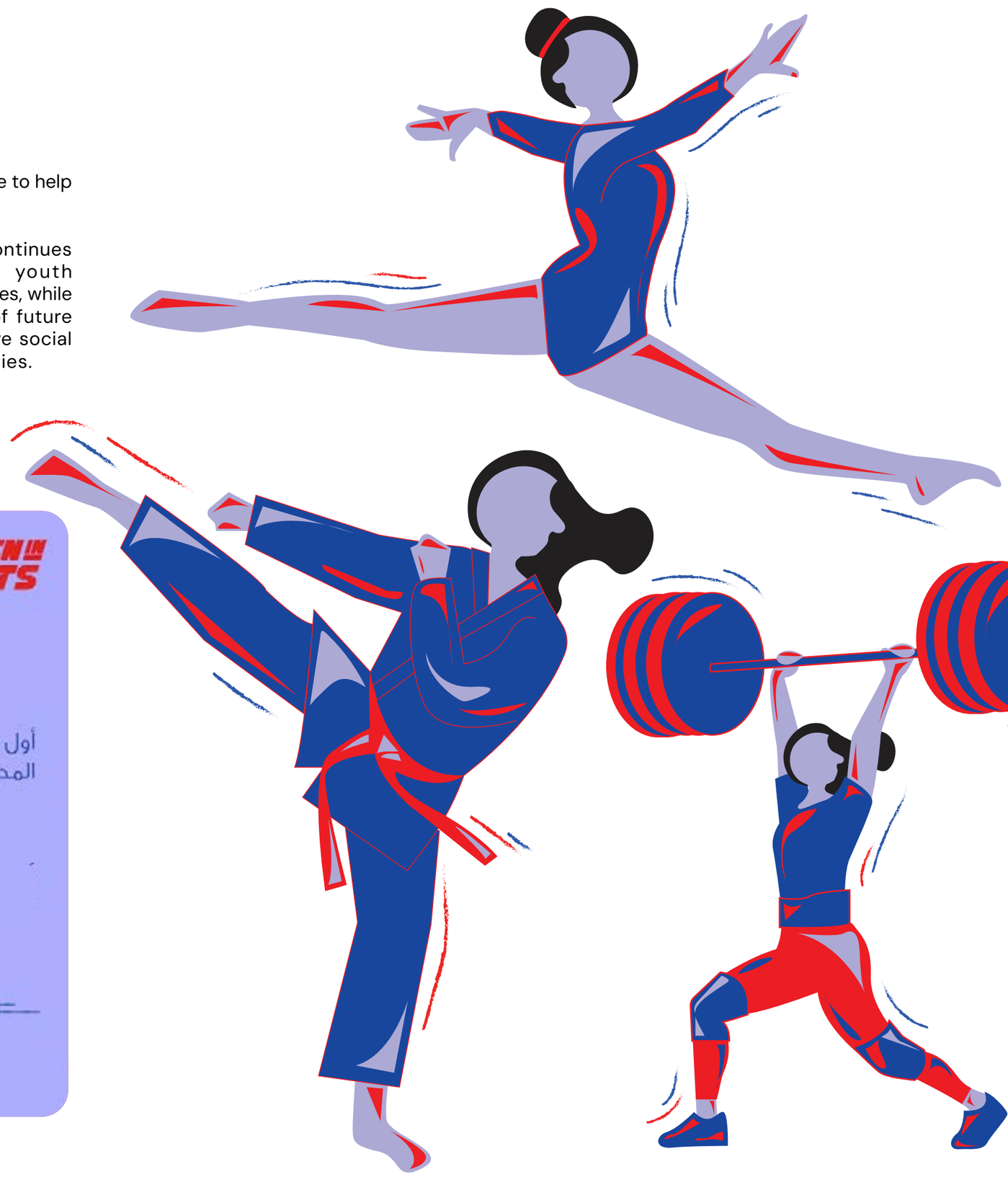
Recognizing the important role of women in shaping future generations, FABMISR continued to support young female athletes through the Women in Sports platform.

During 2025, the bank sponsored approximately 12 young female athletes, aged between 13 and 20, across a range of sporting disciplines.

Participants received both financial support and professional mentoring, with performance monitored by a specialized committee to help them achieve their full potential.

Through this initiative, FABMISR continues to promote gender inclusion, youth empowerment, and equal opportunities, while contributing to the development of future sporting talent and creating positive social impact within Egyptian communities.





02.9

Sustainability Risk and Compliance



Building success by navigating every challenge with care

FABMISR integrates ESG considerations into its enterprise-wide risk management framework, ensuring that sustainability-related risks are identified, assessed, and managed in line with the FAB Group's policies, local regulatory requirements, and international best practices.

ESG risk considerations are embedded throughout the bank's governance and risk management processes, including credit assessment, client due diligence, and periodic portfolio reviews. The bank also continues to strengthen its responsible financing practices through alignment with internationally recognized frameworks, including the Equator Principles, where applicable to project finance activities.

The bank maintains a strong compliance culture supported by robust policies covering anti-bribery and corruption, human rights, customer privacy, data protection, and cybersecurity. Together, these measures reinforce responsible banking practices while safeguarding the interests of customers, shareholders, employees, and the wider community.

Key Focus Areas

- ESG risk screening within credit approval and portfolio review processes
- Alignment with the Equator Principles, where applicable
- Anti-bribery and anti-corruption framework
- Human rights due diligence
- Data privacy and cybersecurity governance

Success is not only about how far you can go, but how firmly you can stand. FABMISR builds resilience into every layer of the bank, anticipating risk, protecting progress, and preparing for what lies ahead, ensuring that lasting success is built to withstand rapid changes.

03

Built for the Unexpected

Risk Management

03.1 Governance & Oversight Framework

03.2 Risk Structure

03.3 Risk Strategy 2030

03.1

Governance and Oversight Framework

FABMISR is committed to a strong, disciplined risk culture that aligns with our strategic objectives and protects our depositors, shareholders, and the broader financial system. Our risk appetite is defined by the board of directors and overseen by the Board Risk Committee. We actively pursue risks that we deeply understand and are equipped to manage, primarily to generate sustainable returns, while maintaining strict adherence to CBE requirements and safeguarding our capital base. We maintain a zero-tolerance approach to regulatory non-compliance, financial crime, and unethical behavior.

Four Lines of Defense Model

First Line (Business Units):Is responsible for maintaining a sound credit quality of assets in line with the approved business strategy and credit risk appetite.

Second Line (Credit, Risk, and Compliance): Assesses the risk at the customer and facility level, ensures proper documentation of customer, facility and security documents along with FABMISR's Risk Management unit that assesses credit risk on a portfolio basis and maintains credit risk policies and credit risk rating models up to date.

Third Line (Internal Audit): Acts as a third level of defence with regular reviews of credit analysis and the risk functions to check the compliance with policies and procedures of FABMISR. The unit also reviews the policy documents on a regular basis.

Fourth Line (External Auditors and the CBE): Acts as an additional independent layer of defense where External Auditors conduct comprehensive reviews to check compliance with policies and ensure the effectiveness of the 1st and 2nd lines of defense. It also includes the External Auditors and Central Bank assessing full compliance with all legal and regulatory requirements.

03.2

Risk Structure

Credit Risk and Capital Risk

Key Qualitative Actions

Credit risk is the risk that a counterparty fails to fulfil its contractual financial obligations, leading to an asset impairment or financial loss. This risk is inherent across all core financing activities, including corporate and retail lending, interbank placements, debt securities investments, and derivative instruments.

The bank maintained solid asset quality throughout the year underpinned by a rigorous credit risk assessment process. Credit risk is managed through a risk appetite framework including but not limited to prudent underwriting, internal obligor risk ratings, and early-warning-indicator monitoring. Every credit exposure is subject to independent analysis of the obligor's financial condition, cash flow generation, and repayment capacity, with an internal obligor risk rating assigned and reviewed at each renewal and upon any material change in credit standing.

Approvals are granted under a delegated-authority structure with committee escalation for larger exposures, and facilities are monitored post-disbursement through early-warning indicators, covenant tracking, and periodic account reviews, with deteriorating exposures identified early and classified in accordance with the regulations of the Central Bank of Egypt and internal policies. Impairment is measured on an expected credit loss basis under IFRS 9 as adopted by the Central Bank of Egypt, with staging reflecting changes in credit quality if any, models subject to independent validation, and management overlays applied where warranted. Through prudent credit risk appetite limits, portfolio limit diversification, and proactive credit risk management practices, the bank seeks to maintain a high-quality loan portfolio while supporting sustainable business growth.

Integrated Governance & Oversight: Managed through an enterprise-wide credit governance structure. Credit policies, underwriting standards, and portfolio limits are established by senior management and overseen by board-level risk committees to align with the bank's long-term risk appetite.

Asset Quality & Monitoring: Credit exposures are subjected to continuous review and monitoring throughout their lifecycle. Portfolio asset quality is regularly evaluated against key parameters, including obligor repayment behaviors, credit grade migrations, macroeconomic indicators, and the adequacy of collateral mitigants.

Risk Classification & Staging: Portfolios are segmented into three performance stages based on the evolution of credit risk since initial recognition. The classification framework applies quantitative tracking (such as Days Past Due) alongside qualitative watch-list indicators to identify early signs of deterioration and apply appropriate remediation strategies.

Climate & ESG Risks: FABMISR systematically assesses its large corporate portfolio against ESG risks to ensure alignment with sustainable finance frameworks. Demonstrating this commitment, FAB and MIGA signed a landmark agreement where FAB Group acts as the Guarantee Holder and FABMISR serves as the Project Enterprise. This partnership leverages risk-mitigation structures to expand access to finance for Egyptian MSMEs, with a dedicated focus on women-led enterprises and climate-positive projects, thereby accelerating sustainable economic transition.

Regulatory Governance: Capital requirements are governed primarily by CBE regulations, alongside local regulatory bodies for any overseas branches or subsidiaries. The capital management framework is directly linked to FABMISR's business strategy, ensuring capital adequacy remains aligned with inherent operational risks and the bank's capital risk appetite.

Key Qualitative Actions – continued

Strategic Planning & Forecasting: Capital planning is fully integrated with the annual financial budgeting exercise. Senior management establishes the long-term strategic direction, driving a bottom-up forecasting process across business units to evaluate short-term goals, target growth rates, and expected returns.

ICAAP Integration: A core component of capital management is the Internal Capital Adequacy Assessment Process (ICAAP), conducted annually. Through this process, the risk function identifies material risk exposures, measures their potential impact against existing risk mitigation frameworks, and determines the necessary capital buffers to absorb potential earnings volatility.

Core Capital Objectives: The framework aims to securely accomplish four primary targets:

1. Continuous compliance with minimum regulatory capital limits set by the CBE
2. Sufficiency to back the bank's strategic growth objectives
3. Adequate buffers to withstand severe stress conditions
4. Structural support to maintain and optimize the bank's credit ratings

Standardized Quantitative Disclosures

- Credit exposure by geographic region (Egypt-wide governance), industry sector (e.g., manufacturing, real estate), and asset class (Retail vs. Corporate/SME)
- Detailed staging breakdown & balance sheet ECL impairment provisions
- Collateral coverage ratios demonstrating net secured exposure percentages
- ***ESG Portfolio Metrics:*** Quantitative tracking of sustainable finance loan balances, portfolio exposure limits allocated to environmentally high-risk sectors, with benchmarks across corporate credit lines
- ***Capital Adequacy Ratios (CAR):*** Standardized reporting of Tier 1 and Total Capital Adequacy Ratios, ensuring continuous compliance with regulatory minimums and conservation buffers
- ***ICAAP Capital Requirements:*** Quantitative mapping of economic capital allocations calculated across material risk categories (Credit, Market, and Operational Risks)
- ***Macroeconomic Stress Testing:*** Numerical impact models detailing the resilience of capital levels, risk-weighted assets (RWAs), and regulatory ratios under adverse, idiosyncratic, and systemic stress scenarios
- ***Risk-Weighted Assets (RWA) Breakdown:*** Comprehensive disclosure tables tracking total RWA distribution and changes across individual corporate and retail asset portfolios over the financial year

03.2

Risk Structure

Market & Liquidity Risk

Key Qualitative Actions

Market Risk

Market risk is the risk that FABMISR's income or capital will fluctuate due to changes in market factors, specifically interest rates, credit spreads, foreign exchange (FX) rates, and equity or commodity prices. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Governance and Oversight: Overall authority lies with the Asset and Liability Committee (ALCO) & RCMC which are responsible for establishing risk appetites, setting portfolio-level limits, and ensuring independent risk oversight. The local Market Risk Group develops risk policies and methodologies for approval by board of directors.

Portfolio Segmentation: Risk exposures are clearly separated into trading and non-trading (banking book) portfolios. Trading positions are actively managed on a fair-value basis to capture short-term movements, while non-trading portfolios focus on structural balance sheet stability.

Liquidity Risk

The risk that FABMISR cannot meet its cash and collateral obligations as they fall due under normal or stressed conditions. It stems from maturity, size, and currency mismatches between assets and liabilities, or an unstable highly concentrated funding base.

Liquidity Risk Appetite: Set locally to ensure the bank maintains sufficient liquid assets to comfortably withstand severe cash outflows over a rolling three-month stress horizon without incurring prohibitive costs.

Behavioral Modeling: To realistically capture cash profiles, the bank models liquidity using a combination of contractual maturities and localized customer behavior assumptions (such as deposit stickiness in the Egyptian market).

Regulatory Compliance ALCO & RCMC: All liquidity policies are governed by ALCO & RCMC. The bank strictly manages its funding structure to maintain continuous compliance with CBE liquidity requirements and global standards.

Standardized Quantitative Disclosures

VaR Metrics & Limit Tracking: Quantitative disclosure of overall Trading and Banking Book VaR, tracking high, low, and average utilization metrics across risk factors (Interest Rate, FX, and Credit Spread).

Foreign Exchange Net Exposure: Detailed structural table breakdown showing the bank's significant net open exposures denominated in major foreign currencies (e.g., USD, EUR).

Interest Rate Sensitivity Analysis: Quantitative impact testing showing the vulnerability of Net Interest Income (NII) or Economic Value of Equity (EVE) to parallel shifts in interest rate curves.

Regulatory Liquidity Ratios: Standardized quantitative reporting of localized Basel III compliance metrics, including the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR).

Maturity Gap Analysis: Complete maturity ladder disclosure mapping assets, liabilities, and off-balance sheet commitments into specific time buckets based on residual contractual or behavioral timelines.

Funding Concentration: Metrics highlighting the diversification of the bank's funding base across products, customer segments (Retail vs. Corporate), and geographic profiles.

03.2

Risk Structure

Credit Admin Department (CAD)

Key Qualitative Actions

Credit Documentation & Execution: Ensure completeness and accuracy of credit documentation, fulfillment of approval conditions, and proper execution of facility agreements prior to disbursement.

Collateral Management: Ensure proper registration, valuation, documentation, and periodic review of collaterals and guarantees securing credit facilities.

Limit & Facility Control: Monitor approved credit limits, facility utilization, maturity dates, and compliance with approved credit terms and conditions.

Disbursement & Operational Controls: Ensure disbursements are processed in accordance with approved credit facilities, delegated authorities, and internal policies.

Credit Data & Records Management: Maintain accurate and up-to-date credit files and system records, ensuring proper documentation and data integrity.

Regulatory Compliance: Ensure adherence to CBE regulations and internal credit policies relating to credit administration and collateral requirements.

Standardized Quantitative Disclosures

- Credit facilities pending documentation or fulfillment of approval conditions
- Collateral coverage ratios and valuation status
- Expired or pending renewal of credit facilities and collateral
- Exceptions and deviations from approved credit terms and conditions
- Disbursement turnaround time and outstanding operational requirements

Consolidated Risk Management (CRM)

Key Qualitative Actions

Operational Risk: The risk of loss resulting from inadequate or failed internal processes, people, and systems, or from external events. This encompasses comprehensive information security and cyber threats targeting the bank's digital channels and infrastructure. FABMISR manages operational risk through a continuous cycle of identification, assessment, mitigation, control, and monitoring. Business owners utilize Operational Risk Matrices aligned with Basel guidelines to proactively evaluate all products, services, projects, and outsourced activities.

Fraud Risk: This framework proactively detects, prevents, and responds to internal and external fraud threats. It combines automated fraud monitoring systems with strict whistleblowing and ethical conduct policies.

Internal Control: Built upon a comprehensive corporate governance standard that embeds internal control practices into daily workflows. It enforces clear segregation of duties, multi-level authorization limits, and structural compliance checks across all banking units to eliminate control gaps.

Standardized Quantitative Disclosures

Operational & Fraud Loss Tracking: Quantitative disclosure of net operational and fraud financial losses, mapped directly by Basel event categories (e.g., internal fraud, external fraud, system failures, and process execution errors).

Control Effectiveness Metrics: Statistical tracking of Key Risk Indicators (KRIs), internal control self-assessment (RCSA) scores, and automated fraud detection system true-positive catch rates.

03.2

Risk Structure

Credit Restructuring Department (CRD)

Key Qualitative Actions

Restructuring & Rehabilitation: Develop and implement sustainable restructuring solutions for distressed borrowers to maximize recovery and minimize potential credit losses.

Borrower Assessment: Assess borrowers' financial position, repayment capacity, and business viability to determine appropriate restructuring strategies.

Recovery Management: Identify and pursue optimal recovery options, including rescheduling, debt settlements, and collateral realization.

Governance & ECL Coordination: Ensure restructuring decisions comply with the bank's credit policies and regulatory requirements, coordinating with Credit and Finance on classification and ECL assessment.

Standardized Quantitative Disclosures

- Total restructured portfolio, segmented by business line
- Performing versus non-performing restructured exposures
- Restructuring success, cure, and re-default rates
- Recovery and collection rates against agreed repayment schedules
- ECL coverage and collateral coverage ratios for restructured exposures

03.2

Risk Structure

Cyber Risk & Business Continuity Plan (BCP)

Key Qualitative Actions

Cyber risk refers to the potential operational disruption, financial loss, or reputational damage resulting from cyberattacks on digital infrastructure. Business Continuity Planning (BCP) ensures the preservation and immediate recovery of critical banking functions during these or other severe unexpected outages. All cyber security and BCM matters are managed from cyber security and BCM management committee.

Elite Global Certifications: The bank's operational resilience and data security frameworks are officially validated by holding four prestigious international certifications:

1. ISO/IEC 27701 (PIMS): Specifies requirements for establishing, implementing, maintaining, and continually improving a Privacy Information Management System (PIMS).

2. ISO 22301 (BCMS): Specifies requirements to implement, maintain, and improve a Business Continuity Management System (BCMS) to protect against, reduce the likelihood of the occurrence of, prepare for, respond to, and recover from disruptions when they arise.

3. ISO/IEC 27001 (ISMS): Specifies requirements for establishing, implementing, maintaining, and continually improving an Information Security Management System (ISMS) within the context of the organization.

4. PCI-DSS: Specifies requirements for establishing, implementing, maintaining, and continually improving security controls to protect cardholder data and sensitive authentication data throughout the payment lifecycle within the context of the organization.

FABMISR's cyber defense mechanism relies on advanced technology risk assessments and strict data privacy control systems. The bank's security information and event management systems utilize predictive analytics to detect, isolate, and neutralize cyber threats before they disrupt critical banking infrastructure.

Standardized Quantitative Disclosures

Cyber Performance Metrics: Tracking parameters for IT infrastructure availability, security incident resolution times, and phishing/cyber threat resilience rates.

Recovery Time Objective (RTO): Quantitative targets tracking the maximum acceptable duration of downtime for critical banking systems (e.g., mobile banking, core ledger, clearing channels) before service restoration.

Recovery Point Objective (RPO): Metrics specifying the maximum targeted age of data that must be recovered from backup storage during a disruption to prevent financial data loss.

Disaster Recovery (DR) Test Results: Annual performance metrics from simulated crisis drills, measuring the switchover speeds and system stability metrics of secondary infrastructure.

Critical Vendor Dependencies: Qualitative assessment tracking the concentration and availability guarantees of third-party infrastructure and utility providers.

03.3

Risk Strategy 2030

1st Financial, Asset, and Strategy Governance: Focuses on the balance sheet protection, core growth strategy, and external compliance.

Pillar 1
Financial Resilience

Core Objective: Fortifying growth, profitability, and capital against market and structural headwinds.

1. Asset Liability Management (ALM): Localize RAROC and enhance FTP models to manage interest rate risk from segment-centric pricing and cost-of-fund reductions.

2. Concentration Management: Execute structural de-risking plans to optimize asset allocations within a prudent risk/return perspective.

3. Asset Quality Optimization: Minimize migration to Stage 3 and maximize NPL resolutions by redesigning the debt restructuring & emediation process based on three themes:

- Proactive restructuring
- Agile remediation
- Provision excellence

Pillar 2
Strategic & Executive Risk

Core Objective: Ensuring the viability, velocity, and quality of the 2030 strategy implementation.

1. Business Model Viability: Conduct quarterly stress tests on the corporate strategy to preserve resilience under shifting macroeconomic conditions.

2. Execution Monitoring: Track the speed and implementation quality of strategic initiatives to prevent capital misallocation.

3. Competitive Defense: Monitor market shifts to ensure the bank's "Prime Bank for Corporates" value proposition remains differentiated and sustainable.

Pillar 3
Regulatory & Compliance Risk

Core Objective: Navigating the evolving Central Bank of Egypt (CBE) and Central Bank of UAE (CBUAE) landscapes.

1. CBE & CBUAE Alignment: Ensure full compliance with the latest digital banking, cybersecurity, and consumer protection circulars, focusing heavily on "Haweya" and digital lending platforms.

2. Reporting Integrity: Automate mandatory regulatory reporting via a new data/API foundation to guarantee accuracy, timeliness, and the elimination of manual financial penalties.

2nd Operational, Cyber, Defense, and Cultural Resilience: Focuses on the technical, digital fraud, and human defense systems of the bank.

Pillar 4
Operational Resilience & Technical Continuity

Core Objective: Protecting the "Always-On" bank from systemic operational and technical failure.

1. Resilience Maturity: Deploy an end-to-end resilience integrated framework compiling cyber, tech, critical vendor/third-party, BCM, data loss, and operational risks to handle 24/7 digital delivery.

2. Infrastructure & Communications: Mitigate single-point-of-failure risks by deploying VSAT backups for critical head office applications, securing uninterrupted service for "Haweya" and end-to-end digital pipelines.

3. Audit Elevation: Elevate internal resilience audit ratings from "Improvement Needed" to "Effective" to maintain market tier-one status.

Pillar 5
Digitalization, AI & Fraud Governance

Core Objective: Managing emerging "Model-to-Loss" and "Digital-to-Fraud" risk vectors.

1. AI & Model Risk: Establish a comprehensive AI Governance framework to mitigate "black box" risks, algorithmic bias, and model drift in automated lending and Copilot tools.

2. Identity & Fraud Defense: Deploy an integrated FRAML (Fraud & AML) platform led by automated KYC/CLM to counter the elevated fraud risks of instant, non-face-to-face onboarding.

3. Cyber Resilience: Execute real-time security monitoring of the new digital portal and mobile banking platforms to actively defend against evolving external threat actors.

Pillar 6
Risk Culture & Conduct Oversight

Core Objective: Mitigating the "Risk of Human Element" in high-growth commercial environments.

1. Accountability Framework: Embed specific risk-weighted performance metrics into sales and relationship manager (RM) scorecards to actively prevent mis-selling and aggressive risk-taking.

2. Proactive Control (RCSA): Revitalize the RCSA process to empower "Agile" squads to self-identify and remediate internal system vulnerabilities early.

3. Behavioral Alignment: Cultivate a firmwide "Risk-First" mindset across the expanded sales force to ensure that all corporate revenue growth is consistently risk-adjusted.

04

Built with Purpose

Corporate Governance

04.1 Corporate Governance Framework

04.2 Board Governance

04.3 Key Board Roles and Responsibilities

04.4 Board of Directors

04.5 Board Meetings and Agendas

04.6 Board Committees

04.7 Delegation of Authority

04.8 Senior Management

04.9 Executive Committee

04.10 Annual General Assembly Meeting



Every strong organization is shaped by the way it makes decisions. FABMISR's governance framework brings together clear roles, accountable leadership, and effective oversight to guide the bank forward, ensuring every decision contributes to what we collectively build.



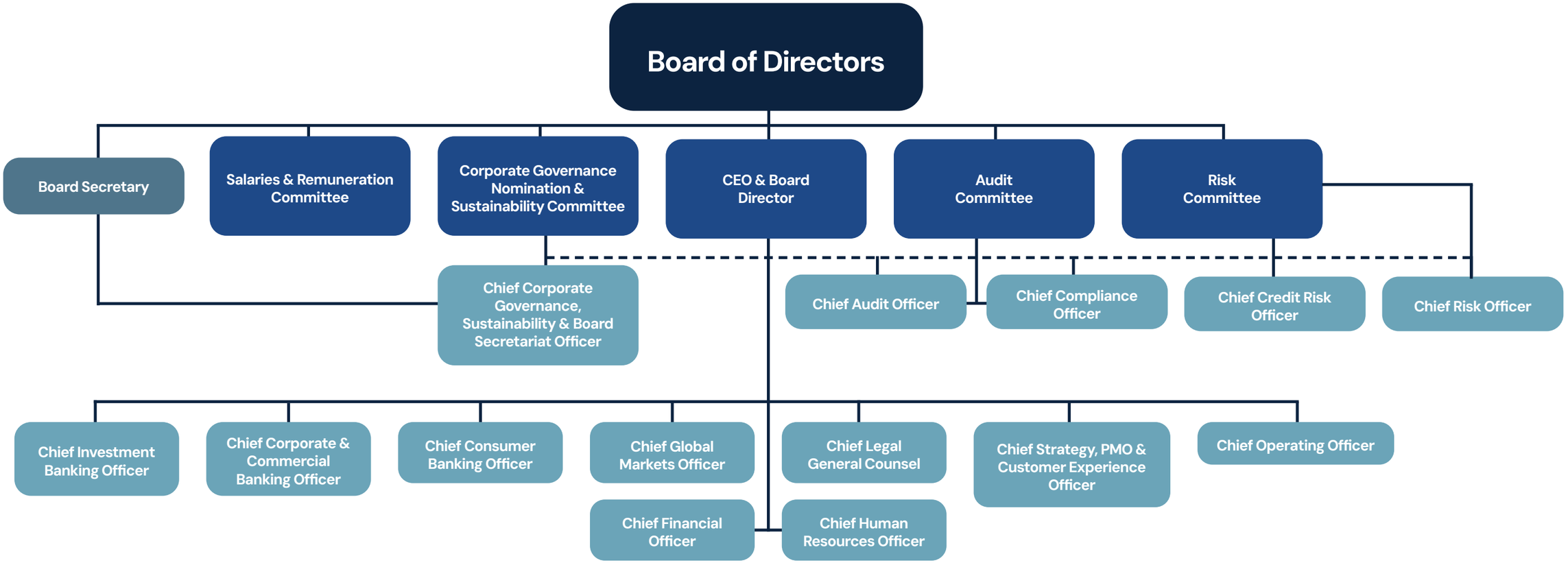
04.1

Corporate Governance Framework

At FABMISR, strong corporate governance is fundamental to achieving sustainable growth, safeguarding stakeholder interests, and maintaining the highest standards of integrity and accountability. The bank's Corporate Governance Framework establishes a robust system of oversight and decision-making that supports prudent risk management, effective internal controls, and responsible business conduct.

The Framework is aligned with the governance principles of FAB Group and complies with the applicable requirements of the CBE, the Egyptian Banking Law, the Financial Regulatory Authority (FRA) Corporate Governance Guidelines, and other relevant regulatory requirements.

During 2025, FABMISR continued to enhance its governance framework through periodic policy reviews, regulatory gap assessments, and ongoing alignment with evolving governance expectations and international best practices. These enhancements reinforce the bank's commitment to transparency, accountability, and long-term value creation.





9 Board Members	**8** Non-Executive Board Members	**4** Independent Board Members
22% Female Representation Across Board Members	**1** Executive Board Member	**6** Board Meetings

04.2

Board Governance

The board of directors provides strategic direction and independent oversight of the bank's activities, ensuring that FABMISR operates in a safe, sound, and sustainable manner. Acting in the best interests of shareholders and stakeholders, the board oversees the bank's strategy, financial performance, risk management framework, internal control environment, and regulatory compliance.

