

**EFG Holding Company**  
**(Egyptian Joint Stock Company)**

**Consolidated interim financial statements**  
**for the period ended 31 March 2025**  
**&**  
**Review Report**

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### Review Report

#### To the Board of Directors of EFG Holding Company

#### *Introduction*

We have performed a limited review for the accompanying consolidated statement of financial position of EFG Holding Company S.A.E as at 31 March 2025 and the related consolidated statements of income, comprehensive income, changes in equity and cash flows for the three months then ended, and a summary of significant accounting policies and other explanatory notes. The company's management is responsible for the preparation and fair presentation of these consolidated interim financial statements in accordance with Egyptian Accounting Standards. Our responsibility is to express a conclusion on these consolidated interim financial statements based on our limited review.

#### *Scope of Limited Review*

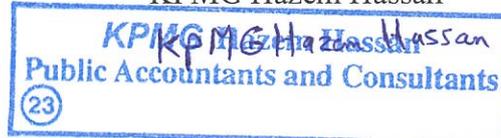
We conducted our limited review in accordance with Egyptian Standard on Review Engagements 2410, "Limited Review of Interim Financial Statements Performed by the Independent Auditor of the Entity." A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters in the Company and applying analytical and other limited review procedures. A limited review is substantially less in scope than an audit conducted in accordance with Egyptian Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these consolidated interim financial statements.

#### *Conclusion*

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements do not present fairly, in all material respects, the consolidated financial position of the Company as at 31 March 2025, and of its consolidated financial performance and its consolidated cash flows for the three months then ended in accordance with Egyptian Accounting Standards.

Cairo, May 21, 2025

KPMG Hazem Hassan



**Consolidated statement of financial position**

(in EGP Thousands)	Note no.	31/3/2025	31/12/2024
<b>Assets</b>			
Cash and cash equivalents	(5)	47,664,608	51,540,737
Loans and facilities to customers	(8)	62,213,554	57,928,603
Accounts receivables	(7)	31,770,796	15,773,382
Investments at fair value through profit and loss	(6)	23,596,910	23,488,674
Investments at fair value through OCI	(9)	12,306,121	12,374,218
Investments at amortised cost	(11)	12,959,163	12,487,545
Assets held for sale	(31)	315,132	106,304
Equity accounted investees	(10)	460,110	804,867
Investment property	(12)	88,882	90,283
Property, plant and equipment	(13)	3,534,587	2,975,630
Goodwill and other intangible assets	(14)	2,436,680	2,490,920
Deferred tax assets	(21)	214,682	233,912
Other assets	(15)	9,588,942	6,583,336
<b>Total assets</b>		<u>207,150,167</u>	<u>186,878,411</u>
<b>Liabilities</b>			
Due to banks and financial institutions	(16)	23,166,449	22,762,916
Customer Deposits	(17)	71,867,543	67,208,585
Loans and borrowings	(23)	11,928,056	11,489,567
Other liabilities	(20)	9,999,107	11,130,638
Accounts payable - customers credit balance at fair value through profit and loss	(18)	6,953,806	7,901,466
Accounts payable - customers credit balance		36,603,873	20,566,943
Issued bonds	(19)	1,432,916	1,432,665
Provisions	(22)	1,869,862	1,913,277
Current tax liability	(30)	1,359,668	1,020,705
Deferred tax liabilities	(21)	1,923,937	2,083,684
<b>Total liabilities</b>		<u>167,105,217</u>	<u>147,510,446</u>
<b>Equity</b>			
Share Capital	(24)	7,298,030	7,298,030
Legal reserve		993,689	993,689
Share premium		1,919,395	1,797,838
Other reserves		11,131,280	11,800,563
Treasury shares	(24-1)	(399,975)	(399,975)
Retained earnings		13,488,085	12,568,681
Equity attributable to owners of the Company		<u>34,430,504</u>	<u>34,058,826</u>
Non - controlling interests	(25)	5,614,446	5,309,139
<b>Total equity</b>		<u>40,044,950</u>	<u>39,367,965</u>
<b>Total equity and liabilities</b>		<u>207,150,167</u>	<u>186,878,411</u>

The accompanying notes and accounting policies from page (6) to page (125) are an integral part of these consolidated financial statements and are to be read therewith.

" Review report attached "

  
Mona Zulficar  
Chairperson

  
Karim Awad  
Group Chief Executive Officer

**Consolidated income statement**

(in EGP Thousands)	Note no.	For the period ended	
		31/3/2025	31/3/2024 *Restated
Interest income	(34)	6,582,317	4,387,263
Interest expense		<u>(4,836,757)</u>	<u>(2,782,518)</u>
<b>Net Interest Income</b>		<u>1,745,560</u>	<u>1,604,745</u>
Fee and commission income	(34)	3,124,367	2,199,783
Fee and commission expense		<u>(401,942)</u>	<u>(280,541)</u>
<b>Net Fees and commission Income</b>		<u>2,722,425</u>	<u>1,919,242</u>
Securities gain		82,055	67,671
Changes in investments at fair value through profit & loss		(50,871)	2,365,583
Dividend income	(34)	2,772	12,734
Other revenues	(27)	435,321	191,675
Foreign currencies exchange differences		602,479	2,398,041
Share of profit (loss) from equity accounted investees	(34)	<u>42,215</u>	<u>(8,224)</u>
<b>Revenue</b>		<u>5,581,956</u>	<u>8,551,467</u>
General administrative expenses	(33)	(3,238,931)	(4,481,681)
Financial guarantee provision	(22)	(13,856)	(6,506)
Impairment loss on assets	(28)	(169,961)	(426,144)
Provisions	(22)	(16,171)	(225,363)
Depreciation and amortization	(12,13,14)	<u>(206,907)</u>	<u>(135,730)</u>
<b>Profit before tax</b>		<u>1,936,130</u>	<u>3,276,043</u>
Income tax expense	(29)	<u>(381,843)</u>	<u>(1,160,778)</u>
<b>Profit for the period</b>		<u>1,554,287</u>	<u>2,115,265</u>
<b>Profit attributable to:</b>			
Owners of the company		1,204,652	1,816,938
Non - controlling interests	(25)	<u>349,635</u>	<u>298,327</u>
		<u>1,554,287</u>	<u>2,115,265</u>
Earnings Per Share (EGP)	(37)	<u>0.83</u>	<u>1.24</u>

\* See note (36)

The accompanying notes and accounting policies from page (6) to page (125) are an integral part of these consolidated financial statements and are to be read therewith.

## Consolidated statement of comprehensive income

(in EGP Thousands)	For the period ended	
	31/3/2025	31/3/2024 *Restated
Profit for the period	1,554,287	2,115,265
<b>Other comprehensive income:</b>		
<b>Items that are or may be reclassified to profit or loss</b>		
Foreign operations - foreign currency translation differences	(91,501)	5,751,725
Foreign currency translation differences - reclassified to profit or loss	(603,794)	-
Investments at fair value through OCI - net change in fair value	207,363	133,806
Investments at fair value through OCI - net change in fair value - reclassified to profit or loss	488	3,229
Investment at fair value through OCI - reclassified to retained earnings	(1,563)	-
Share of OCI of equity accounted investees	12,491	4,672
Actuarial Gain re-measurement of employees' benefits obligations	843	1,175
Related tax	(9,363)	(35,473)
<b>Other comprehensive income, net of tax</b>	<u>(485,036)</u>	<u>5,859,134</u>
<b>Total comprehensive income</b>	<u>1,069,251</u>	<u>7,974,399</u>
<b>Total comprehensive income attributable to:</b>		
Owners of the company	621,282	7,286,214
Non - controlling interests	<u>447,969</u>	<u>688,185</u>
	<u>1,069,251</u>	<u>7,974,399</u>

\* See note (36)

The accompanying notes and accounting policies from page (6) to page (125) are an integral part of these consolidated financial statements and are to be read therewith.