The board comprises directors with diverse professional expertise, industry knowledge, and international experience, enabling balanced decision-making and effective oversight. The board also remains committed to promoting diversity, independence, and succession planning in line with leading governance practices.

The Chairman leads the board and is responsible for its overall effectiveness, fostering constructive dialogue among directors, ensuring timely access to information, and promoting sound governance throughout the decision-making process. The Chairman also facilitates effective engagement between the board, Executive Management, shareholders, and regulators.

04.3

Key Board Roles and Responsibilities

The board of directors is responsible for providing strategic direction and effective oversight of the bank, ensuring sound governance, prudent risk management, and sustainable long-term performance. The board exercises its responsibilities through a clearly defined governance framework, supported by specialized committees and aligned with applicable regulatory requirements.

Area	Board Responsibility
Strategy	Approves the bank's strategy and monitors execution
Financial Oversight	Reviews financial performance, budgets and capital planning
Risk & Internal Control	Oversees the bank's risk management and internal control framework
Governance	Promotes sound governance and regulatory compliance
Leadership	Oversees CEO succession, senior appointments and board effectiveness
Remuneration	Oversees remuneration policies through the relevant board committee



04.4

Board of Directors

The board comprises Executive, Non-Executive, and Independent Non-Executive Directors whose collective experience spans banking, finance, risk management, governance, strategy, technology, and business leadership. This diverse composition strengthens the board's ability to provide effective oversight, challenge management constructively, and support the bank's long-term strategic objectives.

Sultan Al Jaber
Chairman,
Non-Executive Board Member

Mohamed Fayed
CEO & Managing Director

Hana Al Rostamani
Vice Chairperson,
Non-Executive Board Member

Mohamed Al Suwaidi
Independent,
Non-Executive Board Member

Syed Shueb
Independent,
Non-Executive Board Member

Futoon Al Mazrouei
Non-Executive Board Member

Ibrahim Sarhan
Independent,
Non-Executive Board Member

Yasser El Kady
Independent,
Non-Executive Board Member

Suleiman Al Armouti
Non-Executive Board Member

04.5

Board Meetings and Agenda

During 2025, the board of directors continued to provide effective oversight of the bank's strategic priorities, financial performance, governance framework, and risk profile. Through regular meetings, the board ensured that key decisions were aligned with the bank's long-term objectives and regulatory requirements.

During the year, the board:

- Reviewed and approved the bank's strategy, budget, financial statements, organizational structure, and delegation of authority
- Assessed the effectiveness of the bank's corporate governance framework, internal control environment, and regulatory compliance, while overseeing the management of conflicts of interest
- Received regular updates from the Heads of Audit, Compliance, and Risk, together with reports from the external auditors
- Reviewed matters relating to leadership, succession planning, the bank's governance framework, and key internal policies
- Conducted the annual board evaluation

The board of directors held six meetings.



04.6

Board Committees

To support the effective discharge of its responsibilities, the board has established specialized committees operating under approved charters. These committees assist the board by providing focused oversight and detailed review of key matters before making recommendations for board consideration.

Each committee is chaired by a Non-Executive Director and operates within clearly defined terms of reference. The committees meet regularly, or more frequently when required, to ensure sufficient time for discussion, review and informed decision-making.

Board Audit Committee (BAC)

Board Risk Committee (BRC)

Board Salaries and Remuneration Committee (BREMCO)

Board Corporate Governance, Nomination and Sustainability Committee (CGN&S)



Board Audit Committee (BAC)

The BAC provides key management support to the board. It assists the board in fulfilling its oversight responsibilities, ensuring quality and integrity of financial statements, disclosures, and financial reporting, effectiveness of internal control and risk management systems.

It is also responsible for the governance of Islamic activities under Shariah Board Committee supervision, compliance with laws and whistleblowing policies, and overseeing both the internal audit function and internal compliance function as well as the statutory auditors.

In 2025, the committee convened quarterly and as per the CBE corporate governance regulations issued in September 2024, maintaining a gap between Audit Committee meetings that does not exceed three months.

This meeting supports the committee in maintaining consitent oversight throughout the year.

During the year, the committee reviewed the following:

- The annual and quarterly audited financial statements and referred them to the board for final approval
- The effectiveness of the internal controls, risk management and governance systems
- The external auditors' management letter and followed up on it
- The legal cases from/against the bank and reviewed the provisions for legal cases
- The compliance activities reports presented at every meeting
- The internal audit activity reports presented at every meeting

The Board Audit Committee held four meetings during 2025.



Board Salaries and Remuneration Committee (BREMCO)

The REMCO is responsible for proposing compensation for the bank's Chief Executive Officer, reviewing and approving variable pay packages for executive officers, and ensuring alignment with performance and governance standards. The committee also proposes the remuneration structure for non-executive board members and oversees the adoption of fair, responsible, and coherent bank-wide remuneration policies.

During 2025, the committee:

- Evaluated the management's performance and made thorough and sound determinations
- Approved bonus payments and adopted the remuneration strategy for the year
- Examined HR Reports (including resignation analysis, recruitment, training & development, employees' engagement, talent management & succession planning)
- Reviewed HR policies including the personnel policy and the compensation policy and referred them to the board for final approval
- Took note of changes in senior management positions

The committee held six meetings during 2025.

Board Risk Committee (BRC)

The BRC provides holistic oversight and advice to the board on the enterprise-wide risk strategy and risk profile of FABMISR.

In 2025, the committee convened quarterly, in compliance with CBE Corporate Governance regulations.

The committee duly assisted the board in fulfilling its oversight responsibilities with respect to advising the board of directors in relation to current and potential future risk exposures of FABMISR and future risk strategy, including determination of risk appetite and tolerance.

During 2025 the committee reviewed and discussed:

- The evolution of the risk profile against the risk limits and appetite
- All risk-related policies and procedures and referred them to the board of directors
- FABMISR's risk management framework to ensure that it covers all risk types
- All other periodical risk-related matters

The Board Risk Committee held four meetings during 2025.





Board Corporate Governance, Nomination and Sustainability Committee (CGN&S)

The CGN&S provides oversight in maintaining the bank's corporate governance framework. This includes ensuring optimal board composition, effective board processes and structures, and developing corporate governance guidelines.

During 2025, the committee reviewed:

- The Corporate Governance reports and updated the Corporate Governance framework
- The bank-wide succession plan
- The semi-annual status reports on the implementation of the sustainable finance guiding principles
- Quarterly quantitative reports on sustainable financing activities within the credit portfolios
- Governance-related CBE findings and correspondence
- Confirmation of CEO powers as required by law
- FABMISR's compliance with governance-related policies and regulations

The committee held three meetings during 2025.

04.7

Delegation of Authority

FABMISR board of directors is collectively responsible for the long-term success of the bank and the delivery of sustainable value to shareholders and for ensuring effective control over the bank.

The board is responsible for setting the bank's strategic objectives and defining its risk tolerance level. While retaining certain reserved powers, the board delegates authority for day-to-day management and execution of strategic priorities to the Chief Executive Officer & Managing Director (CEO&MD). This delegation ensures operational efficiency while maintaining robust accountability.

Powers are delegated via official powers of attorney (POAs), issued by the board. The bank undertook a comprehensive review and renewal of POAs granted to the CEO and the senior executives. This process was carefully reviewed by FAB Group & FABMISR's legal department, and corporate governance to ensure that all powers were properly documented, in line with local regulatory and legal requirements in Egypt. Additional POAs may be issued to other employees or external representatives (e.g., legal counsel) as required in accordance with the approved FABMISR DOA.

Remuneration

FABMISR board of directors approves the remuneration policy and framework for the board, senior management, and control functions, ensuring it promotes prudent risk-taking and long-term value creation, in accordance with CBE corporate governance guidelines.

It also ensures that remuneration practices are aligned with performance outcomes, fairness principles, and transparency standards across the bank.



04.8

Senior Management

Mohamed Abbas Fayed
Chief Executive Officer & Managing Director

Tamer Abdelwahed
Chief Financial Officer

Ahmed Mamdouh
Chief Corporate Governance, Sustainability Strategy & Board Secretariat Officer

Tamer Mohamed Tawfik
Chief Investment Banking Officer

Sherif Sabry
Chief Corporate & Commercial Banking Officer

Mohamed Galal Eldin
Chief Global Markets Officer

Mariam Elsamny
Head of Consumer Banking

Omar Negm
Chief Risk Officer

Hatem Abouelenein
Chief Human Resources Officer

Tarek Elmosallamy
Acting Chief Credit Officer

Hesham Ragab
Chief Legal General Counsel

Bassel Kelada
Chief Operations Officer

Safaa El Ashry
Chief Compliance Officer

04.9

Executive Committees

Management Committees are formed among the senior management of the bank to ensure adequate oversight over risk, compliance, technology, products and services and other business functions.

The committees meet periodically, and recommendations are shared with the board level committees (as applicable) for review and decision-making as appropriate.

- Executive Management Committee (EXCO)
- Information Technology Steering Committee
- Risk & Compliance Management Committee (RCMC)
- Human Resources Steering Committee (HRSC)
- Asset & Liability Management Committee (ALCO)
- Credit Management Committee
- Health & Safety Committee
- New Activity Working Committee (NAWC)
- Cybersecurity Steering Committee
- Sustainability & Sustainable Finance Committee

Executive Management Committee (EXCO)

The committee is delegated to support the bank and key executives in carrying out its duties and ensure that FAB Group's vision, mission, and objectives are communicated and cascaded to FABMISR.

EXCO supports the CEO in guiding the bank and its day to day management of matters relating to the organizational and institutional framework, strategy and financial planning, customer experience, the budget implementation, and FABMISR's business plan as per the strategy approved by the board and key executives. It oversees and reviews material aspects of the FABMISR business.

EXCO held eleven meetings during 2025.

Risk & Compliance Management Committee (RCMC)

The committee is delegated to define, develop, and periodically monitor the bank's risk appetite along with its related methodology, parameters, targets, and tolerances taking into account the bank's strategy and business planning. It will report relevant matters to the EXCO and Board Risk Committee (as applicable) advising and informing them a risk required on the bank's risk appetite and framework.

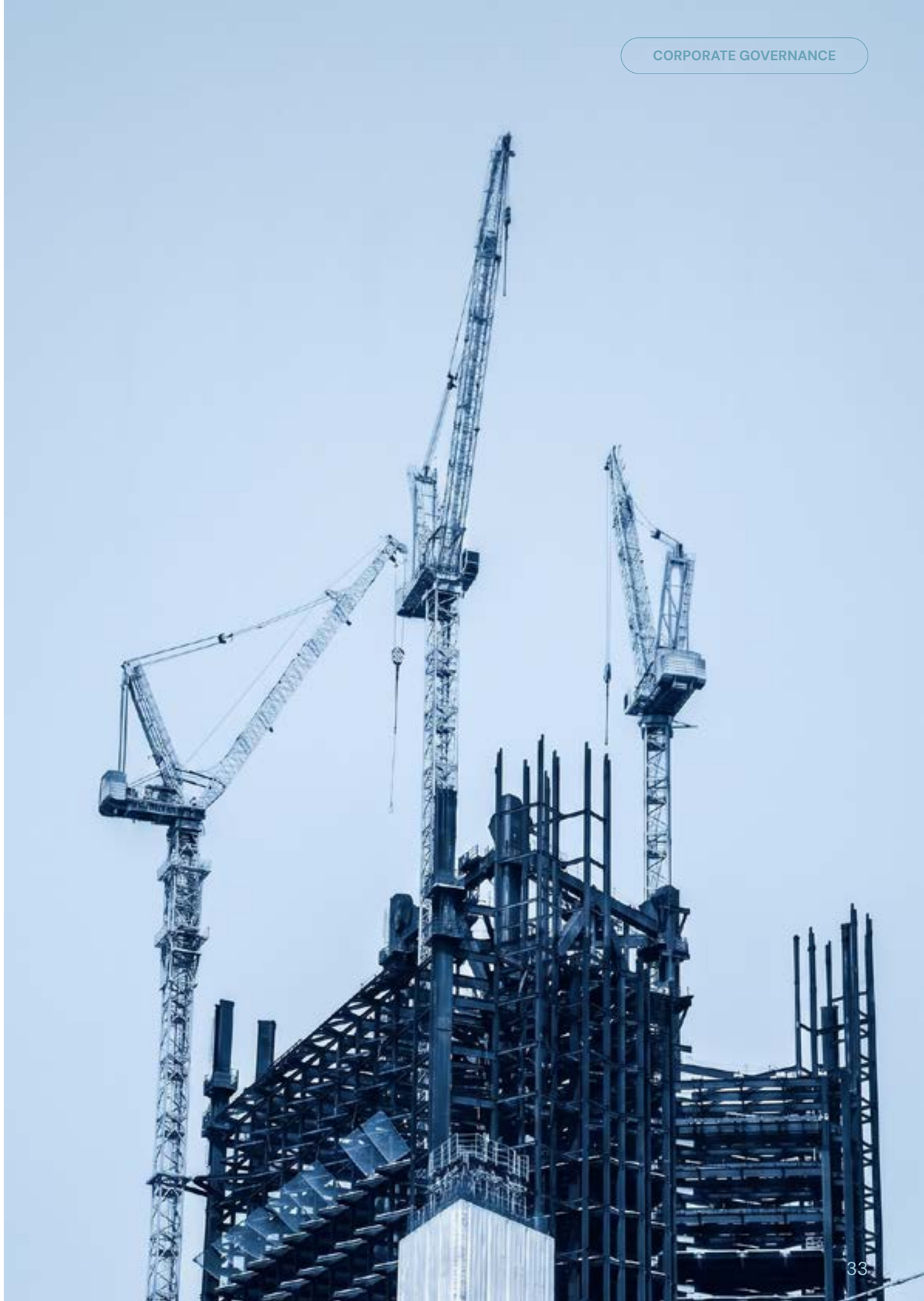
RCMC is responsible for promoting and overseeing risk management policies, risk culture and awareness across the bank as per FABMISR approval matrix. It also ensures effective management of compliance and corporate governance throughout the bank.

RCMC held six meetings during 2025.

Health & Safety Committee

The committee is delegated to take administrative & organizational measures to prepare the organizational structure for the occupational health & safety regulations and secure the work environment in accordance with the provisions of the Labour Law. It develops plans, and estimates the needs of Health and Safety staff, tools and systems to achieve the health, safety and environment goals. FABMISR has established FABMISR Health & Safety to be concerned with examining work conditions and the causes of accidents, injuries, pandemics and implementing precautions to prevent them.

The committee held twelve meetings during 2025.



Asset & Liability Management Committee (ALCO)

The committee is delegated to assist the board in fulfilling its oversight responsibilities related to asset and liability management, and to derive and implement the most appropriate strategy for the bank in terms of the mix of assets and liabilities given its expectations of the future, and potential consequences, of interest/profit rate movements, liquidity constraints, foreign exchange exposure and capital adequacy. The committee must be constantly aware of and actively manage these risks and their potential impact on the bank's business and strategic objectives. It is also responsible for the management of the liquidity and market risks arising from the bank's assets and liabilities and off-balance sheet items from a risk-return perspective, and in alignment with the bank's strategic directions.

ALCO ensures the effective management of the principles laid down in the relevant global markets business policies and market risk management policies and its multiple operating policies. It is also responsible for fair valuation governance which includes, but is not limited to, providing oversight on fair valuation practice, and ensuring effective and robust fair valuation process in place, approving relevant procedures and regularly reviewing and recommending for board approval the fair valuation policies as well as addressing significant fair valuation issues on timely basis as prescribed in FABMISR approval matrix.

ALCO held eleven meetings during 2025.

Cybersecurity Steering Committee

The committee is delegated to assist in fulfilling oversight responsibilities of cybersecurity functions across the bank and supports the work of FABMISR Board Risk Committee in its oversight of the cybersecurity framework. The committee is also responsible for providing strategic guidance and approval of the cybersecurity strategy, policy, procedures and recommend them for board approval. The committee assists stakeholders in striking the necessary balance and tone to maintain a security focus in a way that supports the overarching organizational objectives.

The committee held six meetings during 2025.

Information Technology Steering Committee

The committee is delegated to assist in fulfilling oversight responsibilities related to the governance and oversight responsibilities of all technology and information systems across the bank and supports the work of the Board Risk Committee in its oversight of the bank IT governance framework. The committee will also work with the bank's EXCO regarding significant technology investments in support of the bank's strategy. The committee ensures alignment of business strategies with technology priorities and acts to protect and enhance the shareholders' investment in technology.

The committee held three meetings during 2025.

Human Resources Steering Committee (HRSC)

The committee is delegated to provide a forum to discuss and approve HR initiatives, SOPs, review and recommend policies to the BOD in order to ensure that the needs of the organization from an employee perspective are considered and changes, as necessary, are approved or are submitted for approval to the relevant governance body. The HRSC is the formal sponsor of all material HR initiatives across the bank in line with the bank's human capital strategy.

The committee held three meetings during 2025.

Credit Management Committee

The committee is delegated to assist in the development and implementation of the bank's credit and investment strategy and the related policies and procedures. The aim of the Credit Committee is to have an overall credit oversight of the bank and decide on credit policy and governance related matters. It also oversees the credit and lending strategies and objectives of the bank, including identifying and managing the bank's credit exposure and its response to trends affecting exposure. The committee will review the quality and performance of the bank's credit portfolio. It also oversees the credit function of the bank.

The committee held three meetings during 2025.

New Activity Working Committee (NAWC)

NAWC is responsible for all new products that require concurrence from New Activity Working Committee. Post NAWC approval and depending upon the nature of the products; asset products will need to have the clearance from Credit Management Committee while liability products (including deposits) and products carrying market risk exposure will need clearance by ALCO, and Internal Shariah Supervisory Committee (ISSC) (in case of Islamic products) and finally to be approved by EXCO.

Sustainability & Sustainable Finance Committee

The committee is delegated to be responsible for the implementation of the bank's ESG strategy, ESG risk policy and sustainable finance framework, and CBE's guiding principles on sustainable finance.

The committee held two meetings during 2025.

04.10

Annual General Assembly Meeting

The bank's General Assembly meeting is an important part of FABMISR's governance framework, and an opportunity for shareholders to engage with the board. The General Assembly meeting was held on the 3rd of March 2025 and approved the following main agenda items:

During the meeting, shareholders:

- Board of directors' and external auditors' reports for the bank's activities, balance sheet, statement of income and other financial statements of the financial year ended 31 December 2024
- The proposed profit share distribution
- Appointment of the bank's external auditors for the financial year ending 31 December 2025 and determination of their remuneration
- Determination of the remuneration and/or attendance allowances payable to the members of the board of directors for board meetings in respect of the financial year ended 31 December 2024
- Authorizing the board of directors donations within the limits prescribed by law during the financial year ending 31 December 2025
- The statement of donations report of year 2024

05

Built to Deliver

Financial Review

05.1 Independent Auditors' Report

05.2 Financial Position

05.3 Income Statement

05.4 Statement of Cash Flow

05.5 Statement of Changes in Equity

05.6 Statement of Proposed Appropriation

05.7 Notes to the Financial Statements

Strong foundations are ultimately measured by what they enable. FABMISR's financial performance reflects the outcomes of disciplined execution and collective progress across the bank. This transforms what we build into value we can measure.



05.1

Independent Auditors' Report

To the Shareholders of First Abu Dhabi Bank Misr "S.A.E"

Report on the financial statements

We have audited the accompanying financial statements of First Abu Dhabi Bank Misr "S.A.E" (the "bank") which comprise the statement of financial position as of 31 December 2025 and the statements of income, comprehensive income, cash flows and changes in shareholder's equity for the financial year then ended, and a summary of significant accounting policies and other notes.

Management's responsibility for the financial statements

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

Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the 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 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 and the accounting estimates made by management, as well as the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of First Abu Dhabi Bank Misr "S.A.E" as of 31 December 2025, and its financial performance and its cash flows for the financial year then ended, in accordance with "the Rules of preparation and presentation of the banks' financial statements, and basis of recognition and measurement issued by the Central Bank of Egypt on 16 December 2008 as amended by the regulations issued on 26 February 2019", and in light of the applicable relevant Egyptian laws and regulations.

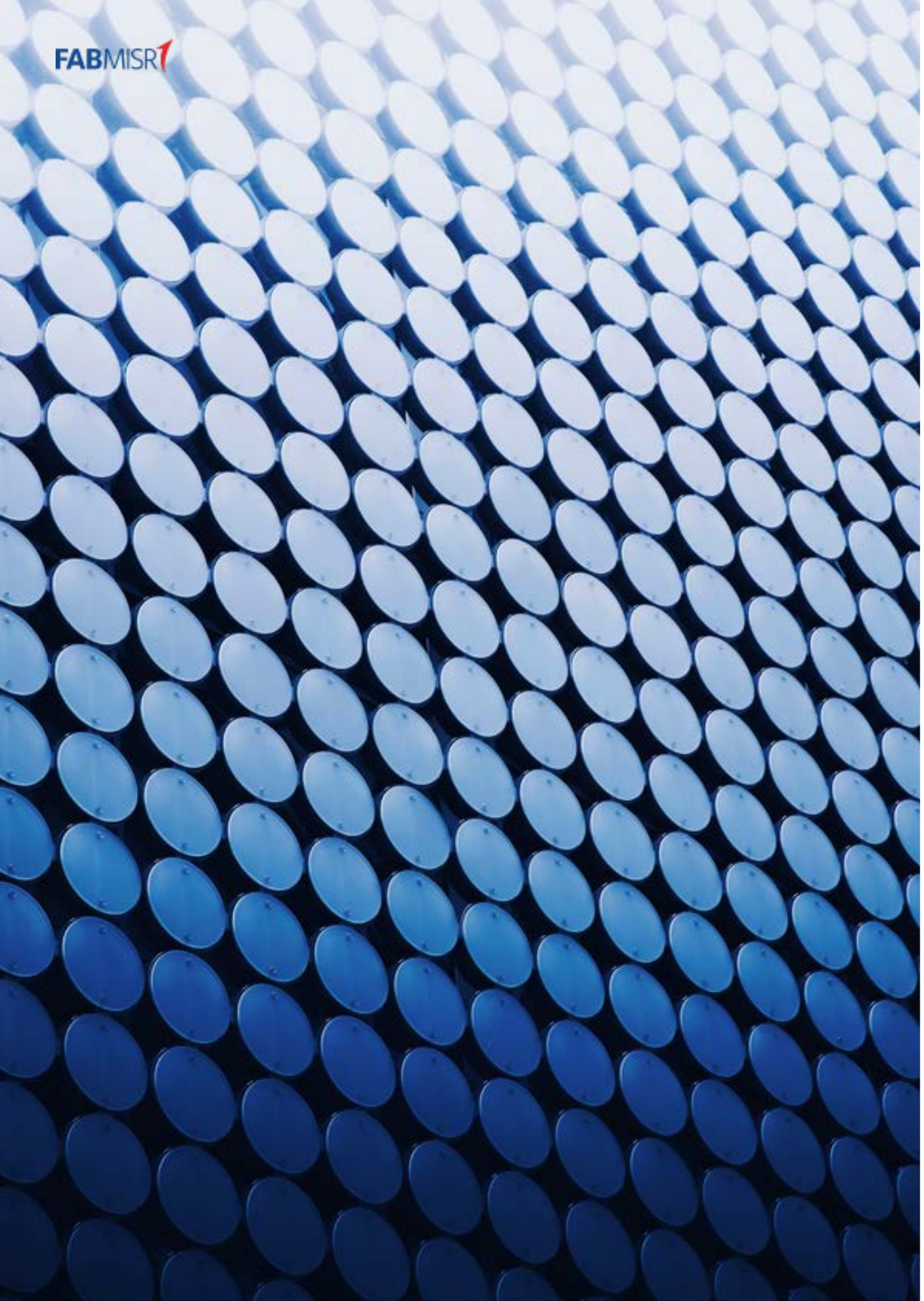
Report on other legal and regulatory requirements

We did not note material contravention, during the financial year ended 31 December 2025 of the relevant provisions of the "Central Bank of Egypt and the Banking Sector Law no 194 of 2020", in the light of our audit of the financial statements of First Abu Dhabi Bank Misr "S.A.E".

The bank maintains proper financial records that include all what have been stipulated by the applicable law and the bank's statutes to be recorded therein, and the accompanying financial statements are in agreement with the financial records.

The financial information included in the Board of Directors' report, that is prepared in accordance with

Law no. 159 of 1981 and its executive regulations, is in agreement with the bank's accounting records, within the limits that such information recorded therein.