## Consolidated statement of changes in equity as at March 31, 2025

(in EGP Thousands)	Attributable to owners of the Company													Total equity
	Share capital	Legal reserve	Share premium	Other reserves					Treasury shares	Retained earnings	Total	Non - controlling interests		
				General reserve	Translation reserve	Fair value reserve	Employee stock Ownership plan reserve	Operational Risk Reserve						
<b>Balance as at 31 December 2024</b>	7,298,030	993,689	1,797,838	158	12,378,187	(1,038,051)	364,672	95,597	( 399 975)	12,568,681	34,058,826	5,309,139	39,367,965	
<b>Total comprehensive income</b>														
Profit	-	-	-	-	-	-	-	-	-	1,204,652	1,204,652	349,635	1,554,287	
Other comprehensive income	-	-	-	-	(697,564)	113,351	-	-	-	843	(583,370)	98,334	(485,036)	
<b>Total comprehensive income</b>	-	-	-	-	(697,564)	113,351	-	-	-	1,205,495	621,282	447,969	1,069,251	
<b>Transactions with owners of the Company</b>														
<b>Contributions and distributions</b>														
Dividends	-	-	-	-	-	-	-	-	-	(250,991)	(250,991)	(142,838)	(393,829)	
Transferred to share premium	-	-	121,557	-	-	-	(121,557)	-	-	-	-	-	-	
Operational risk reserve	-	-	-	-	-	-	-	36,487	-	(36,487)	-	-	-	
Sale of equity securities through OCI	-	-	-	-	-	-	-	-	-	1,563	1,563	-	1,563	
<b>Changes in ownership interests</b>														
Changes in ownership interests without change in control	-	-	-	-	-	-	-	-	-	(176)	(176)	176	-	
<b>Balance as at 31 March 2025</b>	7,298,030	993,689	1,919,395	158	11,680,623	(924,700)	243,115	132,084	( 399 975)	13,488,085	34,430,504	5,614,446	40,044,950	
<b>Balance as at 31 December 2023, as previously reported</b>	7,298,030	972,344	1,668,624	158	5,650,021	(1,285,459)	419,948	58,442	-	8,538,917	23,321,025	4,074,904	27,395,929	
Impact of Purchase price allocation on subsidiary	-	-	-	-	-	-	-	-	-	(4,461)	(4,461)	7,571	3,110	
<b>Restated Balance as at 31 December 2023</b>	7,298,030	972,344	1,668,624	158	5,650,021	(1,285,459)	419,948	58,442	-	8,534,456	23,316,564	4,082,475	27,399,039	
<b>Total comprehensive income</b>														
Profit	-	-	-	-	-	-	-	-	-	1,816,938	1,816,938	298,327	2,115,265	
Other comprehensive income	-	-	-	-	5,408,212	59,889	-	-	-	1,175	5,469,276	389,858	5,859,134	
<b>Total comprehensive income</b>	-	-	-	-	5,408,212	59,889	-	-	-	1,818,113	7,286,214	688,185	7,974,399	
<b>Transactions with owners of the Company</b>														
<b>Contributions and distributions</b>														
Dividends	-	-	-	-	-	-	-	-	-	(160,847)	(160,847)	(94,633)	(255,480)	
Transferred to legal reserve	-	21,345	-	-	-	-	-	-	-	(21,345)	-	-	-	
Transferred to share premium	-	-	129,214	-	-	-	(123,649)	-	-	-	5 565	-	5,565	
Operational risk reserve	-	-	-	-	-	-	-	(15,314)	-	15,314	-	-	-	
<b>Changes in ownership interests</b>														
Changes in ownership interests without a change in control	-	-	-	-	-	-	-	-	-	(665)	(665)	665	-	
<b>Balance as at 31 March 2024</b>	7,298,030	993,689	1,797,838	158	11,058,233	(1,225,570)	296,299	43,128	-	10,185,026	30,446,831	4,676,692	35,123,523	

\* See note (36)

The accompanying notes and accounting policies from page (6) to page (125) are an integral part of these consolidated financial statements and are to be read therewith.

Consolidated statement of cash flows

(in EGP Thousands)	Note no.	For the period ended	
		31/3/2025	31/3/2024 (Restated)*
<b>Cash flows from operating activities</b>			
Profit before income tax		1,936,130	3,276,043
<b>Adjustments for:</b>			
Depreciation and amortization	(12,13,14)	206,907	135,730
Provisions formed	(22)	30,027	231,869
Provisions used	(22)	(9,311)	(30,129)
Provisions reversed	(22)	(61,589)	(4,948)
Gains on sale of property, plant and equipment		(1,296)	(527)
Gain from securitization		(285,757)	(123,723)
Gain on sale of investment at FVTOCI		(488)	(3,229)
Amortization of premium / issue discount		(546,917)	(548,628)
Changes in the fair value of investments at fair value through profit and loss		50,871	(2,365,583)
Share of profit (loss) from equity accounted investees		(42,215)	8,224
Impairment loss on assets	(28)	169,961	426,144
Share-based payment	(33,43-20)	-	5,563
Employees' benefits		4,365	-
Foreign currency translation differences		(45,329)	2,119,557
Foreign currencies exchange differences		(602,479)	(2,398,041)
Gain on selling of Investments in Subsidiaries and Associates		(65,070)	-
Operating profit before changes in current assets and liabilities		737,810	728,322
<b>Changes in:</b>			
Other assets		(2,914,657)	18,488
Other liabilities		(2,066,324)	1,702,046
Accounts receivables		(5,922,844)	(6,300,936)
Accounts payable		5,979,088	1,110,041
Accounts payable - customers credit balance at fair value through profit and loss		(947,660)	13,000,358
Loans and facilities to customers		(4,785,484)	(3,056,877)
Due from banks		2,161,493	1,589,176
Due to banks		(104,081)	(1,884,877)
Customers deposits		4,798,641	7,230,927
Investments at fair value through profit and loss		(247,820)	(11,364,843)
Income tax paid		(189,481)	(200,531)
Net cash (used in) provided from operating activities		(3,501,319)	2,571,294
<b>Cash flows from investing activities</b>			
Payments to purchase property, plant and equipment and other intangible assets		(323,571)	(135,439)
Proceeds from sale of property, plant and equipment		3,788	1,984
Proceeds from sale of assets held for sale		10,122	-
Proceeds from sale of investment FVTOCI		10,535,903	10,687,395
Payments to purchase investment FVTOCI		(11,024,561)	(10,520,861)
Proceeds from sale equity accounted investees		196,035	8,000
Net cash (used in) provided from investing activities		(602,284)	41,079
<b>Cash flows from financing activities</b>			
Dividends paid		(266,913)	(216,623)
Proceeds from securitization		463,300	875,035
Proceeds from Issued bonds		251	935
Proceeds from financial institutions		71,737	5,436,678
Payment for financial institutions		( 603 274)	(34,343)
Proceeds from loans and borrowings		1,450,603	2,121,114
Payment for loans and borrowings		(641,264)	(839,744)
Net cash provided from financing activities		474,440	7,343,052
Net change in cash and cash equivalents		(3,629,163)	9,955,425
Cash and cash equivalents at 1 January	(32)	24,569,773	21,866,942
Cash and cash equivalents at 31 March	(32)	20,940,610	31,822,367