05.2

Financial Position

Statement of Financial Position as of 31 December 2025

Assets	Note	31 December 2025	31 December 2024
		Egyptian Pound	Egyptian Pound
Cash and balances with the central bank within reserve	13	39,560,420,299	19,754,385,881
Due from banks	14	76,010,016,418	112,240,364,109
Loans and advances to customers	15	183,944,996,002	142,036,803,011
Financial derivatives	16	14,059,946	124,614,088
Financial investments	17		
Financial assets at fair value through P&L		8,469,503,920	14,986,740
Financial assets at fair value through OCI		165,666,215,647	129,675,749,835
Financial assets at amortized cost		–	311,581,833
Other assets	18	6,699,726,938	5,572,617,448
Intangible assets	19	564,415,123	421,761,512
Fixed assets	20	3,291,922,105	2,554,919,162
Total Assets		**484,221,276,398**	**412,707,783,619**
Liabilities and Shareholders' Equity			
Liabilities			
Due to banks	21	42,470,390,201	60,009,727,518
Customers' deposits	22	333,867,235,463	258,790,537,698
Financial derivatives	16	37,178,760	140,021,585
Subordinated loans	23	9,534,240,000	10,777,825,600
Other liabilities	24	12,410,910,284	11,965,743,136
Other provisions	25	1,632,891,790	1,080,787,901
Current income tax liabilities	12	4,114,321,304	4,989,675,775
Deferred tax liabilities	26	3,885,766,348	4,164,462,961
Retirement benefit obligations	27	334,303,089	290,261,510
Total Liabilities		**408,287,237,239**	**352,209,043,684**
Shareholders' Equity			
Paid-up capital	28	15,565,454,610	15,565,454,610
Reserves	29	6,144,651,840	4,381,341,716
Retained earnings	30	54,223,932,709	40,551,943,609
Total Shareholders' Equity		75,934,039,159	60,498,739,935
Total Liabilities & Shareholders' Equity		**484,221,276,398**	**412,707,783,619**

05.3

Income Statement

Statement of income for the year ended 31 December 2025

	Note	31 December 2025	31 December 2024
		Egyptian Pound	Egyptian Pound
Loans interest and similar income		72,874,872,395	70,416,041,928
Deposits interest and similar expenses		(42,289,546,620)	(38,422,461,935)
Net Interest Income	6	**30,585,325,775**	**31,993,579,993**
Fees and commission income		3,489,054,783	2,672,901,408
Fees and commission expense		(468,053,806)	(185,955,942)
Net fees and commission income	7	**3,021,000,977**	**2,486,945,466**
Dividends income		12,966,905	9,780,083
(Loss) gain from financial Investments	17	64,835,494	(101,317,901)
Net trading income	8	804,091,974	3,891,555,542
Expected credit loss	9	(509,685,715)	(2,242,883,949)
General and administrative expenses	10	(5,654,336,627)	(3,664,787,577)
Other operating income (expense)	11	(3,488,455,619)	3,797,193,844
Profit before income tax		**24,835,743,164**	**36,170,065,501**
Income tax expense	12	(8,176,346,546)	(9,820,355,728)
Net profit for the year		**16,659,396,618**	**26,349,709,773**
Earnings per share		**168.38**	**266.32**

Comprehensive Income Statement

Statement of comprehensive income for the year ended 31 December 2025

	Note	31 December 2025	31 December 2024
		Egyptian Pound	Egyptian Pound
Net Profit for the Year After Tax		**16,659,396,618**	**26,349,709,773**
Instruments that are not re-classed through profit or loss			
Net change in fair value of equity instruments measured at fair value through other comprehensive income	17	49,103,352	57,948,991
Re-measurement of retirement Benefit obligations	27	51,948,055	(25,771,190)
		101,051,407	**32,177,801**
Instruments that are re-classed through profit or loss			
Change in fair value of debt Instruments measured at fair value through other comprehensive income	17	756,486,947	1,643,396,753
Deferred taxes on debt instruments at fair value through comprehensive income	26	(96,048,166)	(242,749,370)
Expected credit loss for debt Instruments at FVTOCI	17	(368,701,848)	141,432,164
		291,736,933	1,542,079,547
Total comprehensive income items for the year		**392,788,340**	**1,574,257,348**
Total comprehensive income for the year		**17,052,184,958**	**27,923,967,121**

05.4

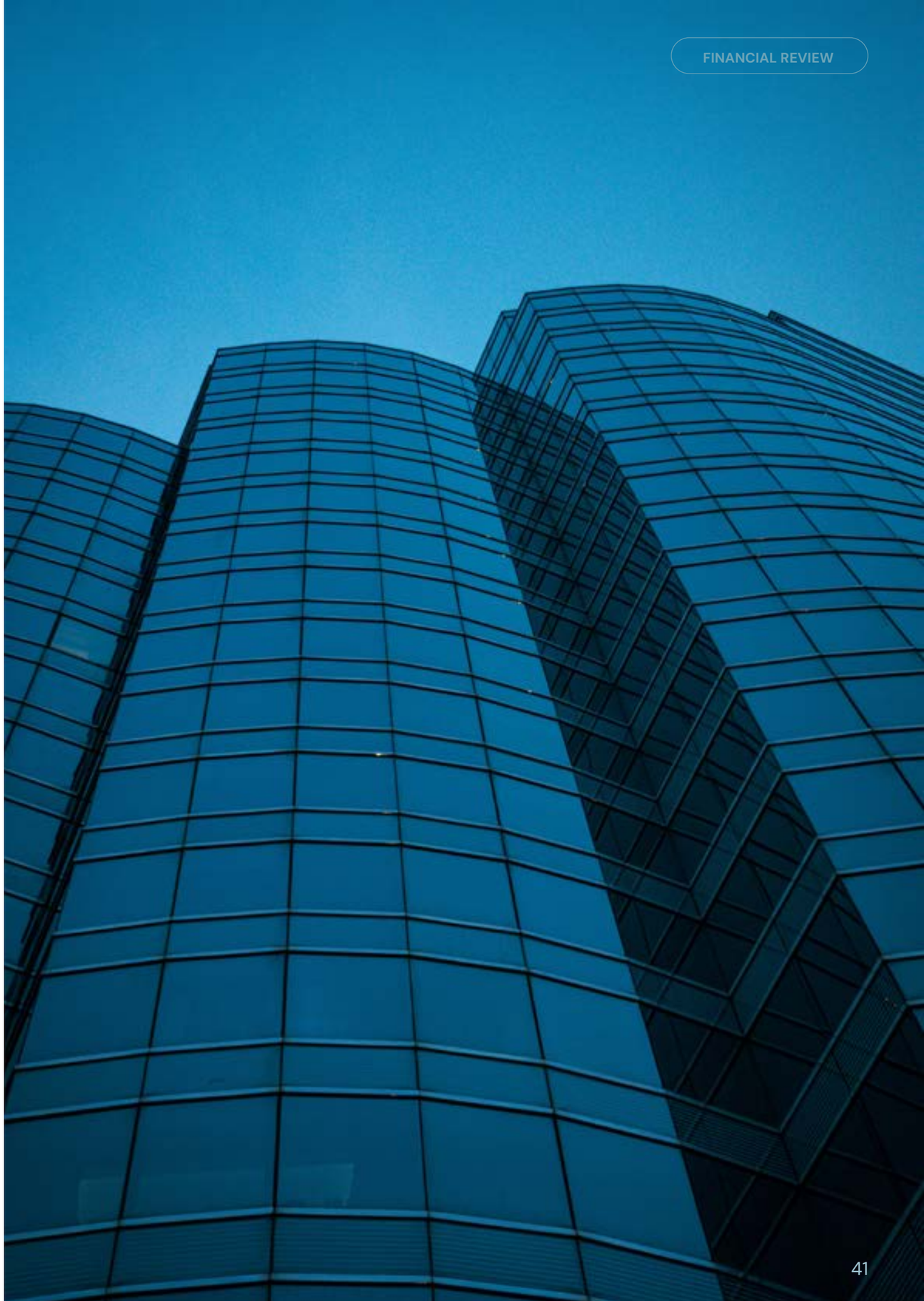
Statement of Cash Flow

Statement of cash flow for the year ended 31 December 2025

	Note	31 December 2025	31 December 2024
		Egyptian Pound	Egyptian Pound
Cash flows from operating activities			
Profit before income tax		**24,835,743,164**	**36,170,065,501**
Adjustments to reconcile profit to cash flows from operating activities			
Depreciation and amortization	(19-20)	480,826,966	451,057,965
Expected credit loss (loans and advances to customers)	(9)	509,685,715	2,242,883,949
Impairment from other provision	(25)	720,746,911	349,887,474
Profits from financial investment	(17)	(64,835,494)	101,317,901
Foreign currencies revaluation of other provisions other than loans	(9-25)	(60,703,873)	188,276,260
Foreign currencies revaluation of financial investment	(17)	67,186,819	(717,364,350)
Gains on sale of fixed assets		(12,145,127)	(55,827,679)
Amortization of premium (discount) of issuing financial investments		-	(2,272,826)
Distribution of financial investments dividend		(12,966,905)	(9,780,083)
Foreign currencies revaluation of deferred tax liabilities	(26)	-	(28,852,213)
Retirement benefit liabilities	(27)	105,778,839	97,978,193
Operating profit before changes in operating assets and liabilities		**26,569,317,015**	**38,787,370,092**
Net decrease (increase) in assets			
Due from banks		10,702,123,518	(18,459,619,118)
Due from Central Bank of Egypt within reserve ratio		(20,036,074,818)	519,679,437
Financial assets at fair value through profit or loss		(8,454,517,180)	40,011,611
Loans and advances to customers		(42,775,533,966)	(57,588,147,462)
Financial derivatives (net)		7,711,317	110,879,891
Other assets		(1,249,686,156)	(1,590,397,112)
Net increase (decrease) in liabilities			
Due to banks		(17,539,337,317)	17,479,373,424
Customers' deposits		75,076,697,765	58,626,642,467
Other liabilities		445,167,148	4,350,365,026
Current income tax paid	(12)	(9,426,445,796)	(4,283,420,213)
Utilized from other provisions other than expected credit loss	(25)	(149,461,919)	(61,563,956)
Retirement benefit obligations	(27)	(9,789,205)	(17,851,533)
Net cash flow generated from operating activities (1)		**13,160,170,406**	**37,913,322,554**

Statement of Cash Flow for the year ended 31 December 2025

Cash flows from operating activities	Note	31 December 2025	31 December 2024
		Egyptian Pound	Egyptian Pound
Net cash flow generated from operating activities (1)		**13,160,170,406**	**37,913,322,554**
Cash flows from investing activities			
Payments for purchase of fixed assets and intangible assets	(19-20)	(1,360,901,292)	(1,729,358,423)
Proceeds from sale of fixed assets		12,562,899	57,681,402
Payment for purchases of financial assets other than trading	(17)	(141,649,360,347)	(108,988,455,914)
Proceeds from selling financial assets other than trading		140,019,686,932	71,225,206,991
Dividends paid		12,966,905	9,780,083
Net cash flows used in investing activities (2)		**(2,965,044,903)**	**(39,425,145,861)**
Cash flows generated from financing activities			
Paid for banks support and development		(262,938,821)	(104,226,680)
Paid subordinated loan	(23)	(1,243,585,600)	3,857,771,200
Dividends paid		(1,353,946,913)	(1,042,266,803)
Net cash flows (used in) generated from financing activities (3)		**(2,860,471,334)**	**2,711,277,717**
Cash flows generated from financing activities			
Net change in cash and cash equivalents during the year (1+2+3)		7,334,654,169	1,199,454,410
Cash and cash equivalents' balance at the Beginning of the year		140,201,436,814	139,001,982,404
Cash and cash equivalents' balance at the end of the year		**147,536,090,983**	**140,201,436,814**
Cash and cash equivalents comprise:			
Cash and balances with the central bank	(13)	39,560,420,299	19,754,385,881
Due from banks	(14)	76,035,294,901	112,418,695,439
Treasury bills	(17)	136,077,491,357	94,101,454,277
Due from the central bank within the reserve ratio	(13)	(38,094,628,144)	(18,058,553,326)
Due from banks with maturities of more than three months from the date of acquisition	(14)	(7,757,495,600)	(18,459,619,118)
Treasury bills with maturities of more than three months from the date of acquisition	(17)	(58,284,991,830)	(49,554,926,339)
Cash and cash equivalents balance at end Of the year	(32)	**147,536,090,983**	**140,201,436,814**



05.5

Statement of Changes in Equity

Statement of changes in shareholder's equity for the year ended 31 December 2025

	Paid up Capital	General and Capital Reserve	Legal Reserve	General Risk Reserve	Banking Risk Reserve	Reserve Resulting from the Merger	Translation Reserve	Reserve for Financial Assets at Fair Value through OCI	Retained Earnings	Total
Balance at the beginning of the year 2024	**15,565,454,610**	**7,588,063**	**314,396,234**	**564,449,849**	**8,147,626**	**512,241,474**	**1,878,725,890**	**(1,001,653,462)**	**15,871,916,013**	**33,721,266,297**
Transferred to reserves	-	2,055,292	521,133,402	-	-	-	-	-	(523,188,694)	-
Employees' share of profit for 2023	-	-	-	-	-	-	-	-	(1,042,266,803)	(1,042,266,803)
Banking sector support and development fund	-	-	-	-	-	-	-	-	(104,226,680)	(104,226,680)
Net change in fair value of financial investments through comprehensive income	-	-	-	-	-	-	-	1,574,257,348	-	1,574,257,348
Net profit for the year after tax	-	-	-	-	-	-	-	-	26,349,709,773	26,349,709,773
Balance at the end of the year 2024	**15,565,454,610**	**9,643,355**	**835,529,636**	**564,449,849**	**8,147,626**	**512,241,474**	**1,878,725,890**	**572,603,886**	**40,551,943,609**	**60,498,739,935**
Balance at the beginning of the year 2025	**15,565,454,610**	**9,643,355**	**835,529,636**	**564,449,849**	**8,147,626**	**512,241,474**	**1,878,725,890**	**572,603,886**	**40,551,943,609**	**60,498,739,935**
Transferred to reserves	-	55,827,679	1,314,694,105	-	-	-	-	-	(1,370,521,784)	-
Employees' share of profit for 2024	-	-	-	-	-	-	-	-	(1,353,946,913)	(1,353,946,913)
Banking sector support and development fund	-	-	-	-	-	-	-	-	(262,938,821)	(262,938,821)
Net change in fair value of financial investments through comprehensive income	-	-	-	-	-	-	-	392,788,340	-	392,788,340
Net profit for the year after tax	-	-	-	-	-	-	-	-	16,659,396,618	16,659,396,618
Balance at the end of the year 2025	**15,565,454,610**	**65,471,034**	**2,150,223,741**	**564,449,849**	**8,147,626**	**512,241,474**	**1,878,725,890**	**965,392,226**	**54,223,932,709**	**75,934,039,159**

05.6

Statement of Proposed Appropriation

Statement of proposed appropriation for the year ended 31 December 2025

	31 December 2025	31 December 2024
	Egyptian Pound	Egyptian Pound
Net profit for the year	**16,659,396,618**	**26,349,709,773**
Less:		
Gain on sale of fixed assets transferred to capital reserve in accordance with the provisions of the law	(12,145,127)	(55,827,679)
Net distributable profit for the year	**16,647,251,491**	**26,293,882,094**
Add:		
Retained earnings at the beginning of the year	37,564,536,091	14,202,233,836
	54,211,787,582	**40,496,115,930**
Distributed as follows:		
Legal reserve	832,362,575	1,314,694,105
Banking sector support and development fund	166,472,515	262,938,821
Employees profit share	1,664,725,149	1,353,946,913
Shareholders first share	778,272,731	-
Board of directors remuneration	277,812,750	-
Shareholders additional share	10,950,527,269	-
Retained earnings	39,541,614,593	37,564,536,091
Total	**54,211,787,582**	**40,496,115,930**

05.7

Notes to the Financial Statement for the Year Ended 31 December, 2025

1- General information

First Abu Dhabi Misr Bank "S.A.E" (formerly Audi Bank) provides retail, corporate and investment banking services in the Arab Republic of Egypt through 73 Branches served by 2,524 employees at the date of the financial position.

First Abu Dhabi Misr Bank "S.A.E" (formerly Audi Bank) is a Joint-Stock Company that was established in Egypt under the investment law No. 43/1974 and its amending laws and executive regulations and the bank's head office is located in Cairo.

FABMISR is one of the members of FAB (U.A.E) that is a public general joint stock company registered in Abu Dhabi - U.A.E.

On 15 February 2026 the financial statements were approved for issuance by the board of directors.

2- Summary of accounting policies:

The key accounting policies followed in the preparation of these financial statements are listed below. These policies have been consistently followed across all presented years, unless otherwise stated.

(A) Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Central Bank of Egypt instructions approved by its board of directors on 16 December 2008, with the addition of the International Financial Reporting Standards IFRS9 (financial instruments) in accordance with the instructions issued by the Central Bank of Egypt and its amendments on 26 February 2019, as well as in light of prevailing Egyptian laws and regulations.

(B) Segmental 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 a particular economic environment that are subject to risks and returns different from other geographical segments operating in different economic environments.

(C) Foreign currencies translation

C-1 Functional and presentation currency

The bank's financial statements are presented in Egyptian Pound, which represents the bank's functional and presentation currency.

C-2 Transactions and balances in foreign currencies

The bank maintains its accounts in Egyptian Pound. Foreign currency transactions during the financial year are translated using the exchange rates prevailing at the date of the transactions. All monetary assets and liabilities balances in foreign currencies at the balance sheet date are translated at the exchange rates prevailing at that date. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in the following items in the statement of profit or loss:

• Net trading income for trading assets and liabilities or net income from financial instruments designated at fair value through profit or loss.

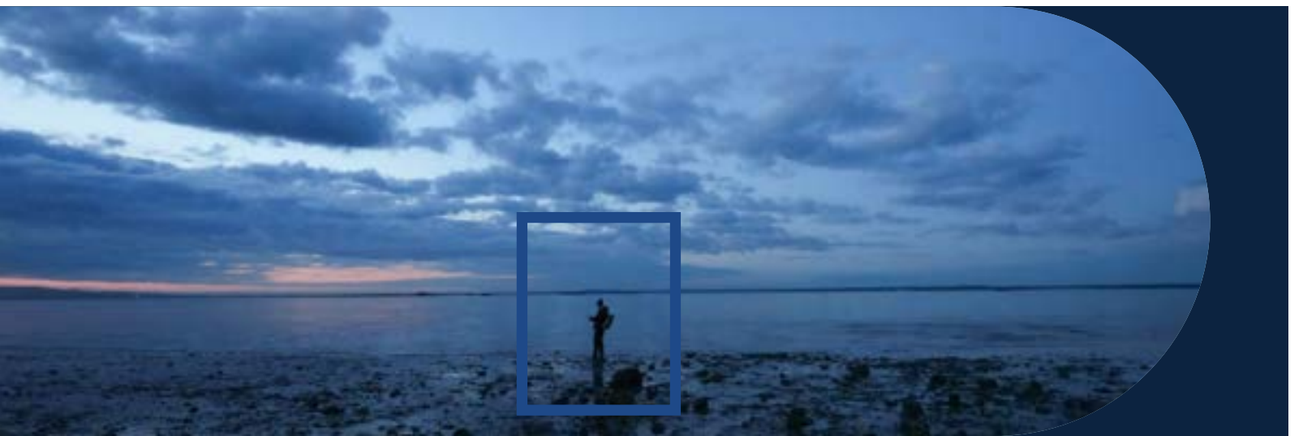
• Under other comprehensive income items by equity for financial derivatives as eligible coverage of cash flows or net investments.

• Under other comprehensive income items by equity for financial instruments at Fair value through other comprehensive income equity.

• Other operating income (expenses) for the other items.

• Changes in the fair value of monetary financial instruments in foreign currencies classified as investments at fair value through comprehensive income as revaluation differences resulting from changes in amortized cost of the instrument, differences resulted from changes in applicable exchange rates and differences resulted from changes in the instrument's fair value. Revaluation differences relating to changes in amortized cost are recognized in the statement of profit or loss under "Interest on loans and similar income" while differences relating to foreign exchange rates are recognized under item "other operating income (expenses). And is recognized within items of comprehensive income under differences related to the change in the fair value (fair value reserve / financial investments at fair value through comprehensive income).

• Valuation differences resulting from the measurement of non-monetary items include profits and losses resulting from changing fair value, such as equity instruments held at fair value through profit or loss. Valuation differences resulting from equity instruments classified as financial investments at fair value through comprehensive income within statement of comprehensive income.



(D) Financial assets

(D-1) Initial recognition and measurement

The bank makes the initial recognition of financial assets and financial liabilities on the date on which the bank becomes a party to the contractual provisions of the financial instrument.

The financial asset and liability are measured initially at fair value, and for those that are not subsequently measured at fair value through profit or loss, they are measured at fair value plus the transaction cost that is directly related to the acquisition or issue.
At the initial recognition, the bank classifies the financial asset into financial assets at amortized cost, financial assets at fair value through comprehensive income or at fair value through profit or loss.

D-1-1 Financial assets at amortized cost

A financial asset is measured at amortized cost if it meets both of the following two conditions and is not designated as fair value through profit or loss:

The asset is held within a business model whose objective is to hold assets to collect contractual cashflows.

The contractual terms of financial asset on specified dates, arise cash flows that are solely payments of principal and interest ("SPPI").

D-1-2 Financial assets at fair value through other comprehensive income

A debt instrument is measured at fair value through other comprehensive income, provided that it was not designated at initial recognition as at fair value through profit or loss, and both of the following conditions are met:

The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

The contractual terms of financial asset on specified dates, arise cash flows that are solely payments of principal and interest ("SPPI").

Upon the initial recognition of an equity investment that is not held for trading, the bank may irrevocably choose to present the subsequent changes in fair value within the other comprehensive income items and this choice is made on each investment separately.

D-1-3 Financial assets at fair value through profit or loss

The remaining other financial assets are classified as financial investments at fair value through profit or loss.

In addition, the bank can upon initial recognition, irrevocably designate a financial asset that is measured at fair value through profit or loss, despite its fulfillment of the conditions for classification as a financial asset at amortized cost or at fair value through the comprehensive income. If doing so prevents or substantially reduces the conflict that may arise in the accounting measurement.

(D) Financial assets

D-2 Reclassification

Financial assets are not reclassified after initial recognition until - and only when - the bank changes the business model used for managing these assets.

In all cases, there is no reclassification between the items of financial liabilities at fair value through profits and losses, and financial liabilities at amortized cost

D-3 De-recognition

The financial asset is derecognized when the assets are redeemed or the rights to cash flows from the assets otherwise expired or when the bank transfers the right to receive contractual cash flows in a transaction whereby the risks and benefits associated with ownership are transferred to another party.

When derecognizing a financial asset, the difference between the book value of the asset (or the book value allocated to the part of the asset that was derecognized) and Consideration received (including any new asset obtained minus any new liability) and any profits or losses previously recognized in the fair value reserve for financial investments measured at fair value through other comprehensive income. Any cumulative profits or losses that have been recognized in the statement of comprehensive income related to the investment in equity instruments that have been designated as investments at fair value through comprehensive income, are not recognized in profit and losses upon disposal of that asset. Any share that arose or was retained from the asset that qualifies for disposal (which fulfills the conditions for disposal) is recognized as a separate asset or liability.

When the bank enters into transactions whereby it transfers assets previously recognized in the Statement of financial position, but retains all or substantially most of the risks and benefits associated with the transferred asset or part of it. In these cases, the transferred asset is not derecognized.

Transactions in which the bank neither retains nor transfers all the risks and benefits associated with ownership of the asset and maintains control over the asset, the bank continues to recognize the asset to the extent of its continuing connection to the financial asset, and the bank's continuing linkage to the financial asset is determined by the bank's exposure to changes in the value of the transferred asset.

In some transactions, the bank retains the obligation to service the transferred asset in exchange for a commission, then the transferred asset is derecognized if it meets the conditions for de-recognition. The asset or liability of the service contract is recognized if the service commission is greater than the appropriate amount (asset) or less than the appropriate amount (liability) to perform the service.



D-4 Adjustments to financial assets

Financial assets

If the terms of a financial asset are modified, the bank assesses whether the modified asset's cash flows are materially different. If the cash flows are fundamentally different, then the contractual rights to cash flows from the original financial asset are considered expired, and then the original financial asset is derecognized, and a new financial asset is recognized at fair value and the value resulting from the adjustment of the total book value is recognized as profits or losses in profit and loss. If the adjustment occurred due to financial difficulties of the borrower, then profits are deferred and presented with the accumulated impairment losses, while the losses are recognized in the statement of profit or losses.

If the cash flows of the modified asset recognized at amortized cost are not materially different, then the adjustment does not result in the de-recognition of the financial asset.

Financial liabilities

• Upon initial recognition, the bank classifies financial liabilities into financial liabilities at amortized cost, and financial liabilities at fair value through profit or loss, based on the objective of the bank's business model.

• All financial liabilities are initially recognized at fair value on the date the bank becomes a party to the contractual terms of the financial instrument.

• Financial liabilities classified at the amortized cost are measured subsequently on the basis of the amortized cost using the effective interest rate method.

Financial liabilities are measured at fair value through profits or losses later at fair value, and the change in the fair value related to the change in the degree of the bank's credit rating is recognized in the other comprehensive income statement, while the remaining amount of the change in fair value is presented in profits or losses. The bank derecognizes financial liabilities when the contract is disposed of, canceled, or expired.

The bank adjusts a financial liability when its terms are modified and the cash flows of the modified liability are materially different, in which case a new financial liability is recognized based on the revised terms at fair value. The difference between the book value of the old financial liability and the new financial liability on the modified terms is recognized in profit or loss.

(E) Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

Income and expenses are offset only when such offsetting is permitted in accordance with the Egyptian Accounting Standards.

Treasury bills, Repos and reverse Repos on net basis agreements are presented on a net basis in the financial position and disclosed under treasury bills.

(F) Derivatives financial instruments

Derivatives are recognized at fair value at the date of the derivative contract, and are subsequently re-measured at fair value. Fair values are obtained from quoted market prices in active markets, or the recent market deals, or the valuation methods such as the discounted cash flow modules and the derivatives pricing lists, as appropriate. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Fair Value Hedge

Changes in the fair value of derivatives designated for fair value hedges are recognized in the income Statement, along with any changes in the fair value attributable to the risk of the hedged asset or liability.

The effect of effective changes in the fair value of future currency contracts is taken to net trading income. The effect of ineffectiveness in all contracts and related covered items mentioned in the previous paragraph is taken to "net trading income." If the coverage no longer meets the conditions for coverage accounting, the adjustment made to the book value of the covered item that is accounted for using the amortized cost method is amortized by changing it to profits and losses throughout the year until maturity. Adjustments made to the carrying amount of the hedged equity instrument remain in equity until it is disposed of.

Derivatives that do not qualify for hedge accounting

Changes in the fair value of derivatives that do not qualify for hedging accounting are recognized in the statement of profit or loss in the "net trading income". However, gains and losses arising from changes in the fair value of derivatives that are managed in conjunction with financial assets or liabilities are included in "net income from financial instruments at fair value through profit or loss."

Financial embedded derivatives are known when the derivative is included with another contractual arrangement (original contract) and the bank accounts for the embedded derivative as an independent derivative when:

• The original contract does not represent an asset that falls within the scope of International Financial Reporting Standard No. (9) - Financial Instruments "IFRS9"

• When measuring the original contract itself by a method other than at fair value through profit or loss

• When the conditions for an implicit derivative meet the definition of a derivative if it is valued as a separate tool

• The economic characteristics and risks of the embedded derivatives differ from those characteristics and risks related to the original contract

Embedded derivatives that are separated are measured at fair value, with changes in fair value recognized in profit or loss unless they are part of an arrangement that qualifies for accounting as a cash flow coverage or net investment. The embedded derivatives that have been separated in the statement of financial position are presented together with the original contract.

(G) Recognition of the first day deferred profits or losses

For instruments valued at fair value, the best evidence of fair value at initial recognition is the transaction price (the fair value of the consideration given or received), unless the fair value of the instrument is evidenced by comparison with other observable current market transactions in the same instruments or based on valuation technique. When the bank has entered into transactions that come due after the lapse of a long period of time, fair value is determined using valuation models whose inputs do not necessarily come from quoted prices or market rates. These financial instruments are initially recognized at the transaction price, which represents the best index to fair value, despite the value obtained from a valuation model may be different. The difference between the transaction price and the model value is not immediately recognized, commonly referred to as "day one gains or losses", it is included in other assets in case of loss, and other liabilities in case of gain.

Deferred profits or losses are recognized for each case individually, either by amortization over the lifetime of the transaction or by determining the fair value of the instrument using quoted markets or by recognizing it when the transaction is settled, and the financial instruments later measured at fair value and it is recognized directly in the statement of profit or loss by changes in the fair value.

(H) Interest income and expenses

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

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

(H) Interest income and expenses

Once a financial asset or a group of similar financial assets has been classified as nonperforming or impaired (Stage 3), related interest income is not recognized and is recorded in marginal records apart from the financial statements, and is recognized as revenues according to cash basis as follows:

When they are collected, after receiving all past due instalments for personal loans, mortgage loans, and small business loans.

For corporate loans, cash basis is also applied, where the return subsequently calculated is raised in accordance with the loan rescheduling contract, until 25% of the rescheduling instalments are repaid, with a minimum of one period of regular repayment scheme. In case the counterparty persists to pay regularly, the return calculated on the loan outstanding is recognized in interest income. (Interest on rescheduling without marginal interests before rescheduling which is not included in the revenues except after full repayment of loan balance before rescheduling.

(I) Fee and commission income

Fees and commissions are generally recognized on an accrual basis when the service has been provided for loans or facilities, fees and commission are not recognized for the nonperforming or impaired loans, as it is recorded in separate margin records outside the financial statements, and it is recorded on a cash basis when fees and commission are recognized when it is considered a part from effective interest rate for the financial asset as it is considered as a part for the effective interest rate.

Loan commitment fees for loans that are likely to be drawn down are deferred and recognized as an adjustment to the effective interest rate on the loan and in case of the commitment period expired without issuing the loan, fees and commission are considered as income at the end of the commitment period.

Fees and commission 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 kept its share of the syndicated loan using the effective interest rate as used by the other participants.
Fees and commission arising from negotiating or participating in the negotiation of a transaction for a third party – such as the arrangement of the acquisition of shares or other securities or the purchase or sale of businesses, are recognized in Profit and loss statement on the completion of the underlying transaction. Portfolio and other management advisory and service fees are recognized based on the applicable service contracts, usually on a time-apportionment basis.

(J) Dividends income

Dividends are recognized in the statement of profit or loss when the bank's right to receive payment is established.

(K) Impairment of Financial Assets

Impairment losses are recognized for the expected credit losses of the following financial instruments that are not measured at FVPL, namely:

a. Financial assets that represent debt instruments

b. Due debts

c. Financial guarantee contracts

d. Loan commitments and similar debt instrument commitments

e. Impairment losses are not recognized in the value of investments in equity instruments



Debt instruments related to retail banking products and small and micro enterprises

• The bank collects debt instruments related to retail banking products and small and micro enterprises on the basis of groups with similar credit risks on the basis of the type of banking product.

• The bank classifies customers within each group into three stages based on the following quantitative and qualitative criteria:

Stage 1	Stage 2	Stage 3
Low Credit Risk Financial Instruments	Financial Instruments Against Which A Material Increase in Credit Risk has occurred	Impaired Financial Instruments
Basic Selector (Quantitative Criteria) No late payments. **Additional Selector (Qualitative Criteria)** Within the scope of accepted risk.	**Basic Selector (Quantitative Criteria)** *Delay more than 30 days from the due date of the contractual installments of retail banking products. **Additional Selector (Qualitative Criteria)** If the borrower encounters one or more of the following events: • The borrower applied to convert the short-term repayment to the long-term due to negative effects related to the borrower's cash flows. • The bank canceled one of the direct facilities due to the high credit risk of the borrower. • Extending the repayment period according to the borrower request. • Frequent over dues during the previous 12 months. • Negative future economic changes that affect the borrower's future cash flows	**Basic Selector (Quantitative Criteria)** *Delay more than 90 days from the due date of the contractual installments. **Additional Selector (Qualitative Criteria)** The standard includes some factors but are not limited to that affect and provide evidence of credit default.

Debt instruments related to retail banking products and medium enterprises

• The bank collects debt instruments relating to institutions and medium enterprises on the basis of groups with similar credit risks on the basis of the risk rating of the borrowing customer (ORR).

• The bank classifies customers within each group into three stages based on the following quantitative and qualitative criteria:

Stage 1	Stage 2	Stage 3
Low Credit Risk Financial Instruments	Financial Instruments Against Which A Material Increase in Credit Risk has occurred	Impaired Financial Instruments
Basic Selector (Quantitative Criteria) No late payments. **Additional Selector (Qualitative Criteria)** Within the scope of accepted risk.	**Basic Selector (Quantitative Criteria)** *Delay more than 30 days from the due date of the contractual installments of retail banking products. **Additional Selector (Qualitative Criteria)** If the borrower is on the watch list and / or financial instrument encountered one or more of the following events: • A significant increase in the rate of return on the financial asset as a result of the increase in credit risk. • Negative material changes in the activity and financial or economic conditions in which the borrower operates. • Request for rescheduling. • Material negative changes in actual or expected operating results or cash flows. • Negative future economic changes that affect the borrower's future cash flows.	**Basic Selector (Quantitative Criteria)** *Delay more than 90 days from the due date of the contractual install-ments. **Additional Selector (Qualitative Criteria)** When the borrower fails to meet one or more of the following criteria, which indicates that the borrower is facing great financial difficulty. • Death or disability of the borrower. • The borrower has failed financially. • Initiation of scheduling due to the deterioration of the borrower's credit status. • Failure to comply with financial pledges. • The disappearance of the active market for the financial asset or one of the borrower's financial instruments due to financial difficulties. • The lenders granting privileges related to financial difficulty to the borrower, which wouldn't be granted in normal circumstances. • The possibility that the borrower will enter bankruptcy or restructuring due to financial difficulties. • If the borrower's financial assets are purchased at a significant discount that reflects the credit losses incurred.

The financial assets created or acquired by the bank are classified and contain a high rate of credit risk than the bank's rates for low risk financial assets upon first recognition of the second stage directly.

Rules for classification of financial instruments

Stage 1:

All financial instruments that fall within the scope of acceptable risks, which are all that do not fall under the second or third stage.

Debt instruments related to small and medium enterprises and institutions:

Stage 2:

Definition: Financial instruments that are characterized by a significant increase in credit risk from the date of origin of the asset. Originally impaired credits (OCI) financial instruments that are classified into Stage 2 at initial recognition.

Quantitative standards:

• Small and medium enterprises: delay of more than 30 days from the due date of contractual installments

• Medium enterprises and institutions: delay of more than 30 days from the due date of contractual installments

• Credit rating: 7+, 7 and 7- (special follow-up)

The deterioration of the credit rating

Credit rating from +1 to 4: deterioration by 6 degrees of internal rating.

Credit rating from -4 to -6: deterioration by 3 degrees or to +7 from the internal rating.

Qualitative criteria:

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

• The borrower applied to convert short-term repayment to long-term repayment or extend the repayment period or reschedule due to negative impacts related to the borrower's cash flows

• The bank cancelled one of the direct facilities due to the high credit risk of the borrower

• Negative future economic changes that affect the borrower's future cash flows

Stage 3:

Definition: Impaired financial instruments.

Quantitative standards:

• Small and micro enterprises: delay of more than 90 days from the due date of contractual instalments, a decision was issued by the Central Bank of Egypt in June 2024 to allow a delay up to 180 days without transferring to the third stage until December 2025

• Medium enterprises and institutions: delay of more than 90 days from the date of contractual instalments due, a decision was issued by the Central Bank of Egypt in July 2024 to allow a delay up to 180 days without even converting to the third stage until December 2025

• Credit rating: 8, 9 and 10

Qualitative criteria:

When the borrower meets one or more of the following criteria, which indicates that the borrower is facing great financial difficulty:

• Death or disability of the borrower

• The borrower has financial difficulty

• Initiation of scheduling due to the deterioration of the borrower's credit status

• Failure to comply with financial pledges

• The disappearance of the active market for the financial asset or one of the borrower's financial instruments due to financial difficulties

• The lenders granting privileges related to financial difficulty to the borrower, which wouldn't be granted in normal circumstances

• The possibility that the borrower will enter bankruptcy or restructuring due to financial difficulties

• If the borrower's financial assets are purchased at a significant discount that reflects the credit losses incurred

Debt instruments related to retail banking products

Stage 1:

All financial instruments that are within the scope of accepted risks, which are those not included in the first and second stages.

Stage 2:

Definition: Financial instruments that are characterized by a significant increase in credit risk from the date of origin of the asset.

Quantitative criteria:

Delay of more than 30 days from the due date of contractual installments

Stage 3:

Definition: Impaired financial instruments.

Quantitative criteria:

Delay of more than 90 days from the due date of contractual installments. With the exception of loans secured by cash collateral, they were classified within the first stage.

Measurement of expected credit losses

• The bank evaluates the portfolios of debt instruments on a quarterly basis at the portfolio level for all financial assets of individuals, institutions and small and medium enterprises and on a periodic basis with regard to the financial assets of the institutions classified on the watch-list in order to monitor the credit risk related to them, as this evaluation is done at the level of the borrower. The consideration is on a regular basis, and the criteria used to determine the material increase in credit risk are reviewed and monitored periodically by the Credit Risk Department.

• On the date of the financial statements, the bank estimates the impairment loss provision for the financial instrument at an amount equal to the expected credit losses over the life of the financial instrument, except for the following cases in which the impairment loss provision is estimated at an amount equal to the expected credit losses over a period of 12 months:

1) A debt instrument that has been identified as having low credit risk at the date of the financial statements (debt instruments, stage 1)

2) Other financial instruments that the credit risk at the reporting date has not increased significantly since the first recognition (debt instruments in the first stage).

• The expected credit losses of the financial assets in the first stage are measured based on the current value of the total cash deficit calculated on the basis of historical failure probabilities rates adjusted for projections of average scenarios of macroeconomic indicators for the twelve months ahead multiplied by the value at default, taking into account the weighting of the expected recovery rates when calculating the loss rate for each group of debt instrument with similar credit risks. Because expected credit losses take into account the amount and timing of payment, credit losses arise even if the entity expects to be paid in full but at a later date after the debt becomes due under the Contractual terms. Twelve-month expected credit losses are considered part of expected credit losses on the lifetime of the asset, that results from default events in the payment of a financial instrument that are possible within twelve months after the date of the financial statements.

• The expected credit losses for financial assets in the second stage are measured on the basis of the current value of the total cash deficit calculated on the basis of historical failure probabilities adjusted by projections of average scenarios of macroeconomic indicators for the life of the financial asset multiplied by the value upon failure, taking into account the weighting of the expected recovery rates when calculating the loss rate, for each group of Debt instruments with similar credit risks when calculating the loss rate for each group of debt instrument with similar credit risk.

• Financial assets that are credit-impaired at the date of the financial statements are measured as the difference between the gross carrying amount of the asset and the present value of expected future cash flows.

When calculating the loss rates, the bank takes into consideration the expected recovery rates from the present value of the expected cash flows from cash and in-kind guarantees or historical payment rates or future payment rates, as follows:

• For debt instruments classified within the first stage, only the value of cash collateral and its equivalent, represented in cash and other financial instruments that can be easily converted into cash in a short period of time (3 months or less) and without a change (loss) in their value as a result of credit risk, after deducting 10% against unfavorable conditions.

• For debt instruments classified within the second or third stage, only the types of guarantees are considered according to the rules issued by the Central Bank of Egypt on 5/24/2005 regarding determining the creditworthiness of customers and forming provisions, while the value of those guarantees is calculated according to the Rules of Presentation and Preparation of Financial Statement issued by the Central Bank of Egypt on 16 December 2008, after deducting 10% for other financial instruments that can be easily converted into cash in a short period of time (3 months or less) and 20% of the current value of future cash flows for the approved in-kind guarantees.

• With regard to debt instruments held with banks that operate outside Egypt, failure probability rates are determined on the basis of the credit rating of the head office of the bank that operates outside Egypt and not exceeding the credit rating of the head office country and taking into account the instructions issued by the Central Bank regarding country risks. Loss rate of indebtedness (not covered by cash guarantees) expected upon failure, with a minimum of 45%, noting that no provision for expected credit losses is calculated for claims with a maturity of less than 30 days.

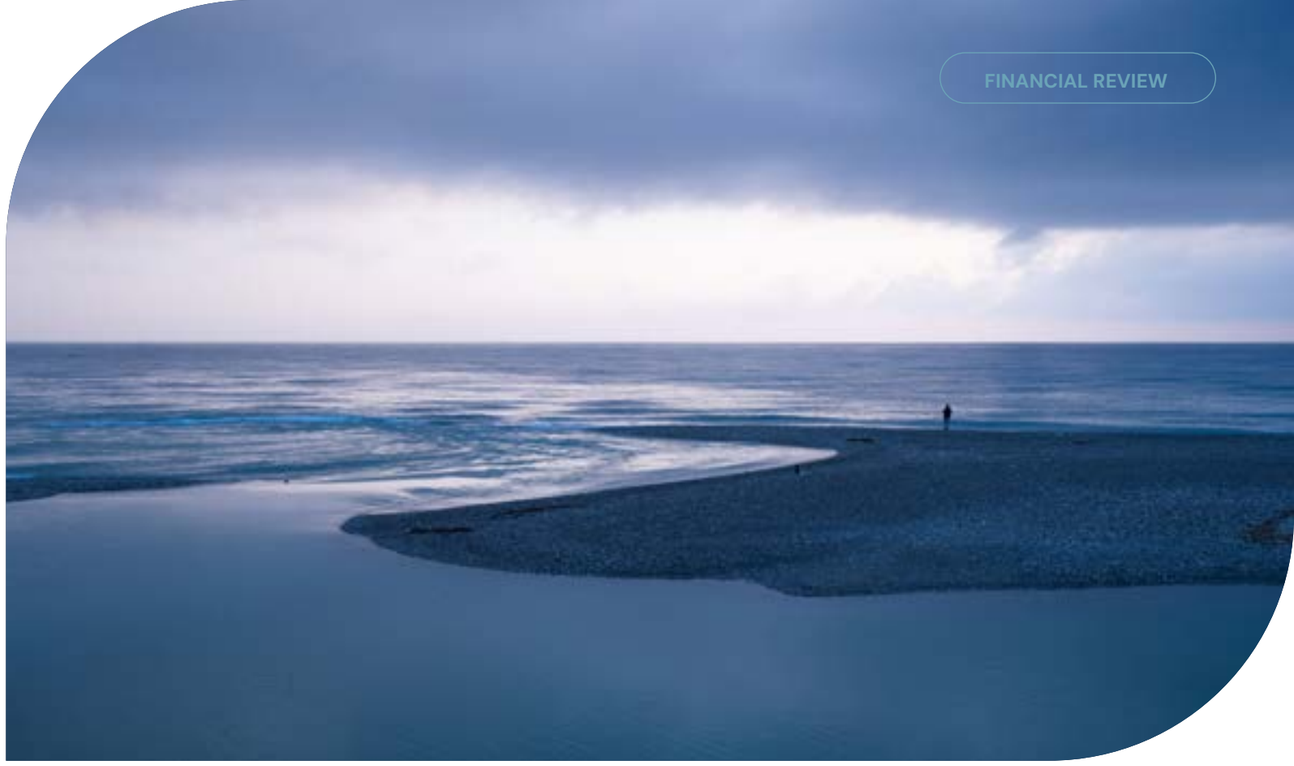
• With regard to the instruments held with banks operating inside Egypt, Probability of default rates are calculated on the basis of the bank's classification by foreign international rating agencies, and Egyptian banks' branches abroad are treated as the head office, and the branches of foreign banks operating inside Egypt are treated as their head office. Loss given default (not covered by cash collaterals) expected upon default, with a minimum of 45%, noting that no provision for expected credit losses is calculated for claims with a maturity of less than 30 days.

• Debt instruments issued by entities other than banks, the probability of default rates are calculated on the basis of the classification of the issuer of the financial instrument by international rating agencies and with no more than the credit rating of the country of the issuer in the case of external entities, and the loss given default (not covered by collaterals) is calculated cash expected upon default with a minimum of 45%

• No provision for expected credit losses is calculated for claims on the Egyptian government in Egyptian Pounds.

• The impairment provision for financial assets recognized in the financial position is deducted from the value of their respective financial asset when presenting the balance sheet, while the provision for impairment related to loan commitments, financial guarantees contracts and contingent liabilities is recognized as a liability under the provisions of the financial position obligations.

• With regard to financial guarantee contracts, the bank estimates the expected credit loss on the basis of the difference between the payments expected to be paid to the guarantee holder, minus any other proceeds the bank expects to recover.



Measurement of expected credit losses

Backward transition from Stage 2 to Stage 1

The bank does not transfer the financial asset from the Second stage to the first stage except after all the quantitative and qualitative elements of the First stage have been fulfilled and that the total cash inflows from the financial asset have become equal to or more than the full value of the installments due for the financial asset - if any. Upon fulfilling the abovementioned conditions, said accounts will enter a probation period: 3 months for Retail & 12 months for SMEs & Large corporates. As for the assets that were classified upon their inception in the second stage, they remain in that stage throughout the life of the asset, except for financial assets with a credit rating of 7+, 7 and -7, which may not remain for more than nine months in that rating, with the possibility of remaining in the second stage for a longer period.

Backward transition from the Stage 3 to the Stage 2

The bank does not transfer the financial asset from the third stage to the second stage - including rescheduling - except after all of the following conditions are met:

1) Completing all the quantitative and qualitative elements of the second stage

2) Payment of 25% of the financial asset's outstanding balances, including due Marginalized/Suspended interest

3) The regular payment of the principal amount and the interest due for a period of 12 consecutive months at least. The period of recognition of the financial asset within the last category of Stage 2

The recognition period (classification) for financial assets with a credit rating of 7+, 7 and -7 does not exceed a period of nine months from the date of their transfer to that stage.

Restructured Financial Assets

If the terms of a financial asset are renegotiated, modified, or a new financial asset replaced an existing financial asset due to the borrower's financial difficulties, an assessment is made whether the financial asset should be excluded from the books and the expected credit losses are measured as follows:

If the restructuring will not lead to the disposal of the current asset, then the expected cash flows resulting from the modified financial asset are used when calculating the cash shortfall in the current asset. Expected credit losses are calculated over the life of the instrument.

If the restructuring will result in the disposal of the current asset, the expected fair value of the new asset is treated as final cash flows from the current financial asset when it is disposed of. And this value is used in calculating the cash shortfall from the current financial asset, which is discounted from the expected date of excluding the asset until the date of the financial statements using the original effective interest rate of the current financial asset.

Definition of Default

A customer is considered defaulting when the borrower is more than 90 days (180 days for SMEs) late in paying his contractual installments, or when the borrower fails to meet one or more of the following criteria, which indicates that the borrower is facing great financial difficulty.

• Death or disability of the borrower

• The borrower has failed financially

• Initiation of rescheduling due to the deterioration of the borrower's credit status

• Failure to comply with financial pledges

• The disappearance of the active market for the financial asset or one of the borrower's financial instruments due to financial difficulties

• The lenders granting privileges related to financial difficulty to the borrower, which wouldn't be granted in normal circumstances

• The possibility that the borrower will enter bankruptcy or restructuring due to financial difficulties

• If the borrower's financial assets are purchased at a significant discount that reflects the credit losses incurred

For all financial assets except retail:

Probability of default (PD) - is an estimate of the probability of default over a given period of time.

• For clients whose creditworthiness is evaluated using the bank's internal rating model, the probability of default is calculated according to the used model, taking into account the historical actual impact of the probability of default on our bank according to the customer's classification, whether it is within the large companies' portfolio or the small and medium companies' portfolio (PD Calibration).

• As for the financial assets that are evaluated externally by the external rating agencies, the probability of default is relied on for the assessments of the international evaluation institutions

The effect of future outlook of economic factors on the probability of default and Loss given default:

• The reliance on economic indicators issued by Moody's International Evaluation Institute

• Several economic indicators are relied upon, which have a historical agreement with default rates for the geographical scope, according to Moody's Evaluation institute indicators

• With regard to the financial assets that are granted within the geographical scope of the Arab Republic of Egypt, reliance has been made on the economic indicators of the trading volume on the Egyptian Stock Exchange in addition to the growth rate of the GDP of the Arab Republic of Egypt.

Definition of Default

• With regard to the rest of the financial assets that are located in a range outside the Arab Republic of Egypt, reliance shall be made on the economic indicators of those regions.

• The effect of these indicators on the probability of default (PD) and the rate of loss on default (LGD) is calculated according to three different scenarios, which are the Base scenario, the uptrend scenario, and the downtrend scenario.

• **Loss given default (LGD)** – is an estimate of the loss resulting from the occurrence of a default at a given time. The default is based on the difference between the contractual cash flows due and the cash flows the borrower would have expected to receive, including cash flows from forfeitures of collateral. It is usually expressed as a percentage of exposure at default.

• The loss given default is calculated for companies and large institutions according to the loss on default rate developed by Moody's.

• For small and medium companies, the loss given default, depending on the historical data of the default of small and medium companies, as well as the historical collections and executions in our bank.

• For financial institutions and government debt instruments, the loss given default is calculated according to the instructions of the Central Bank of Egypt.

The Guarantees/Collaterals that are eligible

Stage 1:

• Cash collateral: 100% of the collateral value

• Treasury bills and bonds: 90% of the value of the guarantee

Stage 2:

• Cash collateral: 100% of the collateral value

• Treasury bills and bonds: 90% of the value of the guarantee

• The real estate and commercial mortgage that is considered by the Central Bank of Egypt according to its letter of 24 May, 2005: 50% of the value of the guarantee and 75% for commercial mortgage

Stage 3:

• Cash collateral: 100% of the collateral value

• Treasury bills and bonds: 90% of the value of the guarantee

• The real estate and commercial mortgage that is considered by the Central Bank of Egypt according to its letter of 24 May 2005, and the present value of the net cash flows expected from the liquidation of the guarantee is calculated

Exposure at Default (EAD) – is the estimation of exposure in the event of a future default, taking into account expected changes in exposure after the reporting date.

An estimate in the event of future default is based on the current exposure and the usage estimate from the unused portion of the credit limits, based on historical rates of use for such facilities.

Credit conversion Factor (CCF) – used to transfer off balance sheet credit assets (such as letters of credit and letters of guarantee) to their equivalent within the balance sheet (such as loans) and the bank uses a credit conversion factor according to Basel instructions which is 20% for off balance sheet credit assets expected to remain for a year or less and

50% for more and based on a recent internal study, the previous percentages changed to 100% instead of 20% and 5% instead of 50%.

For the financial assets of retail portfolio:

Probability of default (PD)

• The historical rates of transformation of a group of customers from Performing to non-performing or vice versa were used Starting from the beginning period in comparison to the sought-after ending period. Additionally, rates of transformation in groups with past due obligations, on an annual basis, are sampled and analyzed across time through the use of a regression model, taking into consideration forecasted macroeconomic factors, for each product.

Loss given Default (LGD)

LGD was calculated according to the Discounted Cash Flow methodology, based on historical default data and the use of Effective Interest Rate in calculating DCF, and then matching the default rates for each product.

Exposure at Default (EAD)

Is the estimation of exposure in the event of future default, taking into account the interest receivable, the repayment schedule and the applicable interest rate.

Presenting expected credit loss provisions in the balance sheet

The provision for expected credit losses is presented in the balance sheet as follows:
• Financial assets that are measured at amortized cost as a deduction from the total book value of the assets.

• Commitments for loans and financial guarantee contracts: generally, as a provision.

• The unutilized portion of loans and credit facilities: where the amounts that may be withdrawn by the debtor in the future are taken into account (the bank's right to cancel contracts without referring to the customer is not considered) and that is based on a study carried out within the bank that determines the size of the utilization of the facilities.

• Indirect facilities and obligations: The credit loss that may be incurred is calculated by calculating the probability and timing of withdrawing or repaying those amounts it's amounted and the probability of default, according to the same methodology applied to loans and credit facilities.



Definition of Default

• Debt instruments at fair value through other comprehensive income, a provision for impairment is not recognized in the statement of financial position because the book value of those assets is their fair value. However, the provision for impairment is disclosed and recognized in the fair value reserve.

Debt write off

Debt Writing-off is done (either in part or in full) when there is no realistic possibility of recovery of the debt. In general, when the bank determines that the borrower does not have assets, resources, or income sources that could generate sufficient cash flows to pay off debts that will be written off. However, bad financial assets may remain subject to follow-up in light of the procedures that the bank takes to recover the amounts due. The

deduction is made on the account of the provision for impairment of the debts that are written off, whether it was provisioned or not, and the impairment provision is added to any proceeds from previously written off loans.

(L) Investment property

Investments properties are represented in lands and buildings owned by the bank for obtaining lease income or capital increase, consequently it does not include property assets through which the bank executes its operations, or those properties which reverted to the bank in the settlements of debts, the investments properties are accounted for similarly with the same accounting treatment for the fixed assets.

(M) Intangible assets

a. Computer programs

Expenses related to computer development or maintenance are recognized as an expense in the income statement when incurred. Expenses directly related to specific programs are recognized as an intangible asset and are under the control of the bank and are expected to generate economic benefits that exceed their cost for more than one year. Direct expenses include the cost of staff in the software development team, in addition to an appropriate share of related general expenses. Expenses that lead to an increase or expansion in the performance of computer programs beyond their original specifications are recognized as development costs, and are added to the cost of the original programs. The cost of computer programs recognized as an asset is depreciated over the expected period of use.

(N) Fixed assets

They represent land and buildings related to head office, branches and offices, and all fixed assets are reported at historical cost minus depreciation and impairment losses. The historical cost includes the charges directly related to acquisition of 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 item will flow to the bank and the cost of the item can be measured reliably. Maintenance and repair expenses are charged to other operating expenses during the financial year in which they are incurred.

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

	Years
Buildings & Alteration	20-40
Improvement on Assets	5-10
Machines & Equipments	5
IT	5-7
Vehicles	3
Furniture	7-10

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 for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if it is greater than its estimated recoverable amount.

The recoverable amount is the higher of the asset's fair value less costs to sell or value in use. Gains and losses on disposals are determined by comparing proceeds with asset carrying amount. These gains and losses are included in other operating income (expenses) in the statement of profit or loss.

(O) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortization-except goodwill-and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

(P) Leases Operating Leases

Payments are recognized under the operating lease account, minus any discounts obtained from the lessor, within the expenses in the income statement using the straight-line method over the contract period.

(Q) Cash and cash equivalents

For the purposes of the cash flows statement, cash and cash equivalents include balances due within three months from date of acquisition, cash and balances due from the Central Bank of Egypt other than the reserve ratio, and current accounts with banks and treasury bills.



(R) Employees Benefits Social Insurance

The bank contributes to the social insurance scheme related to the social insurance authority for the benefit of its employees according to the social insurance law number 79 of 1975 and its amendments and the income statement is charged with these contributions according to the accrual principle.

Retirement obligations liabilities (End of service benefits)

There is also an internal system in the bank according to which bank employees are granted leave-out benefits in proportion to the period of service, and an allowance is created for this purpose - on the basis of the bank's internal regulations - as it is charged to the statement of profit or loss under administrative expenses, and that balance appears among other liabilities. **The bank grants the following benefits upon the end of the employee's service:**

Duration of Service	Bonus
Up to two years	0 days of basic pay
From two years to 3.99 years	5 days of basic pay
From 4 years to 6.99 years	10 days of basic pay
From 7 years to 9.99 years	15 days of basic pay
From 10 years to 11.99 years	20 days of basic pay
More than 12 years until the date of termination of service	22.5 days of basic pay

The bank conducts an annual actuarial study in this regard and makes the necessary provisions in accordance with the Egyptian Accounting Standards.

Profit share distribution for employees

Bank employees are granted a percentage of the realized profits based on an evaluation of the performance during the year, not less than 10% of the bank's total profits.

(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 will be required to settle the obligation; and the amount can be reliably estimated.

The likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Reversals of provisions no longer required are presented in other operating income and (expense).

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. If the settlement is within one period or less, provisions will be measured by the contractual value if there is no material variance otherwise, it will be measured at present value.

(T) Income Taxes

The income tax on the bank's period profits or losses includes both current tax, and deferred tax Income tax is recognized in the statement of profit or loss, except when it relates to items directly recognized into equity, in which case the tax is also recognized directly in equity. Income tax is calculated on the taxable profits using the prevailing tax rates as of balance sheet in addition to tax adjustments for previous periods.

Deferred income tax is provided on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined based on the method used to realize or settle the current values of these assets and liabilities, using the tax rates prevailing as of the balance sheet date.

Deferred tax assets are recognized when it is probable that the future taxable profit will be available against which the temporary difference can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Reversal is subsequently permitted when there is a probable from its economic benefit limited to the extent reduced.

(U) Borrowing

The loans obtained by the bank are first recognized at fair value minus the cost of obtaining the loans, and the loan is subsequently measured at the amortized cost, and the statement of profit or loss is charged with the difference between the net proceeds and the value that will be fulfilled over the borrowing period using the effective interest rate method.

(V) Profit Share distribution

Dividends are recorded as a deduction from equity in the period in which the General Assembly of Shareholders approves these distributions. These distributions include the employees' share in the profits according to the performance during the year, the results achieved, and the remuneration of the board of directors stipulated in the articles of association and the law.

(W) Trust Activities

The bank engages in trust activities, which result in owning or managing assets related to loans, trusts or post service benefit funds. These assets and the profits generated from them are excluded from the bank's financial statements, as they are not considered the bank's assets.

(X) Cost of Capital

Issuance expenses that are directly related to the issuance of new shares or shares in exchange for the acquisition of an entity or the issuance of options are presented as a deduction from equity and the net proceeds after taxes.

(Y) Dividends Income

Distribution is recognized in the income statement when it is issued.

(Z) Purchase and resale agreements & sale and repurchase agreements

Financial instruments purchased under agreements to resell them are displayed within the assets added to the balances of treasury bills and other governmental papers in the statement of financial position. The difference between the sale price and the repurchase price is recognized as interest accrued over the term of the agreements using the effective interest rate method.



Financial Risk Management

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

The risk management policies have been laid down to determine and analyze the risks, set limits to the risk and control them through reliable methods and updated systems.

The bank regularly reviews the risk management policies and systems and amends them to reflect the changes in market, products and services and the best updated applications. Those risks are managed by risk department in the light of policies approved by Head Office. The risk department determines, evaluates and covers the financial risks, in collaboration with the bank's various operating units, and the Head Office provides written policies for management of risks as a whole, in addition to written policies covering specific risk areas, such as credit risk, foreign exchange rate risk, interest rate risk, and using the financial derivative and non–derivative instruments. Moreover, the risk department is independently responsible for regular review of risk management and control environment.

(A) Credit Risk

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

(A-1) Credit Risk Measurement

Loans and advances to banks and customers

Loans to customers and banks, financial investments in form of debt securities, current accounts and deposits at banks, rights and obligations from others are considered financial assets exposed to credit risk represented in the inability of those parties to settle part or whole of their indebtedness on the date of maturity. The bank minimizes the effect of this risk by the following:

- Preparing detailed credit studies about customers and banks before dealing with them to assess & determine the rates of the credit risk rates related to it
- Obtaining adequate guarantees to reduce the possibility of loss in case of a customer or bank default
- Monitoring and preparing regular studies on customers and banks in order to evaluate their financial and credit position and estimate the required provisions for non-performing loans
- Diversifying loans portfolio among various sectors to minimize the concentration of credit risk. Note No. (A/8) shows the sector diversification of the loans and advances portfolio

The bank evaluates the customer risk using internal policies for the different customers' categories. These policies are updated taking into consideration financial analysis and statistical analysis for each customer category in addition to the personal judgment of the credit officer to reach the appropriate grading. The customers are classified into four categories.