\* See note (36)

The accompanying notes and accounting policies from page (6) to page (125) are an integral part of these consolidated financial statements and are to be read therewith.

**EFG Holding Company**  
**(Egyptian Joint Stock Company)**

Notes to the consolidated interim financial statements for the period ended 31 March 2025

(In the notes all amounts are shown in EGP Thousands unless otherwise stated)

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**1- Background**

**1-1 Incorporation**

EFG Holding Company S.A.E “the company” is an Egyptian Joint Stock Company subject to the provisions of the Capital Market Law No.95 of 1992 and its executive regulations. The company’s registered office is located in Smart Village building No. B129, phase 3, KM 28 Cairo / Alexandria Desert Road, 6 October 12577 Egypt.

The name of the company has been changed to EFG Holding based on the General Assembly’s approval on May 24, 2023 and was reflected in the commercial register on June 14, 2023.

**1-2 Purpose of the company**

EFG Holding Company is a premiere financial services corporation that offers diverse investment banking services including securities brokerage, investment banking, Promoting and Underwriting, Asset management and Private Equity. In addition to its non-bank finance products, which include leasing and micro-finance, installment services, factoring, securitization, collection and Sukuk Issuance. The purpose of the company also includes participation in the establishment of companies which issue securities or in increasing their share capital, custody activities, margin trading and commercial bank activities.

**2- Basis of preparation**

**2-1 Statement of compliance**

These consolidated financial statements have been prepared in accordance with Egyptian Accounting Standards and relevant Egyptian laws and regulations.

**2-2 Authorization of the financial statements**

The financial statements were authorized for issue in accordance with a resolution of the board of directors on May 20, 2025.

**3- Functional and presentation currency**

These consolidated financial statements are presented in Egyptian pounds (EGP) which is the Company’s functional currency.

**4- Use of estimates and judgments**

- In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group’s accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.
- Estimates and assumptions about them are re-viewed on regular basis.
- The change in accounting estimates is recognized in the period where the estimate is changed whether the change affects only that period, or in the period of change and the future periods if the change affects them both.

**EFG Holding Company**  
**(Egyptian Joint Stock Company)**

Notes to the consolidated interim financial statements for the period ended 31 March 2025 (Continued)

(In the notes all amounts are shown in EGP Thousands unless otherwise stated)

**5- Cash and cash equivalents**

	<b>31/3/2025</b>	<b>31/12/2024</b>
Cash on hand	352,430	254,489
Cheques under collection	115	115
Banks - current accounts	21,793,812	20,795,151
Obligatory reserve balance with CBE	6,532,158	8,693,380
Banks - time deposits	18,995,417	21,808,653
	<hr/>	<hr/>
Balance	47,673,932	51,551,788
Impairment loss	(9,324)	(11,051)
	<hr/>	<hr/>
Balance	47,664,608	51,540,737
	<hr/> <hr/>	<hr/> <hr/>

**6- Investments at fair value through profit and loss**

	<b>31/3/2025</b>	<b>31/12/2024</b>
Mutual fund certificates	12,273,149	12,031,837
Equity securities	391,342	179,333
Debt instruments	3,978,613	3,376,038
Structured notes	6,953,806	7,901,466
	<hr/>	<hr/>
Balance	23,596,910	23,488,674
	<hr/> <hr/>	<hr/> <hr/>