The following table shows the rating scale which reflects the range of expected defaults or payment delays, by which the credit centers may transfer from one rating to other depending on the change in the expected delay. The customer's rating and the rating process are reviewed when necessary. The bank evaluates the rating process and their expectations regarding the customers' defaults.

Bank's Internal Ratings Scale

Rating	Rating Description
1	Performing Loans
2	Regular Watching
3	Watch List
4	Non-performing Loans

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

The expected losses or specific losses represent the bank's loss expectation of when the settlement is due, which is loan loss percentage that differ according to the type of facility, the availability of guarantees and any other credit cover.

Financial Risk Management

Debt Instruments & Treasury Bills

As concerning debt instruments and bills the bank uses the external foreign classifications such as that of "Standard and Poors" or similar agencies to manage credit risk. If such assessments are not available, then the bank applies similar methods to those applied on credit customers. Investment in securities, financial papers, and bonds are considered a way to gain a better credit quality and maintain a readily available source to meet funding requirements at the same time.

(A-2) Control & Mitigation Risk Policies

The bank manages and controls credit concentrations at the borrowers' level, groups of borrowers' level, industries level and countries level. The bank manages the credit risk it undertakes by placing limits on the amount of risk accepted in relation to single borrower, or groups of borrowers, and to the geographical and industry segments. Such risks are monitored on a regular basis and subject to an annual or more frequent review, when considered necessary. The top management reviews on regular basis the borrower/ the group / producer and sectorial and country credit concentration.

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 where appropriate. **The following are part of control tools used by the bank to limit the risk:**

Collaterals

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

• Real estate mortgage

• Business assets mortgage such as machines and goods

Collaterals

• Financial instruments mortgage such as debt and equity instruments

• Longer term finance and lending to corporate entities are generally secured; revolving individual credit facilities are generally unsecured. To reduce credit loss to its minimum, the bank seeks to get additional collaterals from the concerned parties as soon as indicators of a loan or facility impairment appear.

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

Derivatives

The bank maintains strict controls over amounts and terms for the net value of open derivative positions i.e., the difference between purchase and sale contracts. The amount subject to credit risk is limited to the current fair value of instruments in which the bank could gain a benefit from it (i.e., assets that have positive fair value), which represent small value of the contract, or the notional value. The bank manages this credit risk which is considered part of the total customer limit with market changes risk all together. Generally, no collateral obtained for credit risk related to these instruments, except for marginal deposits required by the bank from other parties.

Settlement risk arises when cash, equity instruments or other financial papers are used in the settlement process, or if there is expectation to receive cash, equity instruments or other financial papers. Daily settlement limits are established for each counterparty to cover the aggregate settlement risk arising from the daily bank transactions.

Master Netting Arrangements

The bank limits credit risk by entering into master netting agreements. Parties that represent a significant volume of transactions. In general, the master liquation agreement does not result in a netting between the assets and liabilities shown in financial position, because the settlement is usually done on total basis. In event of default, all amounts are terminated and settled with the other party by clearing. The amount of the bank's exposure to credit risk resulting from derivative instruments subject to master liquidation agreements may change within a short period, given that it is affected by every transaction subject to those agreements.

Credit - related commitments

The primary purpose of these commitments is to ensure that funds are available to the 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 a 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 related 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 as the long-term commitments are of a higher credit risk than short-term commitments.



Financial Risk Management

(A-3) Impairment & Provisioning Policies

The internal rating systems described in Note (1-A) focus more on credit-quality at the inception of lending and investment activities. Otherwise, impairment provisions recognized at the balance sheet date for financial reporting purposes are losses that have been incurred and based on objective evidence of impairment as will be mentioned below. Due to the different methodologies applied, the amounts of incurred credit losses charged to the financial statements are usually lower than the expected amount determined from the expected loss models used.

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

Bank's Rating	31 December, 2025		31 December, 2024	
	in %		in %	
	Loans & Advances	Impairment Provisions	Loans & Advances	Impairment Provisions
Performing loans	73	7	46	17
Regular watching	23	11	50	14
Watch list	1	8	1	9
Non-performing loans	3	74	3	60
Total	**100**	**100**	**100**	**100**

The bank's internal rating tools assist management to determine whether objective evidence indicating the presence of impairment are found based on the following criteria set out by the bank:

• Payment delinquency of principal or interest

• Breach of loan conditions

• Initiation of bankruptcy or entering a liquidation or finance restructures

• Deterioration of the borrower's competitive position

• For economical or legal reasons, the bank granted the borrower additional benefits that will not be granted in normal circumstances

• Deterioration in the value of collateral

• Deterioration of customer credit status

The bank policies require review of all financial assets (that exceed specific materiality) at least once a year or more when required, the impairment loss is determined on individual basis by determining case by case actual losses. These policies applied on all accounts have specific materiality on individual basis. Valuation usually includes the existing collateral, the related enforcements on these collaterals and the expected collections from those accounts. Impairment loss provision is formed based on group of similar assets using the historical experience available, personal judgment and statistical methods.



Financial Risk Management

(A-4) General Module to Measure Banking General Risk

In addition to the four categories of credit rating indicated in note (A-1), the management makes more detailed groups in accordance with the CBE requirements. Assets exposed to credit risk in these categories are classified according to detailed conditions and terms depending on information related to the customer, his activities, financial position and repayment schedules.

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

The following is an indication of corporate credit worthiness categories according to internal assessment bases compared to the assessment bases of The Central Bank of Egypt and the required provision percentages for the impairment of assets exposed to credit risk:

Central Bank Of Egypt Classification	The Classification's Meaning	Provision's Ratio Required	Internal Classification	Meaning of Internal Classification
1	Low risks	Zero	1	Performing loans
2	Average risks	1%	1	Performing loans
3	Satisfactory risks	1%	1	Performing loans
4	Reasonable risks	2%	1	Performing loans
5	Acceptable risks	2%	1	Performing loans
6	Marginally acceptable risks	3%	2	Regular watching
7	Watch list	5%	3	Watch list
8	Substandard	20%	4	Non-performing loans
9	Doubtful	50%	4	Non-performing loans
10	Bad debt	100%	4	Non-performing loans

A-5 The Maximum Limits for Credit Risk Before Collaterals Balance Sheet Items Exposed to Credit Risks

	31 December 2025	31 December 2024
Balance sheet items exposed to credit risks	Egyptian Pound	Egyptian Pound
Cash and balances with central bank	38,094,628,144	18,058,553,326
Due from banks	76,035,294,901	112,418,695,439
Loans and Advances to Customers		
Retail Loans:		
Personal loans	19,037,961,604	15,045,308,959
Overdrafts	735,883,190	1,163,914,754
Credit cards	1,835,014,240	1,392,663,774
Auto loans	4,276,887,003	2,801,625,437
Housing loans	340,160,148	396,157,519
Corporate Loans:		
Overdrafts	54,603,301,274	50,416,785,334
Direct loans	89,014,627,941	63,589,367,118
Syndicated loans	17,601,831,981	12,680,067,522
Other loans	3,484,898,279	1,412,231,506
Financial Investments:		
Debt instruments	173,958,875,509	129,877,622,574
Other assets	3,773,000,009	3,204,196,738
Total	**482,792,364,223**	**412,457,190,000**
Off-balance sheet items exposed to credit risk		
Loan commitments and other irrevocable commitments related to credit	9,495,478,563	1,639,967,296
Letters of guarantee	41,056,562,824	28,568,976,570
Letters of credit	4,255,261,079	4,025,787,201
Suppliers acceptance	9,220,058,968	11,301,924,670
Total	**64,027,361,434**	**45,536,655,737**

A-5 The maximum limits for credit risk before collaterals balance sheet items exposed to credit risks

(EGP)

31 December 2025

	Stage 1	Stage 2	Stage 3	Total
Cash and balances with CBE				
Exposure at default	38,094,628,144	-	-	38,094,628,144
Net Value	**38,094,628,144**	**-**	**-**	**38,094,628,144**
Due from banks				
Exposure at default	76,035,294,901	-	-	76,035,294,901
Expected credit loss	(25,278,483)	-	-	(25,278,483)
Net Value	**76,010,016,418**	**-**	**-**	**76,010,016,418**
Loans and advances to customers				
Retail loans				
Exposure at default	24,533,164,227	1,499,672,224	193,069,734	26,225,906,185
Expected credit loss	(338,509,098)	(98,758,863)	(130,151,214)	(567,419,175)
Net Value	**24,194,655,129**	**1,400,913,361**	**62,918,520**	**25,658,487,010**
Corporate loans				
Exposure at default	151,993,715,042	6,631,198,899	6,079,745,534	164,704,659,475
Expected credit loss	(211,349,983)	(1,210,725,523)	(4,996,074,977)	(6,418,150,483)
Net Value	**151,782,365,059**	**5,420,473,376**	**1,083,670,557**	**158,286,508,992**
Financial assets at fair value through OCI*				
Exposure at default	165,504,680,577	-	-	165,504,680,577
Net Value	**165,504,680,577**	**-**	**-**	**165,504,680,577**

(EGP)

31 December 2024

	Stage 1	Stage 2	Stage 3	Total
Cash and balances with CBE				
Exposure at default	18,058,553,326	-	-	18,058,553,326
Net Value	**18,058,553,326**	**-**	**-**	**18,058,553,326**
Due from banks				
Exposure at default	112,418,695,439	-	-	112,418,695,439
Expected credit loss	(178,331,330)	-	-	(178,331,330)
Net Value	**112,240,364,109**	**-**	**-**	**112,240,364,109**
Loans and advances to customers				
Retail loans				
Exposure at default	19,287,847,202	1,148,642,171	363,181,070	20,799,670,443
Expected credit loss	(285,956,396)	(91,773,849)	(289,294,321)	(667,024,566)
Net Value	**19,001,890,806**	**1,056,868,322**	**73,886,749**	**20,132,645,877**
Corporate loans				
Exposure at default	117,138,680,555	5,982,010,857	4,977,760,068	128,098,451,480
Expected credit loss	(894,120,737)	(1,213,802,490)	(4,086,371,119)	(6,194,294,346)
Net Value	**116,244,559,818**	**4,768,208,367**	**891,388,949**	**121,904,157,134**
Financial assets at fair value through OCI*				
Exposure at default	129,563,592,356	-	-	129,563,592,356
Net Value	**129,563,592,356**	**-**	**-**	**129,563,592,356**

A-5 The maximum limits for credit risk before collaterals balance sheet items exposed to credit risks

(EGP)

31 December 2025

Retail Loans

	Stage 1	Stage 2	Stage 3	Total
Performing loans	24,281,909,117	982,170,981	-	25,264,080,098
Regular watching	251,255,110	373,486,419	-	624,741,529
Watch list	-	144,014,824	-	144,014,824
Non-performing	-	-	193,069,734	193,069,734
Total	**24,533,164,227**	**1,499,672,224**	**193,069,734**	**26,225,906,185**
ECL	(338,509,098)	(98,758,863)	(130,151,214)	(567,419,175)
Net Value	**24,194,655,129**	**1,400,913,361**	**62,918,520**	**25,658,487,010**

Corporate Loans

Performing loans	112,737,061,672	1,628,585,073	-	114,365,646,745
Regular watching	39,256,653,370	3,256,071,359	-	42,512,724,729
Watch list	-	1,746,542,467	-	1,746,542,467
Non-performing	-	-	6,079,745,534	6,079,745,534
Total	**151,993,715,042**	**6,631,198,899**	**6,079,745,534**	**164,704,659,475**
ECL	(211,349,983)	(1,210,725,523)	(4,996,074,977)	(6,418,150,483)
Net Value	**151,782,365,059**	**5,420,473,376**	**1,083,670,557**	**158,286,508,992**

31 December 2024

Retail Loans

	Stage 1	Stage 2	Stage 3	Total
Performing loans	19,110,769,611	697,251,161	213,158,345	20,021,179,117
Regular watching	177,077,591	433,830,795	33,173,312	644,081,698
Watch list	-	17,560,215	30,979,107	48,539,322
Non-performing	-	-	85,870,306	85,870,306
Total	**19,287,847,202**	**1,148,642,171**	**363,181,070**	**20,799,670,443**
ECL	(285,956,396)	(91,773,849)	(289,294,321)	(667,024,566)
Net Value	**19,001,890,806**	**1,056,868,322**	**73,886,749**	**20,132,645,877**

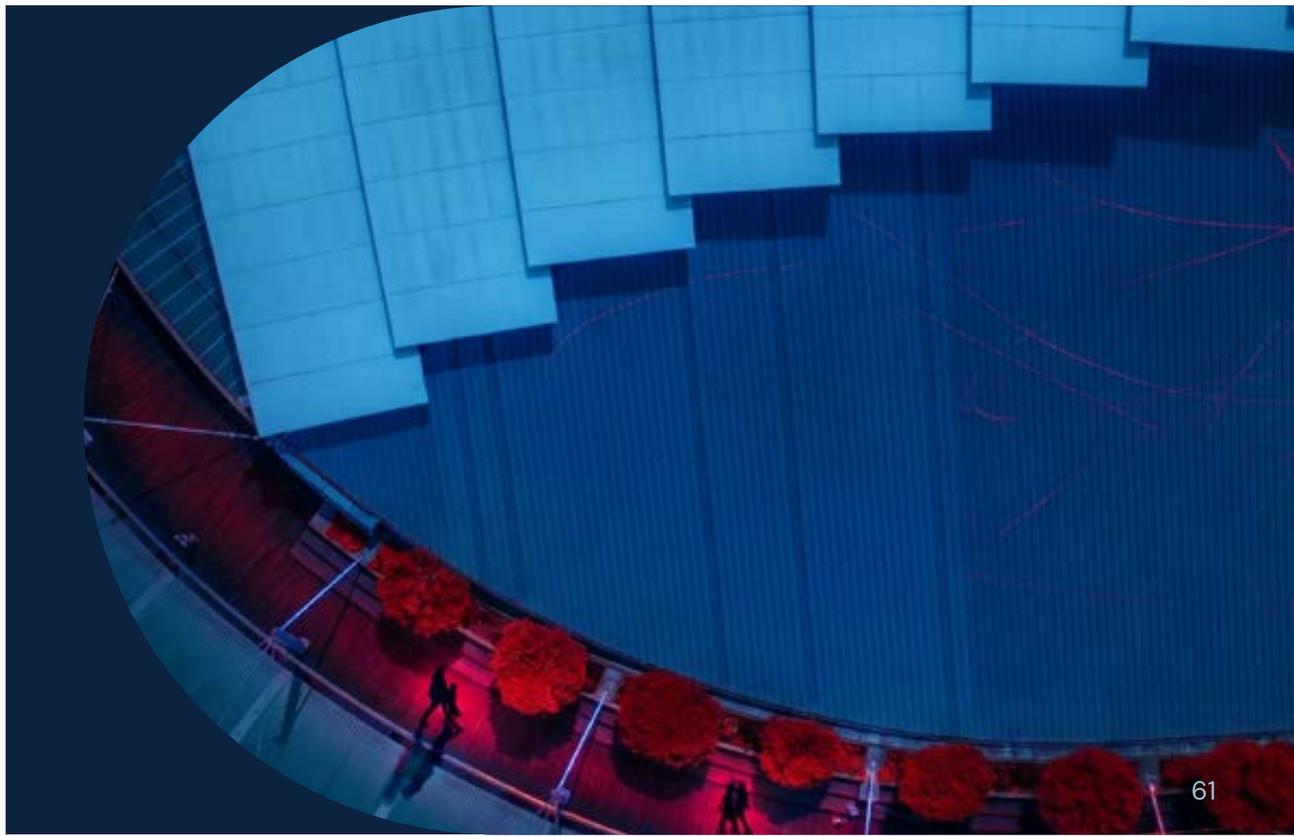
Corporate Loans

Performing loans	47,968,335,163	1,092,528,618	114,793	49,060,978,574
Regular watching	69,170,345,392	3,915,257,548	4,238,897	73,089,841,837
Watch list	-	974,224,691	6,162,017	980,386,708
Non-performing	-	-	4,967,244,361	4,967,244,361
Total	**117,138,680,555**	**5,982,010,857**	**4,977,760,068**	**128,098,451,480**
ECL	(894,120,737)	(1,213,802,490)	(4,086,371,119)	(6,194,294,346)
Net Value	**116,244,559,818**	**4,768,208,367**	**891,388,949**	**121,904,157,134**

A-6 Loans & Advances

Loans and advances risk ratios are summarized as follows:

	31 December 2025	31 December 2024
	Egyptian Pound	Egyptian Pound
Neither past due nor impaired	179,468,250,027	139,069,519,544
Past due but not impaired	5,208,349,726	4,653,442,472
Impaired	6,253,965,907	5,175,159,907
Total	**190,930,565,660**	**148,898,121,923**
Less:		
Expected credit losses	(6,985,569,658)	(6,861,318,912)
Total	**183,944,996,002**	**142,036,803,011**



Loans and advances neither past due nor impaired

The credit worthiness of Loans and advances portfolio that are neither past due nor impaired and that according to internal rating used by the bank.

31 December 2025

(EGP)

Retail loans

	Personal Loans	Credit Cards	Overdrafts	Auto Loans	Housing Loans	Total
Performing loans	17,629,400,926	1,771,782,416	735,883,190	4,135,955,836	291,175,822	24,564,198,190
Total	**17,629,400,926**	**1,771,782,416**	**735,883,190**	**4,135,955,836**	**291,175,822**	**24,564,198,190**
Fair value of guarantees	**12,686,605,759**	**74,589,105**	**211,013,649**	**1,243,991,724**	**1,138,663**	**14,217,338,900**

Corporate loans

	Overdrafts	Direct Loans	Syndicated Loans	Other Loans	Total
Performing loans	27,594,844,645	73,445,895,595	9,929,341,815	2,436,977,517	113,407,059,572
Regular watching	23,080,234,450	10,021,978,337	6,061,052,331	1,047,920,762	40,211,185,880
Watch list	177,356,570	38,601,574	1,069,848,241	–	1,285,806,385
Total	**50,852,435,665**	**83,506,475,506**	**17,060,242,387**	**3,484,898,279**	**154,904,051,837**
Fair value of guarantees	**5,533,969,939**	**60,442,796,527**	**10,083,863,003**	**9,507,467**	**76,070,136,937**

31 December 2024

(EGP)

Retail loans

	Personal Loans	Credit Cards	Overdrafts	Auto Loans	Housing Loans	Total
Performing loans	13,960,649,513	1,337,530,869	1,163,914,754	2,696,118,805	304,615,874	19,462,829,815
Total	**13,960,649,513**	**1,337,530,869**	**1,163,914,754**	**2,696,118,805**	**304,615,874**	**19,462,829,815**
Fair value of guarantees	**9,727,818,713**	**77,666,969**	**289,073,601**	**757,738,575**	**2,673,148**	**10,854,971,006**

Corporate loans

	Overdrafts	Direct Loans	Syndicated Loans	Other Loans	Total
Performing loans	29,633,120,245	11,396,646,753	6,313,625,242	1,200,763,426	48,544,155,666
Regular watching	18,351,072,248	47,213,773,603	4,644,952,458	211,468,080	70,421,266,389
Watch list	75,013,250	24,664,830	541,589,594	–	641,267,674
Total	**48,059,205,743**	**58,635,085,186**	**11,500,167,294**	**1,412,231,506**	**119,606,689,729**
Fair value of guarantees	**5,218,093,654**	**46,746,961,487**	**8,423,610,799**	**33,854,624**	**60,422,520,565**

Loans and advances that are past due but are not impaired

Loans and advances that are past due but are not impaired, unless other information is available to the contrary. Loans and advances to customers that are past due but are not impaired and the fair value of their guarantees are as follows:

31 December 2025

(EGP)

Retail loans

	Personal Loans	Credit Cards	Auto Loans	Housing Loans	Total
Past due up to 30 days	843,013,507	24,073,241	75,665,771	27,233,729	969,986,248
Past due up to 30-60 days	408,027,025	16,431,905	51,838,786	10,239,170	486,536,886
Past due up to 60-90 days	23,571,999	4,464,153	1,305,394	1,622,811	30,964,357
Total	**1,274,612,531**	**44,969,299**	**128,809,951**	**39,095,710**	**1,487,487,491**
Collaterals	**810,702,845**	**1,149,674**	**68,062,370**	**–**	**879,914,889**

Corporate loans

	Overdrafts	Direct Loans	Syndicated Loans	Total
Past due up to 30 days	1,803,973,207	652,816,744	–	2,456,789,951
Past due up to 30-60 days	910,011,218	201,562,815	–	1,111,574,033
Past due up to 60-90 days	68,356,395	49,399,649	–	117,756,044
Past due more than 90 days	34,742,207	–	–	34,742,207
Total	**2,817,083,027**	**903,779,208**	**–**	**3,720,862,235**
Collaterals	**400,040,101**	**265,920,059**	**–**	**665,960,160**

31 December 2024

(EGP)

Retail loans

	Personal Loans	Credit Cards	Auto Loans	Housing Loans	Total
Past due up to 30 days	557,587,476	22,786,011	51,333,291	21,428,545	653,135,323
Past due up to 30-60 days	377,834,432	14,278,386	41,717,977	24,449,825	458,280,620
Past due up to 60-90 days	13,823,842	2,922,846	813,527	10,464,630	28,024,845
Total	**949,245,750**	**39,987,243**	**93,864,795**	**56,343,000**	**1,139,440,788**
Collaterals	**518,048,881**	**1,364,211**	**26,056,403**	**–**	**545,469,494**

Corporate loans

	Overdrafts	Direct Loans	Syndicated Loans	Total
Past due up to 30 days	750,187,930	728,691,356	1,085,060,412	2,563,939,698
Past due up to 30-60 days	230,512,873	114,337,954	94,839,816	439,690,643
Past due up to 60-90 days	99,147,990	54,159,015	–	153,307,005
Past due more than 90 days	274,381,442	82,682,896	–	357,064,338
Total	**1,354,230,235**	**979,871,221**	**1,179,900,228**	**3,514,001,684**
Collaterals	**396,483,279**	**430,413,455**	**1,085,060,412**	**1,911,957,146**

Loans and advances individually subject to impairment

Loans and advances to customers

Loans and advances individually subject to impairment before taking into consideration cash flows from guarantees amounted to EGP 6,253,965,907 as at 31 December 2025 against EGP 5,175,159,907 as at 31 December 2024.

The breakdown of the total loans and advances individually subject to impairment including fair value of collateral obtained by the nank are as follows:

31 December 2025 (EGP)

Retail loans

	Personal Loans	Credit Cards	Auto Loans	Housing Loans	Total
Loans and advances individually subject to impairment	133,948,147	18,262,525	12,121,216	9,888,616	174,220,504
Collaterals	**130,770**	**74,605**	**99,024**	**–**	**304,399**

Corporate loans

	Overdrafts	Direct Loans	Syndicated Loans	Other Loans	Total
Loans and advances individually subject to impairment	933,782,582	4,604,373,227	541,589,594	–	6,079,745,403
Collaterals	**31,429,894**	**399,789,510**	**–**	**–**	**431,219,404**

31 December 2024 (EGP)

Retail loans

	Personal Loans	Credit Cards	Auto Loans	Housing Loans	Total
Loans and advances individually subject to impairment	135,413,696	15,145,662	11,641,837	35,198,645	197,399,840
Collaterals	**20,246,901**	**137,353**	**64,319**	**–**	**20,448,573**

Corporate loans

	Overdrafts	Direct Loans	Syndicated Loans	Other Loans	Total
Loans and advances individually subject to impairment	1,003,349,356	3,974,410,711	–	–	4,977,760,067
Collaterals	**21,195,128**	**310,185,187**	**–**	**–**	**331,380,315**



The following table shows the changes in expected credit losses during the year

(EGP)

31 December 2025	Stage 1	Stage 2	Stage 3	Total
	12 months	*Lifetime*	*Lifetime*	
Retail loans				
Balance as at 01/01/2025	285,956,396	91,773,849	289,294,321	667,024,566
Charged on income statement	52,147,824	13,289,914	98,909,875	164,347,613
Write offs during the year	-	-	(319,313,525)	(319,313,525)
Recoveries from previously written-off	-	-	70,588,371	70,588,371
Transferred through stage 1	5,095,563	(5,095,563)	-	-
Transferred through stage 2	(3,727,734)	3,727,734	-	-
Transferred through stage 3	(951,657)	(4,935,296)	5,886,953	-
Foreign currencies revaluation differences	(11,294)	(1,775)	(15,214,781)	(15,227,850)
Balance as at 31/12/2025	**338,509,098**	**98,758,863**	**130,151,214**	**567,419,175**
Corporate loans				
Balance as at 01/01/2025	894,120,737	1,213,802,490	4,086,371,119	6,194,294,346
Charged on income statement	(715,837,868)	768,559,104	650,272,126	702,993,362
Write offs during the year	-	-	(363,196,771)	(363,196,771)
Recoveries from previously written-off	-	-	187,241,978	187,241,978
Transferred through stage 1	83,004,447	(83,004,447)	-	-
Transferred through stage 2	(32,033,154)	32,033,154	-	-
Transferred through stage 3	(4,821,721)	(702,833,974)	707,655,695	-
Foreign currencies revaluation differences	(13,082,458)	(17,830,804)	(272,269,170)	(303,182,432)
Balance as at 31/12/2025	**211,349,983**	**1,210,725,523**	**4,996,074,977**	**6,418,150,483**

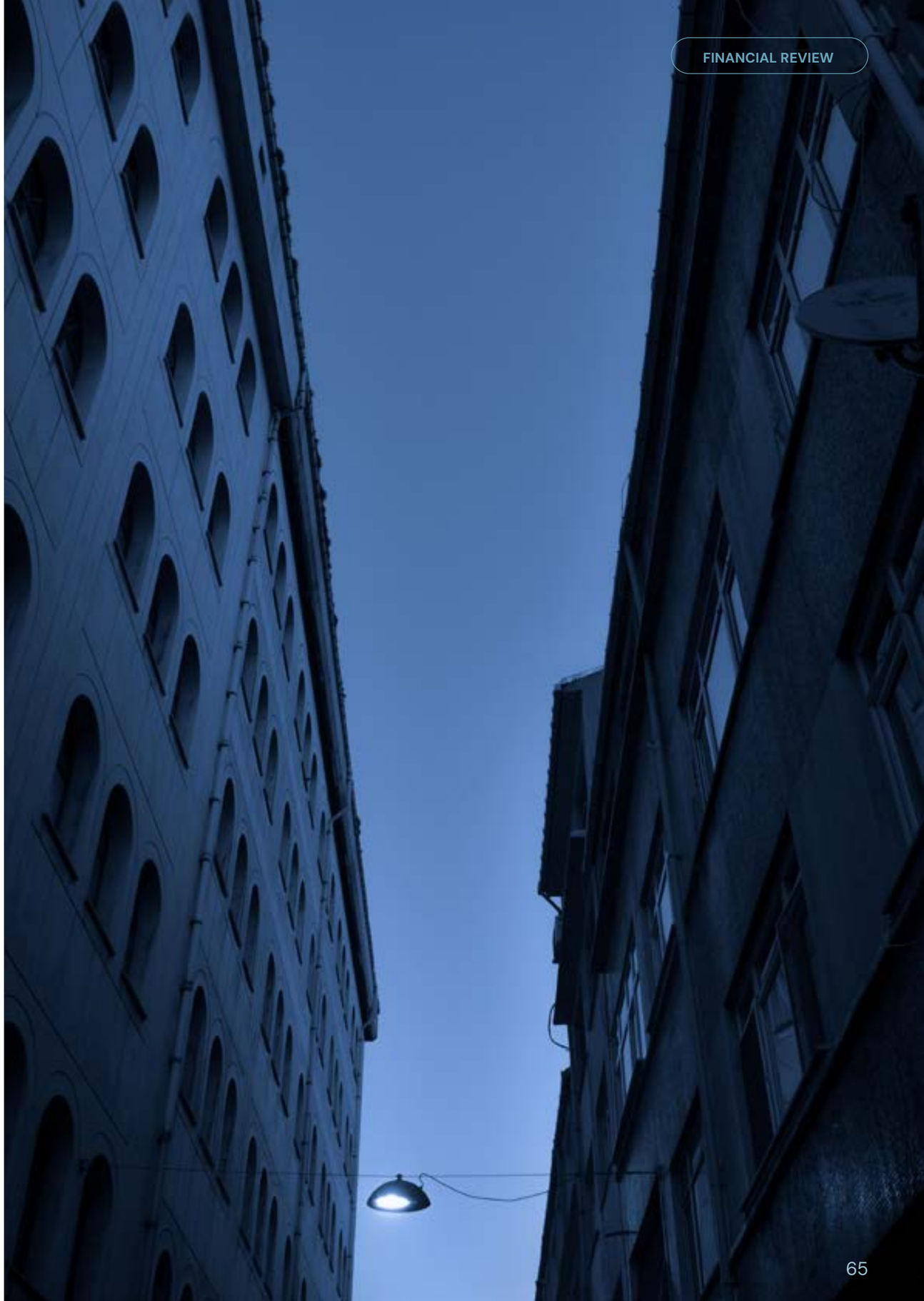
(EGP)

31 December 2024	Stage 1	Stage 2	Stage 3	Total
	12 months	*Lifetime*	*Lifetime*	
Retail loans				
Balance as at 01/01/2024	79,102,764	87,551,643	238,225,621	404,880,028
Charged on income statement	196,582,511	8,111,877	74,632,706	279,327,094
Write offs during the year	-	-	(162,465,791)	(162,465,791)
Recoveries from previously written-off	-	-	82,339,786	82,339,786
Transferred through stage 1	4,566,108	(4,566,108)	-	-
Transferred through stage 2	(4,253,439)	4,253,439	-	-
Transferred through stage 3	(678,882)	(4,344,582)	5,023,464	-
Foreign currencies revaluation differences	10,637,334	767,580	51,538,535	62,943,449
Balance as at 31/12/2024	**285,956,396**	**91,773,849**	**289,294,321**	**667,024,566**
Corporate loans				
Balance as at 01/01/2024	601,437,200	1,992,066,071	1,757,361,416	4,350,864,687
Charged on income statement	(61,196,132)	(160,898,935)	2,112,408,335	1,890,313,268
Write offs during the year	-	-	(910,986,046)	(910,986,046)
Recoveries from previously written-off	-	-	236,672,004	236,672,004
Transferred through stage 1	450,657,541	(450,657,541)	-	-
Transferred through stage 2	(15,072,664)	15,072,664	-	-
Transferred through stage 3	(675,828)	(469,207,932)	469,883,760	-
Foreign currencies revaluation differences	(81,029,380)	287,428,163	421,031,650	627,430,433
Balance as at 31/12/2024	**894,120,737**	**1,213,802,490**	**4,086,371,119**	**6,194,294,346**

Restructured Loans and Advances

Restructuring activities include renegotiating, implementing mandatory management programs, and adjusting/ postpone repayment terms. Renegotiating policies depend on indicators or standards that indicate that there is a high probability of continuation of payment, based on the personal judgment of the management. These policies are subject to continuous review. It is usual to apply restructuring to long-term loans, especially customer financing loans as follows :

Loans and advances to customers - corporate loans	31 December 2025	31 December 2024
Overdrafts	132,231	161,332
Direct loans	762,797	797,385
Retail loans:		
Retail loans	3,349	-
Total	**898,377**	**958,717**



A-7 Debt instruments and treasury bills:

The table below shows an analysis of debt instruments and treasury bills based on raging agencies in 31 December 2025, according to Standard and Poor's and equivalent rating agency.