**7- Accounts receivables**

	<b>31/3/2025</b>	<b>31/12/2024</b>
Accounts receivables	30,891,172	15,260,511
Other brokerage companies	1,369,730	1,001,976
	<hr/>	<hr/>
Balance	32,260,902	16,262,487
Impairment loss *	(490,106)	(489,105)
	<hr/>	<hr/>
Balance	31,770,796	15,773,382
	<hr/> <hr/>	<hr/> <hr/>

**EFG Holding Company**  
**(Egyptian Joint Stock Company)**

Notes to the consolidated interim financial statements for the period ended 31 March 2025 (Continued)

(In the notes all amounts are shown in EGP Thousands unless otherwise stated)

Impairment loss *	<b>31/3/2025</b>	<b>31/12/2024</b>
Balance at the beginning of the period / year	489,105	459,251
Impairment during the period / year	5,736	(49,764)
Write off during the period / year	(3,609)	(1,920)
Effect of foreign currency translation	(1,126)	81,538
	<hr/>	<hr/>
Balance at the end of the period / year	490,106	489,105
	<hr/> <hr/>	<hr/> <hr/>
 <b>8- Loans and facilities to customers</b>		
	<b>31/3/2025</b>	<b>31/12/2024</b>
Micro finance	6,832,761	6,511,264
Finance lease	11,887,654	14,419,802
Consumer finance	12,892,183	11,115,123
Factoring	3,911,385	4,619,596
Commercial bank (Bank NXT)	36,954,926	32,512,666
Other loans	2,740,389	2,599,774
SME lending	60,271	39,462
Unearned interest	(9,945,385)	(10,883,823)
	<hr/>	<hr/>
Balance	65,334,184	60,933,864
Impairment loss*	(3,120,630)	(3,005,261)
	<hr/>	<hr/>
Balance	62,213,554	57,928,603
	<hr/> <hr/>	<hr/> <hr/>
Current	27,480,728	26,178,971
Non-current	34,732,826	31,749,632
	<hr/>	<hr/>
Balance	62,213,554	57,928,603
	<hr/> <hr/>	<hr/> <hr/>

**EFG Holding Company**  
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Notes to the consolidated interim financial statements for the period ended 31 March 2025 (Continued)

(In the notes all amounts are shown in EGP Thousands unless otherwise stated)

Impairment loss *	<b>31/3/2025</b>	<b>31/12/2024</b>
Balance at the beginning of the period/year	3,005,261	2,129,579
Impairment during the period/year	178,516	683,023
Write off during the period/year	(64,259)	(348,056)
Recoveries during the period/year	5,343	169,258
Effect of foreign currency translation	(4,231)	371,457
	<u>3,120,630</u>	<u>3,005,261</u>
	=====	=====
<b>9- Investments at fair value through OCI</b>	<b>31/3/2025</b>	<b>31/12/2024</b>
<b>Non-current investments</b>		
Equity securities	299,278	301,995
Mutual fund certificates	272,737	301,572
Debt instruments	5,097,508	4,204,575
	<u>5,669,523</u>	<u>4,808,142</u>
	=====	=====
<b>Current investments</b>		
Debt instruments	6,636,598	7,566,076
	<u>12,306,121</u>	<u>12,374,218</u>
	=====	=====

**EFG Holding Company**  
**(Egyptian Joint Stock Company)**

Notes to the consolidated interim financial statements for the period ended 31 March 2025 (Continued)  
(In the notes all amounts are shown in EGP Thousands unless otherwise stated)

**10- Equity accounted investees**

<b>March 31, 2025</b>							
	<b>Company's location</b>	<b>Company's asset</b>	<b>Company's liabilities</b>	<b>Company's net gain (losses)</b>	<b>Company's gross profit</b>	<b>Shareholding Percentage %</b>	<b>Shareholding value</b>
<b>Interest in joint venture</b>							
Bedaya Mortgage Finance Co	Egypt	1,106,388	763,700	93,703	159,220	33.34	119,637
EFG-EV Fintech	Egypt	55,224	483	(6,602)	1,392	50	29,955
<b>Interest in associate</b>							
Kaf Life Insurance takaful	Egypt	767,101	535,450	(2,176)	32,708	37.5	111,903
Prime for investment fund management *	Egypt	3,042	209	534	354	20	503
Paytech 3100 BV	Netherlands	486,877	1,666	(825)	--	40.66	197,753
Falcon Partners GP Limited	UAE	2,195	1,435	(1,585)	--	25	359
Balance							<u>460,110</u>
<b>December 31, 2024</b>							
	<b>Company's location</b>	<b>Company's asset</b>	<b>Company's liabilities</b>	<b>Company's net gain (losses)</b>	<b>Company's gross profit</b>	<b>Shareholding Percentage %</b>	<b>Shareholding value</b>
<b>Interest in joint venture</b>							
Bedaya Mortgage Finance Co	Egypt	2,636,704	2,381,476	3,550	43,861	33.34	90,478
EFG-EV Fintech	Egypt	34,991	1,140	(712)	1,213	50	19,511
<b>Interest in associate</b>							
Kaf Life Insurance takaful	Egypt	511,682	332,023	7,830	38,904	37.5	115,655
Zahraa Elmaadi Company *	Egypt	2,668,051	798,153	343,780	451,075	20.33	380,225
Prime for investment fund management *	Egypt	3,042	209	534	354	20	503
Paytech 3100 BV	Netherlands	486,877	1,404	(563)	--	40.66	197,860
Falcon Partners GP Limited	UAE	2,195	1,435	(1,585)	--	25	635
Balance							<u>804,867</u>