(EGP)

31 December 2025	Treasury bills & other Governmental Securities	Financial Securities	Total
Less than A-	172,212,496,190	-	172,212,496,190
Unrated	-	1,746,379,319	1,746,379,319
Total	**172,212,496,190**	**1,746,379,319**	**173,958,875,509**

31 December 2024	Treasury bills	Financial Securities	Total
Less than A-	128,439,287,028	-	128,439,287,028
Unrated	-	1,438,335,546	1,438,335,546
Total	**128,439,287,028**	**1,438,335,546**	**129,877,622,574**

A-8 Concentration of risks of financial assets exposed to credit risk

Business Segments

The following table represents a breakdown of the bank most significant credit risk limits at their carrying mounts distributed by business segments. The bank breakdown these risks according to the bank customer's business area.

31 December 2025	Corporate Banking	Investments	Other Activities	Retail	Total
Net revenue according to business segment	11,512,561	18,040,421	(1,815,184)	5,596,979	33,334,777
Expenses according to business segment	(4,130,029)	(444,897)	-	(3,924,108)	(8,499,034)
Profit before tax	**7,382,532**	**17,595,524**	**(1,815,184)**	**1,672,871**	**24,835,743**
Income tax	(1,661,070)	(6,550,055)	411,175	(376,396)	(8,176,347)
Profit for the year	**5,721,462**	**11,045,469**	**(1,404,009)**	**1,296,475**	**16,659,397**
Total Assets	157,867,783	287,441,546	12,036,026	26,875,921	484,221,276
Total Liabilities	239,661,722	52,004,630	22,384,456	94,236,429	408,287,237

31 December 2024	Corporate Banking	Investments	Other Activities	Retail	Total
Net revenue according to business segment	12,911,593	14,234,837	10,889,506	5,057,881	43,093,817
Expenses according to business segment	(3,174,471)	(598,034)	-	(3,151,246)	(6,923,751)
Profit before tax	**9,737,122**	**13,636,803**	**10,889,506**	**1,906,635**	**36,170,066**
Income tax	(2,190,852)	(4,751,614)	(2,448,897)	(428,993)	(9,820,356)
Profit for the year	**7,546,269**	**8,885,189**	**8,440,609**	**1,477,642**	**26,349,709**
Total Assets	119,812,498	259,593,286	12,107,941	21,194,059	412,707,784
Total Liabilities	183,165,788	70,787,553	22,615,383	75,640,320	352,209,044

A-8 Concentration of risks of financial assets exposed to credit risk

Geographical Sectors

The following table represents a breakdown of the bank most significant credit risk limits at their carrying mounts distributed by geographical sectors. The bank breakdown these risks according to the bank customer's.

31 December 2025

(EGP)

Loans and advances to customers	Cairo	Alex, Delta & Sinai	Total
Retail			
Personal loans	13,898,547,606	5,139,413,998	19,037,961,604
Overdraft	513,959,191	221,923,999	735,883,190
Credit cards	1,269,999,270	565,014,970	1,835,014,240
Auto loans	3,361,786,547	915,100,456	4,276,887,003
Housing loans	316,091,030	24,069,118	340,160,148
Corporate			
Overdraft	47,049,705,656	7,553,595,618	54,603,301,274
Direct loans	86,260,387,069	2,754,240,872	89,014,627,941
Syndicated loans	17,601,831,981	-	17,601,831,981
Other loans	3,156,265,435	328,632,844	3,484,898,279
Financial Investments			
Debt instruments	173,958,875,509	-	173,958,875,509
Other assets	3,628,738,815	144,261,194	3,773,000,009
Total	**351,016,188,109**	**17,646,253,069**	**368,662,441,178**

31 December 2024

(EGP)

Loans and advances to customers	Cairo	Alex, Delta & Sinai	Total
Retail			
Personal loans	10,838,358,976	4,206,949,983	15,045,308,959
Overdraft	890,446,269	273,468,485	1,163,914,754
Credit cards	1,012,982,943	379,680,831	1,392,663,774
Auto loans	2,243,465,517	558,159,920	2,801,625,437
Housing loans	363,686,242	32,471,277	396,157,519
Corporate			
Overdraft	44,567,649,631	5,849,135,703	50,416,785,334
Direct loans	60,370,747,871	3,218,619,247	63,589,367,118
Syndicated loans	12,680,067,522	-	12,680,067,522
Other loans	1,412,231,506	-	1,412,231,506
Financial Investments			
Debt instruments	129,877,622,574	-	129,877,622,574
Other assets	3,070,460,043	133,736,695	3,204,196,738
Total	**267,327,719,094**	**14,652,222,141**	**281,979,941,235**

Business segments

The following table represents breakdown of the most significant credit risk limits at their carrying amounts distributed according to the business of the bank's customers:

31 December 2025

(EGP)'000

	Financial Institutions	Industrial Entities	Service Entities	Commerical	Agricultural Entities	Governmental Sector	Other Activities	Individuals	Total
Balances with the Central Bank within reserve ratio	38,094,628	–	–	–	–	–	–	–	38,094,628
Due from Banks	76,035,295	–	–	–	–	–	–	–	76,035,295
Retail Loans:									
Personal Loans	–	–	–	–	–	–	–	19,037,962	19,037,962
Overdrafts	–	–	–	–	–	–	–	735,883	735,883
Credit Cards	–	–	–	–	–	–	–	1,835,014	1,835,014
Auto Loans	–	–	–	–	–	–	–	4,276,887	4,276,887
Housing Loans	–	–	–	–	–	–	–	340,160	340,160
Corporate Loans:									
Overdrafts	–	34,590,604	9,849,108	7,457,519	632,614	2,073,458	–	–	54,603,301
Direct Loans	–	10,861,093	17,858,094	1,194,372	23,699	59,077,369	–	–	89,014,628
Syndicated Loans	–	2,062,386	5,868,320	562,531	–	9,108,594	–	–	17,601,832
Other Loans	–	2,435,079	949,008	100,811	–	–	–	–	3,484,898
Financial Investments:									
Debt Instruments	–	–	1,746,379	–	–	172,212,496	–	–	173,958,876
Other Assets	–	158,559	695,031	772,776	4,348	2,142,286	–	–	3,773,000
Total at 31 December 2025	**114,129,923**	**50,107,721**	**36,965,941**	**10,088,010**	**660,661**	**244,614,203**	**–**	**26,225,906**	**482,792,364**

Business segments

The following table represents breakdown of the most significant credit risk limits at their carrying amounts distributed according to the business of the bank's customers (continued):

31 December 2024

(EGP)'000

	Financial Institutions	Industrial Entities	Service Entities	Commerical	Agricultural Entities	Governmental Sector	Other Activities	Individuals	Total
Balances with the Central Bank within reserve ratio	18,058,553	–	–	–	–	–	–	–	18,058,553
Due from banks	112,418,695	–	–	–	–	–	–	–	112,418,695
Retail loans:									
Personal loans	–	–	–	–	–	–	–	15,045,309	15,045,309
Overdrafts	–	–	–	–	–	–	–	1,163,915	1,163,915
Credit cards	–	–	–	–	–	–	–	1,392,664	1,392,664
Auto loans	–	–	–	–	–	–	–	2,801,625	2,801,625
Housing loans	–	–	–	–	–	–	–	396,158	396,158
Corporate loans:									
Overdrafts	–	30,828,518	11,481,181	5,866,931	280,408	1,959,747	–	–	50,416,785
Direct loans	–	7,666,649	7,805,300	2,648,322	24,040	45,445,056	–	–	63,589,367
Syndicated loans	–	1,967,458	850,314	899,864	–	8,962,432	–	–	12,680,068
Other loans	731,471	489,160	25,800	162,237	–	3,564	–	–	1,412,232
Financial investments:									
Debt instruments	–	–	1,438,336	–	–	128,439,287	–	–	129,877,623
Other assets	–	386,629	2,228,717	322,753	26,404	–	239,694	–	3,204,197
Total at 31 December 2024	**131,208,720**	**41,338,414**	**23,829,648**	**9,900,107**	**330,852**	**184,810,086**	**239,694**	**20,799,670**	**412,457,191**

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 bank's management set aggregate limits for foreign exchange at total value 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's exposure to foreign exchange volatility risk at the end of the financial year. The following table includes the carrying amounts of the financial instruments in their currencies:

31 December 2025 **(EGP)**

	EGP	USD	EUR	GBP	Others	Total
Financial assets						
Cash and balances with central bank	38,783,815	493,212	170,908	37,733	74,753	39,560,420
Due from banks	29,689,273	40,349,509	4,167,258	538,992	1,264,985	76,010,016
Loans and advances to customers	109,306,446	73,662,356	976,140	28	25	183,944,996
Financial derivatives	2,452	-	11,528	-	80	14,060
Financial investments						
- At fair value through profit and loss	8,469,504	-	-	-	-	8,469,504
- At fair value through comprehensive income	146,697,384	18,425,887	542,944	-	-	165,666,216
- At amortized cost	-	-	-	-	-	-
Other assets	5,738,250	910,360	26,483	20,402	4,230	6,699,727
Total financial assets	**338,687,125**	**133,841,323**	**5,895,262**	**597,156**	**1,344,074**	**480,364,939**
Financial liabilities						
Due to banks	3,402,018	38,729,971	338,401	-	-	42,470,390
Customers' deposits	264,704,887	62,599,289	5,486,199	574,546	502,314	333,867,235
Financial derivatives	26,694	5,274	1,862	3,343	7	37,179
Other liabilities	9,941,524	1,263,254	71,107	467	1,134,558	12,410,910
Subordinated loan	-	9,534,240	-	-	-	9,534,240
Total financial liabilities	**278,075,123**	**112,132,028**	**5,897,569**	**578,357**	**1,636,878**	**398,319,955**
Net financial position balance sheet	**60,612,002**	**21,709,295**	**(2,307)**	**18,799**	**(292,805)**	**82,044,985**
31 December 2024						
Total financial assets	256,601,100	144,972,110	4,154,901	522,205	1,112,367	407,362,683
Total financial liabilities	209,361,282	122,299,098	4,176,151	492,255	568,805	336,897,591
Net financial position balance sheet	**47,239,818**	**22,673,012**	**(21,250)**	**29,950**	**543,562**	**70,465,092**

B-3 Stress Testing

Stress tests provide an indication of the potential size of losses that could arise under extreme market conditions. Therefore, the bank computes on a daily basis trading Stressed VaR, combined with the trading VaR, to capture the abnormal movements in financial markets and to give more comprehensive picture of risk. The results of the stress tests are reviewed by the ALCO on a monthly basis and the Board Risk Committee on a quarterly basis.

B-3 Market Risk

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

Risk department is responsible for managing the market risks arising from trading and non-trading activities which are monitored by two separate teams. Regular reports are submitted to the bank's management and each business unit head periodically.

Trading portfolios include transactions where the bank deals direct with clients or with the market; Non-trading portfolios primarily arise from managing assets and liabilities interest rate relating to retail transactions. 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-3-1 Market Risk

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 in case, the fair value option has been applied. The major measurement techniques used to measure and control market risk are outlined.



Value at Risk

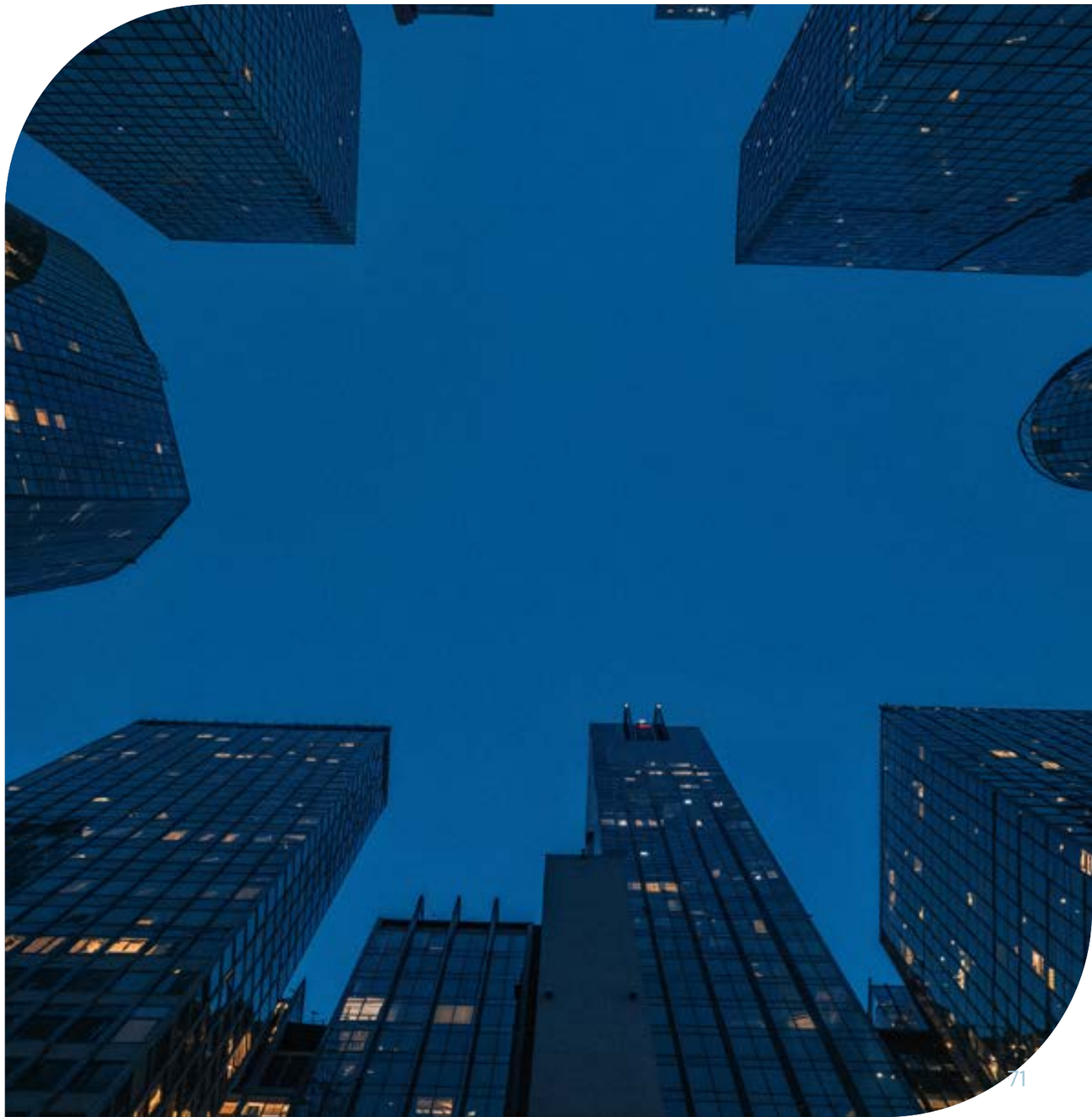
The bank applies the "Value at Risk" method for trading and non-trading portfolios, in order to estimate the market risk for existing positions and the maximum expected loss, based on a number of assumptions for various changes in market conditions. The Market Risk Department, in coordination with the Assets and Liabilities Department, sets limits for the value at risk that can be accepted by the bank for trading and non-trading separately, and it is monitored daily by the bank's Risk Management.

Value at risk is a statistical forecast of the potential loss of an existing portfolio resulting from adverse market movements. It expresses the maximum value that the bank can lose, using a specified confidence coefficient (99%). Thus, there is a statistical probability of (1%) that the actual loss is greater than the expected value at risk. The value at risk model assumes a specific retention period (1 day). The bank applies those historical changes in rates, prices and indices directly to the current positions – this method is known as historical simulation.

The use of this method does not prevent the loss from exceeding those limits, in the event of larger movements in the market. The value at risk amounted to about EGP 209M as of 31 December 2025.

The increase in the value at risk ,especially interest rate risk , is linked to the increase of interest rates in global financial markets.

The three previous outcomes of the VAR were calculated independently from the positions involved and historical market movements. The aggregate value at risk for trading and non-trading is not the bank's risk value because of the correlation between types of risks.



31 December 2025	Last 12 months ended current year			Last 12 months ended 31/12/2024		
						(EGP)
Value at risk (VaR) Summary	Medium	High	Low	Medium	High	Low
Total VaR by risk type						
Foreign exchange risk	53,937	158,595	37,179	68,276	313,682	17,752
Interest rate risk	289,077	495,306	141,855	212,717	446,477	57,800
Total VaR	**285,158**	**504,629**	**119,822**	**355,266**	**866,820**	**130,831**
Total VaR by risk type						
Foreign exchange risk	29,390	36,147	25,280	58,853	303,913	6,157
Interest rate risk	3,512	9,503	390	21,621	56,842	218
Total VaR	**29,224**	**36,157**	**25,184**	**69,882**	**303,827**	**15,414**
Trading portfolio VaR by risk type						
Foreign exchange risk	29,485	191,374	12,050	15,775	41,650	1,392
Interest rate risk	285,904	495,299	141,740	210,488	446,207	67,436
Total VaR	**287,308**	**498,923**	**122,847**	**332,133**	**852,340**	**133,644**

Interest Rate Risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates.

Interest margins may increase as a result of such changes but profit may decrease in the event that unexpected movements arise. The bank's management sets limits on the level of mismatch of interest rate reprising that may be undertaken which is monitored daily by risk management department.

31 December 2025

(EGP)'0000

	Up to 1 month	More than 1 month up to 3 months	More than 3 months up to1 year	More than 1 year up to 3 years	More than 3 years	Without Interest	Total
Financial assets							
Cash and balances with central bank	-	-	-	-	-	39,560,420	39,560,420
Due from banks	61,904,633	12,208,934	1,573,150	-	-	348,579	76,035,295
Loans and advances to customers	123,919,773	38,764,182	6,348,886	9,928,704	11,969,021	-	190,930,566
Financial Derivatives	-	-	-	-	-	14,060	14,060
Financial investments							
- At fair value through profit and loss	5,452,870	2,496,201	505,123	-	-	15,309	8,469,504
- At fair value through comprehensive income	36,562,906	35,668,055	61,103,058	31,481,630	782,183	68,383	165,666,216
Total financial assets	**227,840,182**	**89,137,372**	**69,530,217**	**41,410,334**	**12,751,204**	**40,006,751**	**480,676,060**
Financial liabilities							
Due to banks	15,613,702	25,280,985	37,824	-	-	1,537,879	42,470,390
Customers' deposits	73,548,735	89,312,297	75,197,853	25,823,680	5,907,107	64,077,565	333,867,235
Financial derivatives	-	-	-	-	-	37,179	37,179
Subordinated loan	9,534,240	-	-	-	-	-	9,534,240
Total financial liabilities	**98,696,677**	**114,593,281**	**75,235,677**	**25,823,680**	**5,907,107**	**65,652,623**	**385,909,044**
The repricing gap	**129,143,505**	**(25,455,909)**	**(5,705,460)**	**15,586,655**	**6,844,097**	**(25,645,872)**	**94,767,016**

B-4 Operational Risk

Operational Risk Definition:

The losses that the bank may be exposed to as a result of a defect in its internal control system or its internal operating system, or the failure of employees and human resources to perform their tasks efficiently, or malfunctions in electronic operating systems, or as a result of external factors and events, including operations Forgery and fraud. This definition includes legal risks and excludes strategic risks and reputational risks.

Operational risk management framework First Abu Dhabi Bank Egypt relies on the presence of an independent unit for operational risk management in the organizational structure that operates under the scope of risk management in the bank, and one of its basic tasks is to identify, measure and follow up on operational risks, limit them and mitigate their impact. To ensure effective management of operational risks, the bank considers that all employees are responsible for managing operational risks and this falls within the scope of their organizational responsibilities.

The key aspects of the operational risk management framework:

- Governance: Roles and responsibilities are defined for various departments, individuals and committees. There is oversight by Senior Management and Group Internal Audit Department to ensure that the Operational Risk Management policies are properly executed.

- Operational Risk Appetite and Tolerance: Defined limits and threshold (amount) of operational risk exposure (quantified through the amount of earnings at risk, regulatory or economic capital required) or potential adverse impact (e.g. reputational damage) from an event that FAB is willing to accept based on its current and proposed business strategies and operations.

- Policies and procedures: ERM Framework, Operational Risk Policy document and other policies and procedures defined from time to time ensure that operational risks are minimized.

- Operational Risk Management System: FAB deploys a system that serves as core tool for Operational Risk Management.

- Reporting: Efficient and prompt reporting, both internal and external, assists the Group Risk Management Division and Senior Management to understand Operational Risk issues for effective management.

- The main aspects of the Operational Risk Management (ORM):

- ***Identify*** – ORM tools help to identify risks in all material products, activities, processes and systems

- ***Assess*** – Application of quantitative and qualitative measures to define the probability, severity and exposure to risk

- ***Manage*** – Choose the best control or combination of controls based on analysis. Formulate plan to either avoid, transfer, mitigate or accept the risk -Monitor – Periodically review risk mitigation plan to ensure effectiveness and monitor trends

- ***Report*** – providing pertinent information/ escalation to Executive Management and relevant committees

Operational Risk is managed in a transparent manner through:

- Clear Assignment of Responsibilities (Among all ORM coordinators) · Segregation of Duties (Maker/Checker)

- Timely, accurate and complete reporting

- Timely escalation of Operational Risk matters

- Close follow-up for the timely implementation if mitigating controls or acceptance decisions

(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 process

The bank's liquidity management process carried out by risk management department 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 due or to be borrowed to customers. To ensure that the bank reaches its objective and 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 central bank of Egypt requirements.

- 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 financial liabilities dues and expected financial assets collections.

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

Funding approach

Sources of liquidity are regularly reviewed by bank treasury to maintain a wide diversification by currency geography source products and terms.



(C) Liquidity Risk

Non derivative cash flows

The following table represents the cash flows payable by the method of non-derivative financial liabilities distributed based on remaining period from the contractual maturities on the balance sheet's date.

The amounts presented in the table represent the undiscounted contractual cash flows while the bank manages the liquidity risk based on expected undiscounted cash flows and not the contractual ones.

31 December 2025

(EGP)'0000

Financial Liabilities	Up to 1 month	More than 1 month up to 3 months	More than 3 months up to 1 year	More than 1 year up to 5 years	More than 5 years	Total
Due to banks	6,713,644	401,346	1,650,038	37,651,594	-	46,416,622
Customers' deposits	96,232,446	88,330,927	86,327,140	85,677,693	7,011,666	363,579,871
Subordinated loan	-	-	-	-	9,601,323	9,601,323
Total financial liabilities according to maturity date	**102,946,090**	**88,732,273**	**87,977,178**	**123,329,286**	**16,612,988**	**419,597,815**

31 December 2024

Financial Liabilities	Up to 1 month	More than 1 month up to 3 months	More than 3 months up to 1 year	More than 1 year up to 5 years	More than 5 years	Total
Due to banks	4,406,467	10,969,715	2,218,986	49,913,178	-	67,508,345
Customers' deposits	74,765,747	103,025,384	75,883,725	70,345,662	4,840,264	328,860,781
Subordinated loan	-	-	637,970	-	10,255,707	10,893,677
Total financial liabilities according to maturity date	**79,172,213**	**113,995,099**	**78,740,681**	**120,258,840**	**15,095,971**	**407,262,804**



(D) The fair value of financial assets and liabilities

The bank measures fair values using the following fair value hierarchy system that explains the significance of the inputs used in determining the measurements.

Level 1: The quoted market price (unadjusted) in an active market for an identical instrument.

Level 2: Inputs other than prices included in Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments that are valued using: quoted market prices in active markets for similar instruments, and quoted market prices for identical or similar instruments in markets that are considered less active; or other valuation techniques in which all the significant inputs are observable, directly or indirectly, from market data.

Level 3: Inputs that are unnoticed. This category includes all instruments whose valuation methods include inputs that are not based on observable data, and the unobserved inputs have a significant impact on the instrument's evaluation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to show differences between the instruments.



D-1 Financial instruments measured at fair value

(EGP)

31 December 2025

	Level 1	Level 2	Level 3	Total
Financial investments at fair value through profit and loss				
FABMISR investment funds	-	15,308,988	-	**15,308,988**
Egyptian government treasury bills	-	8,454,194,932	-	**8,454,194,932**
Financial investments at fair value through comprehensive income				
Egyptian government treasury bills	-	127,623,296,425	-	**127,623,296,425**
Equity instruments	-	-	68,383,101	**68,383,101**
Egyptian government treasury bonds	-	36,135,004,833	-	**36,135,004,833**
Non governmental debt instruments	-	-	1,746,379,319	**1,746,379,319**
FABMISR investment funds	-	93,151,969	-	**93,151,969**

31 December 2024

	Level	Level 2	Level 3	Total
Financial investments at fair value through profit and loss				
FABMISR investment funds	-	12,538,355	-	**12,538,355**
Egyptian government treasury bills	-	2,448,385	-	**2,448,385**
Financial investments at fair value through comprehensive income				
Egyptian government treasury bills	-	94,099,005,892	-	**94,099,005,892**
Equity instruments	-	-	37,207,686	**37,207,686**
Egyptian government treasury bonds	-	34,026,250,918	-	**34,026,250,918**
Non governmental debt instruments	-	-	1,438,335,546	**1,438,335,546**
FABMISR investment funds	-	74,949,793	-	**74,949,793**

D -2 Financial instruments not measured at fair value

The table below summarizes the carrying amounts and fair values for those financial assets and liabilities not presented on the bank's statement of financial position at their fair value.