\* Equity accounted investees acquired through Bank NXT.

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Notes to the consolidated interim financial statements for the period ended 31 March 2025 (Continued)  
(In the notes all amounts are shown in EGP Thousands unless otherwise stated)

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**11- Investment at amortised cost**

	<b>31/3/2025</b>	<b>31/12/2024</b>
Debt instruments-Listed	7,716,065	7,051,166
Debt instruments-Non Listed	5,307,388	5,499,413
	<hr/>	<hr/>
	13,023,453	12,550,579
Impairment loss	(64,290)	(63,034)
	<hr/>	<hr/>
Balance	12,959,163	12,487,545
	<hr/> <hr/>	<hr/> <hr/>

**EFG Holding Company**  
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Notes to the consolidated interim financial statements for the period ended 31 March 2025 (Continued)

(In the notes all amounts are shown in EGP Thousands unless otherwise stated)

**12- Investment property**

	<b>Buildings</b>
<b>Cost</b>	
Balance as at 1/1/2025	145,437
<b>Total cost as at 31/3/2025</b>	<u>145,437</u>
Balance as at 1/1/2024	149,337
<b>Total cost as at 31/3/2024</b>	<u>149,337</u>
<b>Accumulated depreciation</b>	
Accumulated depreciation as at 1/1/2025	55 154
Depreciation for the period	1,401
<b>Accumulated depreciation as at 31/3/2025</b>	<u>56,555</u>
Accumulated depreciation as at 1/1/2024	50,636
Depreciation for the period	1,434
<b>Accumulated depreciation as at 31/3/2024</b>	<u>52,070</u>
<b>Carrying amount</b>	
Net carrying amount as at 31/3/2025	88,882
Net carrying amount as at 31/3/2024	<u>97,267</u>
Net carrying amount as at 31/12/2024	<u>90,283</u>

Investment property net carrying amounted to EGP Thousands 88,882 as at 31 March 2025, representing the following:-

- EGP Thousands 86,585 the book value of the area owned by EFG Holding Company in Nile City building, and with a fair value of EGP Thousands 616,320.
- EGP Thousands 2,297 the book value of the area owned by Hermes Securities Brokerage, one of the subsidiaries, in Elharam branch and with a fair value of EGP Thousands 24,322.

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Notes to the consolidated interim financial statements for the year ended 31 March 2025 (Continued)  
(In the notes all amounts are shown in EGP Thousands unless otherwise stated)

**13- Property, plant and equipment**

	<b>Land &amp; Buildings</b>	<b>Leasehold improvements</b>	<b>Office furniture, equipment &amp; electrical appliances</b>	<b>Computer Equipment</b>	<b>Vehicles</b>	<b>Right of use assets</b>	<b>Total</b>
<b>Cost</b>							
Balance as at 1/1/2025	1,506,330	521,868	1,042,304	1,306,354	228,058	1,116,884	5,721,798
Additions	20,378	46,843	22,040	92,142	19,808	518,303	719,514
Disposals	--	(2,331)	(48)	(594)	(1,932)	(14,843)	(19,748)
Foreign currency translation differences	--	(150)	(2,362)	(1,654)	(168)	(3,648)	(7,982)
Total cost as at 31/3/2025	1,526,708	566,230	1,061,934	1,396,248	245,766	1,616,696	6,413,582
Balance as at 1/1/2024	1,393,899	433,335	677,507	845,226	81,469	659,899	4,091,335
Additions	27,246	10,465	14,398	25,930	38,941	19,258	136,238
Disposals	--	--	(452)	(3,269)	(2,469)	(6,901)	(13,091)
Foreign currency translation differences	225	10,238	133,237	106,397	10,961	191,637	452,695
Total cost as at 31/3/2024	1,421,370	454,038	824,690	974,284	128,902	863,893	4,667,177