(EGP)

	Carrying Value 31-Dec-25	Fair Value 31-Dec-25	Carrying Value 31-Dec-24	Fair Value 31-Dec-24
Financial assets				
Due from banks	75,319,367,303	75,319,367,303	111,390,174,081	111,390,174,081
Loans and advances to customers				
Retail	26,225,906,185	26,225,906,185	20,799,670,443	20,799,670,443
Corporate	164,704,659,475	164,704,659,475	128,098,451,480	128,098,451,480
Financial liabilities				
Due to banks	42,470,390,201	42,470,390,201	60,009,727,518	60,009,727,518
Subordinated loan	9,534,240,000	9,534,240,000	10,777,825,600	10,777,825,600
Customers' deposits				
Individual	74,617,372,600	74,617,372,600	57,247,949,420	57,247,949,420
Corporate	259,249,862,863	259,249,862,863	201,542,588,278	201,542,588,278

At the date of the financial position, the bank did not estimate the fair value of the financial assets and liabilities that are measured above amortized cost. However, the management believes that the fair value will approximate the book value if the variable interest rates and the contractual and expected tenors of these instruments are taken into account.

Due from bank

The fair value of floating rate placements and overnight deposits is their carrying amount. The estimated Fair value of floating interest bearing deposits is based on discounted cash flows using prevailing money market interest rates for debts with similar credit risk and similar maturity date.

D-2 Financial instruments not measured at fair value

Loans and advances to customers

Loans and advances are net of ECL. The estimated fair value of loans and advances represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

Due to customers

Customer deposits are divided into current and non-current balances. The estimated fair value of deposits is based on cash flows and prevailing money market interest rates with credit risks, prices, and maturity.

(E) Capital management

For capital management purposes, the bank's capital includes total equity as reported in the statement of financial position plus some other elements that are managed as capital. The bank manages its capital to ensure that the following objectives are achieved:

- Complying with the legally imposed capital requirements in Egypt
- Maintaining a strong capital base to enhance growth of the bank's operations
- Protecting the bank ability to continue generating returns

Central Bank of Egypt requires the following:

- Maintaining an amount of EGP 5 billion as minimum for the issued and paid-up capital
- Maintaining a ratio between the elements of capital and the elements of contingent assets and liabilities, weighted by risk weights, equal to or more than 12.5%

In accordance with the capital adequacy ratio issued on 18 December 2012, the capital adequacy ratio is composed of the following 2 tiers.

Tier one:

Tier one comprises of paid-in capital (after deducting the book value of treasury shares if any), retained earnings and reserves resulting from the distribution of profits except the banking risk reserve (if any), and deducting previously recognized goodwill (if any) and any retained losses.

Tier two:

Is the supporting capital, and it consists of the following:

- 45% of the foreign currency translation differences reserve
- 45% of the special reserve
- 45% of the increase in fair value over the book value of financial investments (if positive)
- 45% of fair value reserve balance for financial investments that available for sale
- 45% of the increase in fair value over the carrying amount of financial investments held to maturity
- 45% of the increase in fair value over the carrying amount of financial investments in subsidiaries and associates (if any)

(E) Capital management

- Hybrid instruments
- Subordinated loans with more than five years to maturity, 20% of its carrying amount is amortized in each year of the remaining five years to maturity (within limits 50% of the first tranche after exclusions)
- Provision for impairment losses of loans, facilities and regular contingent liabilities (it should not exceed 1.25% of the total credit risks of regular contingent assets and liabilities weighted by risk weights, and the provision for impairment losses for loans, credit facilities and irregular contingent liabilities should be sufficient to meet the obligations for which the provision is made)
- Elimination 50% from tier one, and elimination 50% from the tier two
- Regarding the value of the assets that have transferred its ownership to the bank to settle debts in the general reserve for banking risks
- Assets and contingent liabilities are likely weighted by credit risk, market risk, and operational risk weights

Capital adequacy ratio has been prepared based on Basel II requirements and based on the decisions issued on 24 December 2012 which was taken by central bank of Egypt's board of directors according to the meeting held on 18 December 2012. The following table summarized the component of capital base and capital adequacy ratio according to Basel II.



E-1 The Capital Adequacy ratio according to Basel II

Tier 1 capital	31 December 2025	31 December 2024
Share capital	15,565,455	15,565,455
Reserves	2,780,145	1,409,623
Total accumulated balance of comprehensive income items	898,753	557,913
Retained earnings	37,564,536	14,202,234
Net profit	16,659,397	26,349,710
Total deductions from tier 1 capital common equity	(596,113)	(456,450)
Total qualifying tier 1 capital (Common equity)	**72,872,172**	**57,628,484**
Tier 2 capital		
Provision for impairment loans & facilities , contingent liabilities**	935,179	1,584,108
Subordinated loan	9,534,240	10,777,826
Total qualifying tier 2 capital	**10,469,419**	**12,361,934**
Total capital 1+2	**83,341,591**	**69,990,418**
Risk weighted assets and contingent liabilities		
Total credit risk	235,815,770	205,838,684
Total market risk	155,691	40,184
Total operational risk	17,087,915	9,563,698
Total Risk weighted assets and contingent liabilities	**253,059,376**	**215,442,565**
Capital adequacy ratio (%)	**32.93%**	**32.49%**

Not exceeding 1.25% of the total credit risk of risk weighted assets and liabilities**

E - 2 - Leverage Ratio

On 7 July 2015, the board of directors of the Central Bank of Egypt (CBE) issued a resolution approving the supervisory instructions for the financial leverage, with the banks' commitment to the minimum rate of 3% on a quarterly basis as follows:

- As a guidance ratio from the end of September 2015 to 2017
- As a regulatory obligation as of 2018

In order to preserve the strength and integrity of the Egyptian banking system and to keep pace with the best international supervisory practices in this regard. The leverage reflects the relationship between the capital base tier-1 in the capital adequacy ratio (after exclusions), and bank assets (both on and off balance sheet) are not weighted by risk weights.

Components of nominator

The nominator consists of tier 1 of capital (after exclusions) used to extend the capital adequacy ratio currently applied in accordance with the Central Bank of Egypt instructions.

Components of denominator

The denominator consists of all bank's assets (on and off balance sheet) based on the statement of financial position, which is called "the bank's exposures" and includes the following:

1- Item exposures on balance sheet after subtracting some of the capital base tier 1

2- Exposure arising from derivative contracts

3- Exposure arising from securities financing operations

4- Off-balance sheet exposures (weighted by conversion transactions).

	31 December 2025	31 December 2024
	(EGP'0000)	(EGP'0000)
Total qualifying tier 1 capital	72,872,172	57,628,484
On-balance sheet items & derivatives	485,336,633	414,097,192
Off-balance sheet items	39,613,014	26,146,656
Total exposures	**524,949,647**	**440,243,848**
Percentages (%)	**13.88%**	**13.09%**

4-Significant accounting estimates and assumptions

The bank make subjective estimates and judgments that affect the reported amounts of assets and liabilities with the next financial year, consistently estimations and judgments are continually evaluated based on historical experience and other factors including the expectations of future events that are believed to be reasonable, in light of the circumstances and available information.

(a) Impairment losses for loans and advances

The bank reviews the portfolio of loans and advances at least quarterly. The bank uses discretionary judgment on determining whether it is necessary to record impairment loss in the statement of profit or loss. The bank has to identify if there is objective evidence indicating a decline in the expected future cash flows from loan portfolio before identifying any decline on individual basis. This evidence include data indicating negative changes in a borrower's portfolio ability to repay to the bank or local or economic circumstances related to default. On scheduling future cash flows the management uses the past experience to determine the credit impairment loss for assets when there is objective evidence of impairment similar to occurring in portfolio. The methods and assumptions used in estimating both the amount and timing of the future cash flows are reviewed on a regular basis to minimize any discrepancy between the estimated loss and actual loss based on experience.

(b) Fair value of derivatives

The fair value of financial instruments that are not quoted in active markets is determined by using valuation techniques. When these methods are used to determine fair value, they are tested and periodically reviewed by using qualified personnel independent of the entity that prepared them. All models have been approved before their use, and after their trial to ensure that their results reflect actual data and prices that can be compared to the market to the extent that this is practical. These models only use documented data, except that areas such as credit risk of the bank, counterparty, volatility, and correlations require management to use estimates. Changes in assumptions about these factors could affect the fair value of the instruments.

(C) Income taxes

The bank recognizes liabilities for the expected results of the tax inspection according to estimates of the likelihood of additional taxes arising, and when there is a difference between the final tax result and the amounts previously recorded, these differences will affect the income tax and the deferred tax provision in the period in which the difference is determined.



5. Sectors segment analysis

A- Geographical Segment Analysis

(EGP)'000

31 December 2025

Income and expenses according to geographical segment	Cairo	Alex, Delta & Sinai	Total
Income	73,293,032,730	3,952,788,821	77,245,821,551
Expenses	(48,468,935,356)	(3,941,143,031)	(52,410,078,387)
Profit before tax	24,824,097,374	11,645,790	24,835,743,164
Income tax	(8,176,346,546)	-	(8,176,346,546)
Profit for the year	16,647,750,828	11,645,790	16,659,396,618
Assets and liabilities according to geographical segment			
Assets geographical segment	431,694,897,486	52,526,378,912	484,221,276,398
Liabilities geographical segment	(378,079,524,860)	(30,207,712,379)	(408,287,237,239)

31 December 2024

Income and expenses according to geographical segment	Cairo	Alex, Delta & Sinai	Total
Income	77,604,655,482	3,182,817,323	80,787,472,805
Expenses	(41,839,149,202)	(2,778,258,102)	(44,617,407,304)
Profit before tax	35,765,506,280	404,559,221	36,170,065,501
Income tax	(9,820,355,728)	-	(9,820,355,728)
Profit for the year	25,945,150,552	404,559,221	26,349,709,773
Assets and liabilities according to geographical segment			
Assets geographical segment	373,175,221,388	39,532,562,231	412,707,783,619
Liabilities geographical segment	(327,200,500,288)	(25,008,543,396)	(352,209,043,684)

6-Net interest income

Interest income on loans and similar income	31 December 2025	31 December 2024
Loans and advances to customers	29,584,946,235	20,958,555,685
Non trading investment	34,304,875,276	17,592,310,495
Deposits and current accounts income	8,985,050,884	31,865,175,748
	72,874,872,395	**70,416,041,928**
Interest expense on deposits and similar expenses		
Deposits and current accounts:		
Banks	(6,739,118,726)	(7,450,762,694)
Customers	(35,550,427,894)	(30,971,699,241)
	(42,289,546,620)	**(38,422,461,935)**
Net	**30,585,325,775**	**31,993,579,993**

7-Net fees and commissions income

Fees and commissions income:	31 December 2025	31 December 2024
Fees and commissions related to credit	**2,068,434,745**	**1,781,422,732**
Custody fees	35,666,481	12,604,432
Other fees	1,384,953,557	878,874,244
	3,489,054,783	**2,672,901,408**
Fees and commissions expenses:		
Fees and bank commissions	(1,501,347)	(1,372,403)
Other fees paid	(466,552,459)	(184,583,539)
	(468,053,806)	**(185,955,942)**
Net	**3,021,000,977**	**2,486,945,466**

8-Net trading income

	31 December 2025	31 December 2024 (EGP)
Profit from foreign exchange transactions	720,292,535	473,595,675
Financial derivative (profit) loss	(1,755,083,746)	3,341,525,502
Financial assets at fair value through P&I profit (loss)	1,838,883,185	76,434,365
	804,091,974	**3,891,555,542**

9-Expected credit loss

	31 December 2025	31 December 2024 (EGP)
Loans and advances to customers (Note15)	(867,340,975)	(2,169,640,362)
Due from banks (Note14)	140,911,490	(18,770,660)
Debt instrument at amortized cost (Note17)	-	-
Financial Assets at fair value through OCI	346,259,290	(54,472,927)
Other assets (Note18)	(129,515,520)	-
	(509,685,715)	**(2,242,883,949)**

10-General and Administrative expenses

Staff cost:	31 December 2025	31 December 2024 (EGP)
Wages and salaries	(1,564,520,248)	(1,240,767,897)
Social Insurance	(66,320,778)	(51,252,011)
End of service benefits (Note no. 27)	(109,718,453)	(61,927,005)
Total staff cost	**(1,740,559,479)**	**(1,353,946,913)**
Other administrative expenses	(3,913,777,148)	(2,310,840,664)
	(5,654,336,627)	**(3,664,787,577)**

11-Other operating income (expense)

	31 December 2025	31 December 2024 (EGP)
Profit (Loss) from revaluation of monetary assets and liabilities determined in foreign currency other than those classified for trading or originally classified at fair value through profit and loss	(1,325,365,812)	5,019,111,075
Gains on sale of property and equipment	12,145,127	55,827,679
Cost of Computer Programs	(1,114,939,523)	(837,033,948)
Rent	(124,622,017)	(96,667,996)
Other provisions (Note no. 25)	(720,746,911)	(349,887,474)
Other income (expense)	744,073,517	5,844,508
Fines*	(959,000,000)	-
	(3,488,455,619)	**3,797,193,844**

*The fines line item includes a fine issued by the Central Bank of Egypt amounting to EGP 959 million on 25 September 2025, due to the bank's violation of Article 104 of the Central Bank Law No. 194 of 2020, as well as the regulations governing the granting of credit.



12- Income Tax

	31 December 2025	31 December 2024 (EGP)
Current taxes	(8,551,091,325)	(7,179,348,320)
Deferred taxes (Note no. 26)	374,744,779	(2,641,007,408)
	(8,176,346,546)	**(9,820,355,728)**

(Note 26) shows additional information about deferred income tax. Income taxes differ when current applicable tax rates used as follows:

	31 December 2025	31 December 2024 (EGP)
Profit before income tax	24,835,743,164	36,170,065,501
Tax rate	22.50%	22.50%
Income tax calculated on accounting income	5,588,042,212	8,138,264,738
Nondeductible expenses	3,426,023,357	2,438,568,251
Tax exemptions	(7,424,557,966)	(4,024,866,456)
Tax of treasury bonds and bills	6,586,838,943	3,268,389,195
Income tax	8,176,346,546	9,820,355,728
Income and deferred tax	32.92%	27.15%

Current income tax liabilities balance movement:

	31 December 2025	31 December 2024 (EGP)
Balance at the beginning of the year	4,989,675,775	2,093,747,668
Formed during the year	8,551,091,325	7,179,348,320
Paid during the year	(9,426,445,796)	(4,283,420,213)
Income tax for the year	**4,114,321,304**	**4,989,675,775**

13-Cash and balances with central bank

	31 December 2025	31 December 2024
	Egyptian Pound	Egyptian Pound
Cash	1,465,792,155	1,695,832,555
Balances at the Central Bank within the mandatory reserve ratio	38,094,628,144	18,058,553,326
Non-Interest bearing balances	39,560,420,299	19,754,385,881
Current Balances	**39,560,420,299**	**19,754,385,881**



14- Due from banks

	31 December 2025	31 December 2024
	Egyptian Pound	Egyptian Pound
Current accounts	715,927,598	1,028,521,358
Deposits	75,319,367,303	111,390,174,081
	76,035,294,901	**112,418,695,439**
Expected credit loss provision	(25,278,483)	(178,331,330)
	76,010,016,418	**112,240,364,109**
Due from central bank (other than the obligatory reserve ratio)*	30,613,879,408	54,045,628,120
Local banks	26,559,238,413	22,360,919,913
Foreign banks	18,862,177,080	36,012,147,406
Expected credit loss provision	(25,278,483)	(178,331,330)
	76,010,016,418	**112,240,364,109**
Non-Interest bearing balances	348,578,533	434,832,103
Fixed interest rate balances	75,661,437,885	111,805,532,006
	76,010,016,418	**112,240,364,109**
Current Balances	**76,010,016,418**	**112,240,364,109**

Expected credit loss movement:

	31 December 2025	31 December 2024
	Egyptian Pound	Egyptian Pound
Balance at the beginning of the year	178,331,330	96,763,842
Formed during the year	(140,911,490)	18,770,660
Foreign currencies revaluation differences	(12,141,357)	62,796,828
Total	**25,278,483**	**178,331,330**

15- Loans and advances to customers

Retail	31 December 2025	31 December 2024
	Egyptian Pound	Egyptian Pound
Personal loans	19,037,961,604	15,045,308,959
Overdrafts	735,883,190	1,163,914,754
Credit cards	1,835,014,240	1,392,663,774
Car loans	4,276,887,003	2,801,625,437
Housing loans	340,160,148	396,157,519
Total (1)	**26,225,906,185**	**20,799,670,443**
Corporate loans including for small economic business		
Overdrafts	54,603,301,274	50,416,785,334
Direct loans	89,014,627,941	63,589,367,118
Syndicated loans	17,601,831,981	12,680,067,522
Other loans	3,484,898,279	1,412,231,506
Total (2)	**164,704,659,475**	**128,098,451,480**
Total loans advances for customers (1+2)	**190,930,565,660**	**148,898,121,923**
Less		
ECL for retail loans	(567,419,175)	(667,024,566)
ECL for corporate loans	(6,418,150,483)	(6,194,294,346)
Net Loans and advances for customers	**183,944,996,002**	**142,036,803,011**
Current balances	63,986,382,445	36,990,107,445
Non-current balances	119,958,613,557	105,046,695,566
Total	**183,944,996,002**	**142,036,803,011**

Expected credit losses for loans and advances to customers' analysis: (EGP)

31 December 2025	Retail	Corporate	Total
Balance as at 1/1/2025	**667,024,566**	**6,194,294,346**	**6,861,318,912**
Charged on income statement	164,347,613	702,993,362	867,340,975
Amounts written off during the year	(319,313,525)	(363,196,771)	(682,510,296)
Recovery during the year	70,588,371	187,241,978	257,830,349
FX Revaluation differences	(15,227,850)	(303,182,432)	(318,410,282)
Balance as at 31/12/2025	**567,419,175**	**6,418,150,483**	**6,985,569,658**

31 December 2024	Retail	Corporate	Total
Balance as at 1/1/2024	**404,880,028**	**4,350,864,687**	**4,755,744,715**
Charged on income statement	279,327,094	1,890,313,268	2,169,640,362
Amounts written off during the year	(162,465,791)	(910,986,046)	(1,073,451,837)
Recovery during the year	82,339,786	236,672,004	319,011,790
FX Revaluation differences	62,943,449	627,430,433	690,373,882
Balance as at 31/12/2024	**667,024,566**	**6,194,294,346**	**6,861,318,912**

16- Derivative financial instruments

Derivatives

The bank uses the following financial derivatives for both hedging and non-hedging purposes.

Forward contracts represent commitments of buying foreign and local currencies including unexecuted spot transactions.

Credit risk is considered low, and future interest rate contracts represent future exchange rate contracts negotiated for case by case, these contracts require financial settlements of any differences in contractual interest rates and prevailing market interest rates on future interest rates on future dates based on contractual amount (nominal value) pre-agreed upon.

Foreign exchange and/or interest rate swap represent commitments to exchange cash flows, resulting from these contracts exchange of currencies or interest (fixed rate versus variable rate for example) or both (meaning foreign exchange and interest rate contracts) / contractual amounts are not exchanged except for some foreign exchange contracts.

Credit risk is represented in the expected cost of foreign exchange contracts that take place if other parties default to fulfill their liabilities. This risk is monitored continuously through comparisons of fair value and contractual amount, and to control the outstanding credit risk, the bank evaluates other parties using the same methods as in borrowing activities.

(EGP)

31 December 2025 Financial derivatives	Notional/ Contractual amount	Assets	Liabilities
Forward foreign exchange contracts	11,569,142,603	8,777,771	31,905,202
Interest rate SWAP contracts	635,616,127	5,282,175	5,273,558
Total		**14,059,946**	**37,178,760**

31 December 2024 Financial derivatives	Notional/ Contractual amount	Assets	Liabilities
Forward foreign exchange contracts	9,412,121,727	28,014,843	43,842,803
Interest rate SWAP contracts	3,389,253,401	96,599,245	96,178,782
Total		**124,614,088**	**140,021,585**

17- Financial Investments

(EGP)

31 December 2025	Investments at FVTPL Value	Investments at FVTOCI	Investments at Amortized Cost	Total
Government bonds	-	36,135,004,833	-	36,135,004,833
Other bonds	-	1,746,379,319	-	1,746,379,319
Equity instruments	-	68,383,101	-	68,383,101
Egyptian government treasury bills	8,454,194,932	127,623,296,425	-	136,077,491,357
Mutual funds	15,308,988	93,151,969	-	108,460,957
Total	**8,469,503,920**	**165,666,215,647**	**-**	**174,135,719,567**

31 December 2024	Investments at FVTPL Value	Investments at FVTOCI	Investments at Amortized Cost	Total
Government bonds	-	34,026,250,918	311,581,833	34,337,832,751
Other bonds	-	1,438,335,546	-	1,438,335,546
Equity instruments	-	37,207,686	-	37,207,686
Egyptian government treasury bills	2,448,385	94,099,005,892	-	94,101,454,277
Mutual funds	12,538,355	74,949,793	-	87,488,148
Total	**14,986,740**	**129,675,749,835**	**311,581,833**	**130,002,318,408**

Profits from financial investments	31 December 2025 Egyptian Pound	31 December 2024 Egyptian Pound
(Loss) Gain from government treasury bills	64,835,494	(101,317,901)
Total	**64,835,494**	**(101,317,901)**

17- Financial Investments

Movement of financial investments at fair value through comprehensive income for non-trading purpose:

(EGP)

31 December 2025	Government Treasury bills	Funds	Total
Balance as at 1/1/2025	**2,448,385**	**12,538,355**	**14,986,740**
Additions	8,285,958,099	-	8,285,958,099
Disposal and redemption	(2,375,533)	-	(2,375,533)
Profit (loss) from fair value movement	168,163,981	2,770,633	170,934,614
Balance as at 31/12/2025	**8,454,194,932**	**15,308,988**	**8,469,503,920**

31 December 2024	Government Treasury bills	Funds	Total
Balance as at 1/1/2024	**3,459,279**	**71,355,818**	**74,815,097**
Additions	2,708,254	-	2,708,254
Disposal and redemption	(3,675,000)	-	(3,675,000)
Re-classification	-	(61,101,074)	(61,101,074)
Profit from fair value movement	(44,148)	2,283,611	2,239,463
Balance as at 31/12/2024	**2,448,385**	**12,538,355**	**14,986,740**

17- Financial Investments

Movement of financial investments at fair value through comprehensive income for non-trading purpose:

(EGP)

31 December 2025	Government Treasury bills	Egyptian Government Treasury bonds	Other Bonds	Equity instruments	Total
Balance 1/1/2025	**94,099,005,892**	**34,026,250,918**	**1,438,335,546**	**112,157,479**	**129,675,749,835**
Additions	127,499,838,310	13,465,887,682	683,634,355	-	141,649,360,347
Disposal and redemption	(94,053,211,592)	(12,043,470,125)	(300,616,298)	-	(106,397,298,015)
Profit (loss) from fair value movement	77,663,815	753,797,416	(74,974,284)	49,103,352	805,590,299
FX revaluation difference	-	(67,461,058)	-	274,239	(67,186,819)
Balance 1/1/2025	**127,623,296,425**	**36,135,004,833**	**1,746,379,319**	**161,535,070**	**165,666,215,647**

Expected credit loss movement:

	31 December 2025	31 December 2024
	Egyptian Pound	Egyptian Pound
Balance at the beginning of the year	653,563,948	512,131,784
Charged on income statement	(346,259,290)	54,472,927
FX revaluation difference	(22,442,559)	86,959,237
Balance at the end of the year	**284,862,099**	**653,563,948**

(EGP)

31 December 2024	Government Treasury bills	Egyptian Government Treasury bonds	Other Bonds	Equity instruments	Total
Balance 1/1/2024	**51,199,819,478**	**20,499,030,134**	**1,198,450,470**	**21,907,690**	**72,919,207,772**
Additions	90,881,251,575	17,674,938,246	422,773,193	9,492,900	108,988,455,914
Disposal and redemption	(48,638,761,162)	(5,803,084,944)	(228,777,839)	-	(54,670,623,945)
Re-classification	-	-	-	20,000,000	20,000,000
Profit (loss) from fair value movement	656,696,001	940,811,030	45,889,722	57,948,991	1,701,345,744
FX revaluation difference	-	714,556,452	-	2,807,898	717,364,350
Balance 1/1/2024	**94,099,005,892**	**34,026,250,918**	**1,438,335,546**	**112,157,479**	**129,675,749,835**

17- Financial Investments

Investment at amortized cost

(EGP)

31 December 2025	Government Treasury bills	Other Bonds	Total
Balance as at 1/1/2025	**311,581,833**	**-**	**311,581,833**
Disposal and redemption	(311,581,833)	-	(311,581,833)
Balance as at 31/12/2025	**-**	**-**	**-**

31 December 2024	Government Treasury bills	Other Bonds	Total
Balance as at 1/1/2024	**1,312,924,441**	**-**	**1,312,924,441**
Disposal and redemption	(1,003,432,180)	-	(1,003,432,180)
Amortization of premium and discount	2,089,572	-	2,089,572
Balance as at 31/12/2024	**311,581,833**	**-**	**311,581,833**

Below are the details for current holdings of treasury bills in the date of financial statements.

Fair value through profit or loss	31 December 2025 Egyptian Pound	31 December 2024 Egyptian Pound
91 Days Maturity	7,948,690,892	2,448,385
182 Days Maturity	505,036,590	-
273 Days Maturity	467,450	-
Total	**8,454,194,932**	**2,448,385**

Fair value through other comprehensive income	31 December 2025 Egyptian Pound	31 December 2024 Egyptian Pound
91 Days Maturity	69,843,808,635	44,544,079,553
182 Days Maturity	14,302,360,168	26,885,295,524
273 Days Maturity	11,685,918,915	6,362,582,500
364 Days Maturity	31,791,208,707	16,307,048,315
Total	**127,623,296,425**	**94,099,005,892**



18- Other assets

	31 December 2025	31 December 2024
	Egyptian Pound	Egyptian Pound
Accrued revenues	3,773,000,009	3,204,196,738
Prepaid expenses	748,108,034	609,207,180
Assets reverted to the bank in settlement of debts	8,147,625	8,147,625
Advances to purchase fixed assets and intangible assets	1,667,630,203	759,306,117
Others	631,807,364	998,149,419
	6,828,693,235	**5,579,007,079**
Expected credit loss	(128,966,297)	(6,389,631)
Total	**6,699,726,938**	**5,572,617,448**

Expected credit loss movement:

Balance at the beginning of the year	**6,389,631**	**4,257,812**
Formed during the year	129,515,520	-
Foreign currencies revaluation differences	(6,938,854)	2,131,819
Total	**128,966,297**	**6,389,631**

19- Intangible assets

	31 December 2025	31 December 2024
	Egyptian Pound	Egyptian Pound
Net book value at the beginning of the year	**421,761,512**	**65,715,416**
Additions	310,569,242	557,029,110
Amortization during the year	(167,915,631)	(200,983,014)
Net book value at the end of the year	**564,415,123**	**421,761,512**



20- Fixed assets

Balance at 1 January 2024	Land and building	Lease Hold Improvements	Equipment	Computers	Vehicles	Furniture	Total
Cost	2,050,650,756	492,526,693	161,745,742	401,576,526	30,268,817	114,554,463	3,251,322,997
Accumulated depreciation	(541,205,574)	(427,876,882)	(155,473,230)	(355,429,190)	(30,268,795)	(106,550,803)	(1,616,804,474)
Net book value at 1/1/2024	**1,509,445,182**	**64,649,811**	**6,272,512**	**46,147,336**	**22**	**8,003,660**	**1,634,518,523**
Additions	74,726,698	605,024,272	162,359,784	301,286,975	7,233,297	21,698,287	1,172,329,313
Disposals (cost)	(46,856,402)	(8,000,941)	(54,939)	(827,712)	-	(12,466)	(55,752,460)
Depreciation	45,088,574	8,000,905	54,939	741,853	-	12,466	53,898,737
Disposals (depreciation)	(42,172,175)	(93,574,683)	(38,710,399)	(69,690,127)	-	(5,927,567)	(250,074,951)
Net book value at 31/12/2024	**1,540,231,877**	**576,099,364**	**129,921,897**	**277,658,325**	**7,233,319**	**23,774,380**	**2,554,919,162**
Balance at 1 January 2025							
Cost	2,078,521,052	1,089,550,024	324,050,587	702,035,789	37,502,114	136,240,284	4,367,899,850
Accumulated depreciation	(538,289,175)	(513,450,660)	(194,128,690)	(424,377,464)	(30,268,795)	(112,465,904)	(1,812,980,688)
Net book value at 1/1/2025	**1,540,231,877**	**576,099,364**	**129,921,897**	**277,658,325**	**7,233,319**	**23,774,380**	**2,554,919,162**
Additions	388,694,177	344,787,521	39,314,839	238,719,258	18,185,502	20,630,753	1,050,332,050
Disposals (cost)	(1,070,279)	(16,359)	(20,316,322)	(2,241,251)	(865,739)	(1,464,141)	(25,974,091)
Depreciation	(49,383,817)	(112,224,087)	(37,766,260)	(100,285,390)	(6,957,475)	(6,294,306)	(312,911,335)
Disposals (depreciation)	732,298	16,359	20,316,322	2,224,824	865,738	1,400,778	25,556,319
Net book value at 31/12/2025	**1,879,204,256**	**808,662,798**	**131,470,476**	**416,075,766**	**18,461,345**	**38,047,464**	**3,291,922,105**
Balance at 31 Dec 2025							
Cost	2,466,144,950	1,434,321,186	343,049,104	938,513,796	54,821,877	155,406,896	5,392,257,809
Accumulated depreciation	(586,940,694)	(625,658,388)	(211,578,628)	(522,438,030)	(36,360,532)	(117,359,432)	(2,100,335,704)
Net book value at 31/12/2025	**1,879,204,256**	**808,662,798**	**131,470,476**	**416,075,766**	**18,461,345**	**38,047,464**	**3,291,922,105**

21-Due to Banks

	31 December 2025	31 December 2024
	Egyptian Pound	Egyptian Pound
Current accounts	1,537,879,144	1,101,705,071
Deposits	40,932,511,057	58,908,022,447
	42,470,390,201	**60,009,727,518**
Local banks	1,329,040,800	–
Foreign banks	41,141,349,401	60,009,727,518
	42,470,390,201	**60,009,727,518**
Interest free balances	1,537,879,144	587,584,936
Fixed interest rate balances	40,932,511,057	59,422,142,582
	42,470,390,201	**60,009,727,518**
Current balances	6,615,406,092	14,648,964,327
Non-current balances	35,854,984,109	45,360,763,191
	42,470,390,201	**60,009,727,518**

22-Customers' Deposits

	31 December 2025	31 December 2024
	Egyptian Pound	Egyptian Pound
Demand deposits	120,088,789,532	91,287,338,784
Time and call deposits	168,651,984,016	133,938,128,578
Certificates of deposits	33,233,659,360	25,388,563,800
Savings deposits	4,881,410,527	3,362,565,170
Other deposits	7,011,392,028	4,813,941,366
	333,867,235,463	**258,790,537,698**
Corporate deposits	259,249,862,863	201,542,588,278
Individual deposits	74,617,372,600	57,247,949,420
	333,867,235,463	**258,790,537,698**
Interest free balances	64,077,564,700	60,202,876,775
Variable interest rate balances	70,522,238,319	41,783,207,709
Fixed interest rate balances	199,267,432,444	156,804,453,214
	333,867,235,463	**258,790,537,698**
Current balances	219,695,633,071	173,069,863,714
Non-current balances	114,171,602,392	85,720,673,984
Total	**333,867,235,463**	**258,790,537,698**

23-Subordinated Loans

	Interest rate	31 December 2025	31 December 2024
		Egyptian Pound	Egyptian Pound
A subordinated loan from First Abu Dhabi Bank ($60 million), to be paid in equal annual installments, from 2021 to 2025	SOFR 3 MONTHS	–	610,065,600
A subordinated loan from First Abu Dhabi Bank ($200 million), from 2019 to maturity date	SOFR 3 MONTHS	9,534,240,000	10,167,760,000
		9,534,240,000	**10,777,825,600**
Current balances		–	610,065,600
Non-current balances		9,534,240,000	10,167,760,000
Total		**9,534,240,000**	**10,777,825,600**

24- Other Liabilities

	31 December 2025	31 December 2024
	Egyptian Pound	Egyptian Pound
Accrued interest	6,877,564,104	7,179,476,982
Unearned revenue	442,689,204	541,267,656
Accrued expenses	2,226,432,811	934,652,818
Other liabilities	2,864,224,165	3,310,345,680
Total	**12,410,910,284**	**11,965,743,136**

25- Other Provisions

(EGP)

31 December 2025	Provision for claims	Legal provision	Provision for contingent liabilities	Total
Balance at the beginning of the year	**771,318,027**	**7,588,468**	**301,881,406**	**1,080,787,901**
Charge to income statement	518,845,844	1,564,873	200,336,194	720,746,911
Utilized during the year	(149,256,137)	(205,782)	-	(149,461,919)
FX revaluation difference	(10,987,984)	-	(8,193,119)	(19,181,103)
Balance at the end of the year	**1,129,919,750**	**8,947,559**	**494,024,481**	**1,632,891,790**

31 December 2024	Provision for claims	Legal provision	Provision for contingent liabilities	Total
Balance at the beginning of the year	**401,560,104**	**3,852,306**	**263,704,360**	**669,116,770**
Charge to income statement	361,246,822	3,736,162	(15,095,510)	349,887,474
Utilized during the year	(61,563,956)	-	-	(61,563,956)
FX revaluation difference	70,075,057	-	53,272,556	123,347,613
Balance at the end of the year	**771,318,027**	**7,588,468**	**301,881,406**	**1,080,787,901**

26- Deferred Tax Liabilities

Deferred income taxes are calculated entirely on the differences of deferred tax in accordance with liabilities as follows:

	31 December 2025 Egyptian Pound	31 December 2024 Egyptian Pound
Fixed assets	199,406,318	111,770,282
Provisions (excluding provision for loans impairment)	(215,099,769)	(163,893,574)
Capital valuation differences	3,833,253,704	4,244,428,324
Tax recognized in other comprehensive income	68,206,095	(27,842,071)
	3,885,766,348	**4,164,462,961**

The movement of deferred tax assets (liabilities)

	31 December 2025 Egyptian Pound	31 December 2024 Egyptian Pound
Balance at the beginning of the year	4,164,462,961	1,309,558,396
Charge to income statement	(374,744,779)	2,641,007,408
Charged on other comprehensive income	96,048,166	242,749,370
FX revaluation difference	-	(28,852,213)
Balance at the end of the year	**3,885,766,348**	**4,164,462,961**



27- Retirement Benefit Obligations

The bank applies a retirement benefits plan as of 31 December 2025, an independent actuary conducted an actuarial valuation to estimate the retirement benefit obligations. The valuation is based on financial assumptions reflecting market expectations at the reporting date and includes the expected future payments related to employee retirement benefits.

	31 December 2025	31 December 2024
Amounts recognized in the statement of financial position	Egyptian Pound	Egyptian Pound
Retirement benefits	334,303,089	290,261,510
Total	**334,303,089**	**290,261,510**
Amounts recognized in the Income statement		
Retirement benefits	(109,718,453)	(61,927,005)
Total	**(109,718,453)**	**(61,927,005)**
Amounts recognized in the statement of financial position		
Current liabilities amount	334,303,089	290,261,510
Total	**334,303,089**	**290,261,510**

Liability movements during the year recognized as follows:	31 December 2025	31 December 2024
	Egyptian Pound	Egyptian Pound
Balance at the beginning of the year	**290,261,510**	**184,363,660**
Current service cost	58,236,144	42,550,122
Interest cost	51,482,309	19,376,883
Benefits paid	(9,789,205)	(17,851,533)
Actuarial losses	(51,948,055)	25,771,190
FX revaluation difference	(3,939,614)	36,051,188
Balance at the end of the year	**334,303,089**	**290,261,510**

Amounts recognized in the income statement are as follows:		
Service cost	(58,236,144)	(42,550,122)
Interest cost	(51,482,309)	(19,376,883)
Total (Amounts included in disclosure 10)	**(109,718,453)**	**(61,927,005)**

The main actuarial assumptions used are as follows:		
Discount rate in local currency	19.70%	23.50%
Discount rate in foreign currency	4.86%	4.71%
Expected rate of increase	15.5%	20%

28- Paid-up Capital

On 28 April 2021 the acquisition of 100% of the capital of Bank Audi SAE (Egypt) was completed, so that the shareholders structure after the acquisition is as follows:

Shareholder Name	Number of Shares	Nominal Value in US Dollars	Loyalty Coin
First Abu Dhabi Bank PJSC	34,699,998	346,999,980	US Dollar
First Abu Dhabi Real State Sole Company LLC	1	10	US Dollar
Mesmak Real State Sole Company LLC	1	10	US Dollar
Total	**34,700,000**	**347,000,000**	**US Dollar**

And based on the decision of Mr. Chancellor CEO of the general authority for investment and free zones no. 380 of 2020 authorized to form a committee to verify from the validity of intimal assessment of the assets and liabilities of the companies wishing to merge, which was concluded in his report to:

1. Determine the net property rights of First Abu Dhabi Bank (the merged bank) for amount of 566,255,000 US Dollars only.

2. And determining the net property rights of Bank Audi SAE the merging bank for amount of 7,674,436,400 Egyptian Pounds only.

Thus, bank's net equity after the merger will be 1,054,075,215 US Dollars on 31/12/2020, which is the date taken as the basis for the merger, based on the book value of merging and merged banks, account to financial statements of the two banks on 12/31/2020 which is date basis for merger.



According to the minutes of the extraordinary general assembly meeting of Bank Audi S.A.E held on 1/3/2022, the outcome of the report of the committee formed by decision Mr. Counselor and CEO of the general authority for investment and free zones No. 380 of 2020 issued on 20/1/2022 (Economic performance sector report) in light of the fact that presentation of the financial statements of Bank Audi S.A.E (the merging bank is in Egyptian Pounds and the currency of the capital in the commercial registry is in US Dollars, and as stated in the report of the committee formed by the decision of the Chief Executive Officer of the general authority for investment and free zones No. 380 of 2020 issued on 20/1/2022 (the economic performance sector report, the bank by processing the evaluation result according to the average exchange rate of the US dollar on 31/12/2020, equivalent to 15.7321 Egyptian Pounds / US Dollar, and thus the property rights are in both Bank Audi SAE (the merging bank) and First Abu Dhabi Bank- A foreign branch (the merged bank) according to the financial statements of both banks on 31/12/2020, which is taken as the basis for the merger, as follows:

The Bank	Net Equity According To The Committee's Report	Net Equity On 31/12/2020 Based On The Exchange Rate 15.7321 Egyptian Pounds/ US Dollars On 31/12/2020
Bank Audi SAE (the merging bank)	7,674,436,400 Egyptian Pounds	487,820,215 US Dollars only
First Abu Dhabi Bank Foreign Branch (the merged)	566,255,000 US Dollars	566,255,000 US Dollars only
Total	**1,054,075,215 US Dollars only**	

Likewise, it was approved to determine the authorized capital of the bank after the merger at an amount of 1,054,075,215 US Dollars only and to increase the issued capital of the bank after the merger by an amount 989,407,300 US Dollars only equivalent to EGP 15,565,454,610 Egyptian Pounds only, distributed over 98,940,730 shares consists of the net assets and liabilities of the merged and merging banks. After excluding the amount of US $ 64,667,913 only and carrying it over as mandatory reserves in accordance with the instructions of the Central Bank of Egypt.

28- Paid-up Capital

The distribution of capital after the merger is as follows:

Name and Nationality	Number of Shares	Face Value in US Dollars
First Abu Dhabi Bank PJSC - Emirates	98,940,726	989,407,260
First Abu Dhabi real state SOLE company LLC Emirates	2	20
Mesmak Real State Sole	2	20
Total	**98,940,730**	**989,407,300**

29- Reserves

	31 December 2025	31 December 2024
	Egyptian Pound	Egyptian Pound
Capital reserve (A)	63,160,388	7,332,709
Result from merger reserve (B)	512,241,474	512,241,474
Fair value reserve - financial investments available for sale (C)	965,392,226	572,603,886
General banking risk reserve (D)	8,147,626	8,147,626
General risk reserve (E)	564,449,849	564,449,849
Legal reserve (G)	2,150,223,741	835,529,636
Translation reserve (H)	1,878,725,890	1,878,725,890
General reserve (I)	2,310,646	2,310,646
Total	**6,144,651,840**	**4,381,341,716**

Reserves movements during the year are as follows:

29-(A) Capital Reserve

	31 December 2025	31 December 2024
	Egyptian Pound	Egyptian Pound
Balance at the beginning of the year	**7,332,709**	**5,277,417**
Transfer from retained earnings	55,827,679	2,055,292
Balance at the end of the year	**63,160,388**	**7,332,709**

29-(B) Reserve Resulting from the merge

	31 December 2025	31 December 2024
	Egyptian Pound	Egyptian Pound
Balance at the beginning of the year	**512,241,474**	**512,241,474**
Balance at the end of the year	**512,241,474**	**512,241,474**

29-(C) Fair value reserve – investments at fair value through other comprehensive income

	31 December 2025	31 December 2024
	Egyptian Pound	Egyptian Pound
Balance at the beginning of the year	**557,913,035**	**(1,042,115,503)**
Net gain (loss) from change investments in fair value	805,590,299	1,701,345,744
ECL for debt instruments at fair value through other comprehensive income	(368,701,848)	141,432,164
Deferred tax	(96,048,166)	(242,749,370)
Balance at the end of the year	**898,753,320**	**557,913,035**

29-(D) End of Service Re-Measurement Reserve

	31 December 2025	31 December 2024
	Egyptian Pound	Egyptian Pound
Balance at the beginning of the year	14,690,851	40,462,041
Re-measurement differences during year	51,948,055	(25,771,190)
Balances at ending of the year	66,638,906	14,690,851
Total reserve of other comprehensive income items	965,392,226	572,603,886

29-(E) General Banking Risk Reserve

	31 December 2025	31 December 2024
	Egyptian Pound	Egyptian Pound
Balance at the beginning of the year	8,147,626	8,147,626
Balance at the end of the year	8,147,626	8,147,626

In accordance with the instructions of the Central Bank of Egypt, a general banking risk reserve shall be formed, deducted from the net profits before distribution, the general banking risk reserve balance represents the increase of provisions calculated according to the obligor risk rating issued by the Central Bank of Egypt on 6 June 2005 against provisions calculated according to expected credit loss in accordance with the requirements of IFRS 9.

29-(F) General Risk Reserve

	31 December 2025	31 December 2024
	Egyptian Pound	Egyptian Pound
Balance at the beginning of the year	564,449,849	564,449,849
Balance at the end of the year	564,449,849	564,449,849

In accordance with the instructions of the central bank of Egypt to implement standard of IFRS 9 from 1 Jan 2019 the private reserve, the general banking risk reserve, IFRS9 reserve are merged into general risk reserve, considering the differences between the provisions required to be deducted according to IFRS9 standards.

29-(G) Legal Reserve

In accordance with the Banks Articles of Association, 5% of annual net profits is appropriated to the legal reserve. Transafers to the legal reserve cease once its balance reaches an amount equal to 50% from the paid up issued capital

	31 December 2025	31 December 2024
	Egyptian Pound	Egyptian Pound
Balance at the beginning of the year	835,529,636	314,396,234
Transfer from retained earnings	1,314,694,105	521,133,402
Balance at the end of the year	2,150,223,741	835,529,636

29- (H) Foreign Currency Translation Reserve

	31 December 2025	31 December 2024
	Egyptian Pound	Egyptian Pound
Balance at the beginning of the year	1,878,725,890	1,878,725,890
Balance at the end of the year	1,878,725,890	1,878,725,890

29-(I) General Reserve

	31 December 2025	31 December 2024
	Egyptian Pound	Egyptian Pound
Balance at the beginning of the year	2,310,646	2,310,646
Balance at the end of the year	2,310,646	2,310,646

30- Retained Earnings

	31 December 2025	31 December 2024
	Egyptian Pound	Egyptian Pound
Balance at the beginning of the year	**40,551,943,609**	**15,871,916,013**
Net profits of the year	16,659,396,618	26,349,709,773
Transfer to capital reserve	(55,827,679)	(2,055,292)
Staff profit share for the previous year	(1,353,946,913)	(1,042,266,803)
Banks development and support reserve	(262,938,821)	(104,226,680)
Transfer to legal reserve	(1,314,694,105)	(521,133,402)
Balance at the end of the year	**54,223,932,709**	**40,551,943,609**

31- Earnings per Share

Basic earnings per share

	31 December 2025	31 December 2024
	Egyptian Pound	Egyptian Pound
Net profits of the year	16,659,396,618	26,349,709,773
Weighted average number of shares	98,940,730	98,940,730
Earnings per share	**168.38**	**266.32**

32- Cash and Cash Equivalents

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

	31 December 2025	31 December 2024
	Egyptian Pound	Egyptian Pound
Cash and due from the CBE	1,465,792,155	1,695,832,555
Due from banks	68,277,799,301	93,959,076,321
Treasury bills	77,792,499,527	44,546,527,938
Total	**147,536,090,983**	**140,201,436,814**

33- Related Parties Transactions

First Abu Dhabi - Misr Bank transact with its head office in United Arab Emirates and other group branches and its subsidiaries by the same way branch transact with other entities; those transactions and its balances as of financial statements date as follows:

	31 December 2025	31 December 2024
	Egyptian Pound	Egyptian Pound
Statement of financial position		
Due from banks	3,218,993	10,378,260
Loans and advances to customers	36,467	-
Derivative financial instruments assets	6,327	112,300
Due to banks	40,337,206	59,789,736
Subordinated loan	9,534,240	10,777,826
Derivative financial instruments liabilities	4,859	149
Customers' deposit	11,517	-
Statement of profit or loss		
Interest income on loans and similar income	316,003	501,592
Interest expense on deposits and similar expense	3,307,447	4,183,962
Net trading income	16,735	58,446
Contingent Liabilities		
Letters of guarantee issued from and to group	3,384,827	1,717,809

The total salaries and benefits for the top twenty regional management employees during year ended 31 December 2025 amounted EGP 23,752,565 against EGP 18,709,129 during year ended 31 December 2024.

Balance of loans granted to senior regional management members amounted to EGP 40,543,637 in 31 December 2025 against EGP 45,717,523 in 31 December 2024 (This is contrast to the benefit of car loans for senior management).

34- Contingent Liabilities and Correlations:

(A) Legal Claims

There are some lawsuits filed against the bank on 31 December 2025 and a provision were formulated against these lawsuits by 1,564,873 Egyptian Pound under other provisions

(B) Capital commitments

The bank's total capital commitments related to purchase of fixed assets amounted to 499 Million Egyptian Pound as at 31 December 2025 against 415 Million Egyptian Pound as at 31 December 2024 The management is confident that a net profit will be recognized and will be used to pay these commitments.

(C) Loans, guarantees, and facilities commitments

Bank commitments for loans, guarantees and facilities are represented as follows:

	31 December 2025	31 December 2024
	Egyptian Pound	Egyptian Pound
Commitments for loans	9,495,478,563	1,639,967,296
Letters of guarantee (net)	35,340,928,980	24,563,090,395
Letters of credit (import & export) (net)	2,232,580,508	3,737,027,034
Acceptances (net)	7,230,731,941	5,420,250,222
Total	**54,299,719,991**	**35,360,334,947**



35- Tax Position

A- Corporate income tax

FABMISR Bank (Ex. Audi Bank):

Year until 2019: the bank submits the annual tax declarations for these years in accordance with the provisions of Law No.91 of 2005 and the tax inspection has been completed and those years have been settled and pays any taxes due until 2012.

Years from 2020 until 2021: the bank submits the annual tax declarations for these years in accordance with the provisions of Law No.91 of 2005 and the tax inspection has been completed and an agreement was reached with the internal committee on the terms of the claim and tax payment and the file is being settled with collection division.

Years from 2022 until 2024: the bank submits the annual tax declarations for these years in accordance with the provisions of Law No.91 of 2005 and the tax inspection has been completed and the bank appealed and the file was reffered to the internal committe, data supporting the bank's point of view are being prepared and a memorandum of the bank's objections being prepared to be submitted.

First Abu Dhabi Bank (foreign branch)

Years from the start of the activity until 2017: the tax inspection has been completed and those years have been settled and taxes dues were paid and setteled.

Years 2018- 2019: the tax inspection for those years has been completed, the inspection discrepancies have been paid, and the final settlement is currently being prepared.

Years 2020 till 28-6-2022: the bank submits the annual tax declarations for these years at the legal deadlines, and the process of inspection, closing the year and closing the tax file is currently underway.

B -Stamp duty

FABMISR Bank (Ex. Audi Bank):

The inspection, assessment and the payment have been completed up until 31-12-2020.

First Abu Dhabi Bank (foreign branch)

The tax inspection has been completed and those years have been settled and taxes dues were paid and setteled up to 28/06/2022 and the stamp tax file of the foreign branch was closed.

C -Salary tax

FABMISR Bank (Ex. Audi Bank):

The bank has been inspected from the start of its activity until the date of the merger in June 2022, and the assessment and payment have been completed.

The bank has been inspected from the date of the merge in June 2022 until 31-12-2022 and the assessment and payment have been completed.

The bank is consistent in applying the provisions of Law No. 91 of 2005 and its amendments, withholding taxes from employees, and regularly remitting them to the Tax authority within the legal deadlines.

The bank is consistent in applying the provisions of the tax procedures Law No. 206 of 2020 and submitting the quartely declarations within the legal deadlines.

The bank is consistent in applying minister of finance resolution No. 386 of 2023 and submitting wages and salaries monthly on the unified system for the principles and standards of calculating wage and salary taxes.

First Abu Dhabi Bank (foreign branch):

The bank has been inspected from the start of its activity until 2020, and the assessment and payment have been completed. The bank has been notified of the inspection for the years from 2021 until the date of the merger in June 2022, and the preparations for the inspection are currently underway.

36- Mutual Funds

It is one of the banking licensed activities for the bank under the capital market law No. 95 of 1992 and its regulations.

AL AWWAL First Abu Dhabi Bank money market fund

The fund is under the management of HC securities & investments. AL AWWAL initial offering was for five million certificates at nominal value of EGP 500 million, of which 100,000 certificates were subscribed by the bank at that time (their face value is EGP 10,000,000) later 50,000 Certificates were redeemed so current certificates under bank holding are 50,000 certificates. Therefore the total number of certificates at balance sheet date reached 50,000 at a redeemed value of EGP 24,029,484.

The redeemed value of each certificate at balance sheet date is EGP 480.59 while the number of outstanding certificates is 1,209,273. According to the management agreement and the fund's prospectus, the bank shall receive fees & commissions for supervising the fund and other administrative services. Total commissions for the year ending 31 December 2025, amounting to EGP 688,773 have been reported in "Fees & Commission income" line item in the income statement.

ETME'NAN First Abu Dhabi Bank investment fund

The fund is under the management of HC securities & investments. ETME'NAN initial offering was for five million certificates at nominal value of EGP 500 million, of which 50,000 certificates were subscribed by the bank at that time (their face value is EGP 5,000,000. And their redeemed value is EGP 14,830,854.

The redeemed value of each certificate at balance sheet date is EGP 296.62, while the number of outstanding certificates is 50,201. According to the management agreement and the fund's prospectus, the bank shall receive fees & commissions for supervising the fund and other administrative services. Total commissions for the year ending 31 December 2025, amounting to EGP 78,352 have been reported in "Fees & Commission income" line item in the income statement.

"MODAKHERATY" Investment fund (with accumulative daily return) in Egyptian Pounds

The fund is managed by AFG-Hermes investment funds Management Company, the number of investment certificates for this fund reached 110 million documents with a value of 1100 million Egyptian Pounds, and the bank allocated 500 thousand documents of them (of which their nominal value is 5 million Egyptian Pounds) to carry out the fund's activity. On 31 December 2025, the bank owned 726,404 documents with a redemption value of EGP 49,117,992.

On 31 December 2025, the redeemable value of each document amounted to 67.62 Egyptian Pounds and the outstanding fund's documents on the same date amounted to 13,822,554 documents.

36 - Mutual Funds

According to the fund management contract as well as the subscription prospectus Bank Audi obtains fees and commissions for its supervision of the fund as well as for other administrative services, the total of these commissions amounted to 2,628,432 Egyptian Pounds for the financial year ending on December, 2025 and these commissions included in the income statement.

"EZDEHAR" Investment fund (with accumulative return and a variable periodic return) in Egyptian Pounds

The fund is managed by Acumen company for the formation and management of securities portfolios and management of investment funds , the number of investment documents for this fund reached 250 thousands documents with a value of 25 million Egyptian Pounds, the bank has allocated 50 thousands documents of which their nominal value is 5 Million Egyptian Pounds to start the fund's activity, on 31 December 2025 the bank owned 50,000 documents with a redeemable value of 20,482,625 Egyptian Pounds.

On 31 December 2025 the redeemable value of the document amounted to 409.65 Egyptian Pounds and the outstanding fund's documents on the same date amounted to 51,913 documents.

According to the fund management contract and as well as the subscription prospectus Bank Audi obtains fees and commissions for its supervision of the fund as well as for other administrative services , the total of these commissions amounted to 103,642 Egyptian Pounds for the financial year ending on 31 December 2025 and these commissions included in the income statement.

37- Important Events

On Thursday, 17 April 2025, the Monetary Policy Committee (MPC) decided to reduce the overnight deposit rate, overnight lending rate, and the main operation rate by 225 basis points, bringing them to 25.50%, 26.00%, and 25.50%, respectively.

The Central Bank of Egypt had previously, in its meeting on Thursday, 22 May 2025, reduced the overnight deposit rate, overnight lending rate, and the main operation rate by 100 basis points, bringing them to 24.00%, 25.00%, and 24.50%, respectively.

On 10 July 2025, another 100 basis-point rate cut was decided, with the overnight deposit rate decreasing to 24.50%,based on updated economic developments and expectations.

On 28 August 2025 The Monetary Policy Committee (MPC) of the Central Bank of Egypt implemented a large 200 basis point rate cut, reducing the overnight deposit to 22.50%, lending and main operation to 22.00%, 23.00%, and 22.50%, respectively.

The monetary policy committee of the Central Bank of Egypt decided, at its meeting on Thursday, 2 October 2025, to reduce the overnight deposit and lending rates as well as the main operation rate of the Central Bank by 100 basis points, to reach 21.00%, 22.00%, and 21.50%, respectively. The committee also decided to reduce the discount rate by 100 basis points, to reach 21.50%. This decision reflects the committee's assessment of the latest developments and expectations regarding inflation since its previous meeting.

In addition, Standard & Poor's announced an upgrade of Egypt's sovereign credit rating from B- to B, with a stable outlook.

The Monetary Policy Committee of the Central Bank of Egypt decided, in its meeting on Thursday, 12 February 2026, to reduce the overnight deposiut and lending rates and the Central Bank's main operation rate by 100 basis points to 19.00%, 20.00%, and 19.50%, respectively. It also decided to reduce the credit and dscount rate by 100 basis points to 19.50%. In addition, the board of directors of the Central Bank decided to reduce the reserve requirement ratio that banks must maintain with the Central Bank decided to reduce the reserve requirement ratio that banks must maintain with the Central Bank of Egypt from 18% to 16%. These decisions reflect the committee's assessment of recent inflation developments and its expectations since its previous meeting.

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