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(In the notes all amounts are shown in EGP Thousands unless otherwise stated)

<b>Accumulated depreciation</b>							
Accumulated depreciation as at 1/1/2025	300,779	306,890	652,662	809,084	63,510	613,243	2,746,168
Depreciation	14,753	13,471	23,919	43,124	11,258	43,286	149,811
Disposals' accumulated depreciation	--	(1,084)	(48)	(229)	(1,049)	(8,540)	(10,950)
Foreign currency translation differences	--	(80)	(1,992)	(1,392)	(81)	(2,489)	(6,034)
Accumulated depreciation as at 31/3/2025	<u>315,532</u>	<u>319,197</u>	<u>674,541</u>	<u>850,587</u>	<u>73,638</u>	<u>645,500</u>	<u>2,878,995</u>
Accumulated depreciation as at 1/1/2024	249,819	256,331	433,011	593,290	42,708	338,387	1,913,546
Depreciation	13,371	9,594	14,415	28,031	3,490	26,521	95,422
Disposals' accumulated depreciation	--	--	(452)	(2,984)	(2,177)	(6,682)	(12,295)
Foreign currency translation differences	137	4,385	129,546	94,589	6,048	134,332	369,037
Accumulated depreciation as at 31/3/2024	<u>263,327</u>	<u>270,310</u>	<u>576,520</u>	<u>712,926</u>	<u>50,069</u>	<u>492,558</u>	<u>2,365,710</u>
<b>Carrying amount</b>							
Carrying amount as at 31/3/2025	<u>1,211,176</u>	<u>247,033</u>	<u>387,393</u>	<u>545,661</u>	<u>172,128</u>	<u>971,196</u>	<u>3,534,587</u>
Carrying amount as at 31/3/2024	<u>1,158,043</u>	<u>183,728</u>	<u>248,170</u>	<u>261,358</u>	<u>78,833</u>	<u>371,335</u>	<u>2,301,467</u>
Carrying amount as at 31/12/2024	<u>1,205,551</u>	<u>214,978</u>	<u>389,642</u>	<u>497,270</u>	<u>164,548</u>	<u>503,641</u>	<u>2,975,630</u>

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Notes to the consolidated interim financial statements for the year ended 31 March 2025 (Continued)  
(In the notes all amounts are shown in EGP Thousands unless otherwise stated)

**14- Goodwill and other intangible assets**

	Goodwill	Customer Relationships	Retailer list	Licenses	Brand Name	Software	Total
<b>Cost</b>							
Balance as at 1 January 2025	1,594,539	646,862	53,825	36,847	34,704	863,474	3,230,251
Additions	--	--	--	--	--	1,986	1,986
Foreign currency translation differences	--	(1,335)	--	(149)	--	(718)	(2,202)
<b>Total cost as at 31 March 2025</b>	<b>1,594,539</b>	<b>645,527</b>	<b>53,825</b>	<b>36,698</b>	<b>34,704</b>	<b>864,742</b>	<b>3,230,035</b>
Balance as at 1 January 2024, as reported	1,741,691	496,251	53,825	24,278	34,704	390,543	2,741,292
Effect of purchase price allocation on subsidiary	(147,152)	18,483	--	--	--	136,477	7,808
<b>Balance as at 1 January 2024, as restated</b>	<b>1,594,539</b>	<b>514,734</b>	<b>53,825</b>	<b>24,278</b>	<b>34,704</b>	<b>527,020</b>	<b>2,749,100</b>
Additions	--	--	--	--	--	1,717	1,717
Disposals	--	--	--	--	--	(908)	(908)
Adjustments	--	28,995	--	--	--	--	28,995
Foreign currency translation differences	--	84,706	--	10,907	--	30,994	126,607
<b>Total cost as at 31 March 2024</b>	<b>1,594,539</b>	<b>628,435</b>	<b>53,825</b>	<b>35,185</b>	<b>34,704</b>	<b>558,823</b>	<b>2,905,511</b>
<b>Accumulated amortisation and impairment</b>							
Accumulated amortization and impairment at 1/1/2025	37,667	326,385	19,863	16,759	--	338,657	739,331
Amortisation	--	21,076	1,923	1,014	--	31,682	55,695
Foreign currency translation difference	--	(950)	--	(47)	--	(674)	(1,671)
<b>Total accumulated amortisation and Impairment as at 31 March 2025</b>	<b>37,667</b>	<b>346,511</b>	<b>21,786</b>	<b>17,726</b>	<b>--</b>	<b>369,665</b>	<b>793,355</b>
Accumulated amortization and impairment at 1 January 2024, as reported	37,667	149,864	12,174	10,249	--	215,725	425,679
Effect of purchase price allocation on subsidiary	--	660	--	--	--	4,038	4,698
<b>Accumulated amortization and impairment at 1 January 2024, as restated</b>	<b>37,667</b>	<b>150,524</b>	<b>12,174</b>	<b>10,249</b>	<b>--</b>	<b>219,763</b>	<b>430,377</b>
Amortisation	--	18,992	1,922	716	--	17,244	38,874
Disposals	--	--	--	--	--	(378)	(378)
Adjustments	--	28,995	--	--	--	--	28,995
Foreign currency translation difference	--	52,839	--	2,222	--	27,017	82,078
<b>Total accumulated amortisation and Impairment as at 31 March 2024</b>	<b>37,667</b>	<b>251,350</b>	<b>14,096</b>	<b>13,187</b>	<b>--</b>	<b>263,646</b>	<b>579,946</b>
<b>Carrying amount</b>							
<b>Carrying amount as at 31 March 2025</b>	<b>1,556,872</b>	<b>299,016</b>	<b>32,039</b>	<b>18,972</b>	<b>34,704</b>	<b>495,077</b>	<b>2,436,680</b>
<b>Carrying amount as at 31 March 2024</b>	<b>1,556,872</b>	<b>377,085</b>	<b>39,729</b>	<b>21,998</b>	<b>34,704</b>	<b>295,177</b>	<b>2,325,565</b>
<b>Carrying amount as at 31 December 2024</b>	<b>1,556,872</b>	<b>320,477</b>	<b>33,962</b>	<b>20,088</b>	<b>34,704</b>	<b>524,817</b>	<b>2,490,920</b>

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(In the notes all amounts are shown in EGP Thousands unless otherwise stated)

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14-1 Goodwill is relating to the acquisition of the following subsidiaries:

	<b>31/3/2025</b>	<b>31/12/2024</b>
EFG- Hermes IFA Financial Brokerage Company		
Kuwait – (KSC)	179,148	179,148
Tanmeyah Micro Enterprise Services S.A.E	365,399	365,399
Frontier Investment Management Partners LTD	325,801	325,801
Fatura Netherlands B.V	373,698	373,698
Paynas BV	312,826	312,826
	<hr/>	<hr/>
Balance	1,556,872	1,556,872
	<hr/> <hr/>	<hr/> <hr/>

**EFG Holding Company**  
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Notes to the consolidated interim financial statements for the period ended 31 March 2025 (Continued)

(In the notes all amounts are shown in EGP Thousands unless otherwise stated)

**15- Other assets**

		<b>31/3/2025</b>	<b>31/12/2024</b>
Deposits with others	(15-1)	2,334,478	382,767
Down payments to suppliers		1,554,099	1,448,844
Prepaid expenses		594,663	486,118
Employees' advances		218,460	218,347
Accrued revenues		2,598,956	2,470,694
Taxes withheld by others		66,430	74,310
Payments for investments		5	5
Settlement guarantee fund		28,128	38,536
Due from Egypt Gulf Bank- Tanmeyah Clients		18,365	15,133
Receivables-sale of investments		725,399	1,364
Due from custodian		101,781	63,593
Due from Payment Channels		222,064	127,492
Securitization surplus		484,409	491,978
Sundry debtors		246,780	398,039
Assets acquired as settlement of debts		476,150	442,567
		<hr/>	<hr/>
Total		9,670,167	6,659,787
Deduct: Impairment loss		(81,225)	(76,451)
		<hr/>	<hr/>
Balance		9,588,942	6,583,336
		<hr/> <hr/>	<hr/> <hr/>

15-1 Deposits with others include an amount of EGP Thousands 22,109 in the name of the subsidiaries, EFG-Hermes International Securities Brokerage and Hermes Securities Brokerage Company which represents blocked deposits for same day trading operations settlement takes place in the Egyptian Stock Exchange. Both companies are not entitled to use these amounts without prior approval from Misr Clearance Company.

-Deposits with others include an amount of EGP Thousands 2,223,652 in the name of the subsidiary, EFG- Hermes KSA. This represents margin deposited with the General Clearing Member (GCM) as required by the Clearing House (Muqassa) in Saudi stock exchange.

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(In the notes all amounts are shown in EGP Thousands unless otherwise stated)

**16- Due to banks and financial institutions**

	<b>31/3/2025</b>	<b>31/12/2024</b>
Financial institutions	2,428,505	2,923,742
Bank overdraft *	20,313,649	19,297,065
Deposits**	--	10,577
Current account**	424,295	531,532
Balance	<u>23,166,449</u>	<u>22,762,916</u>

\* Banks overdraft include the credit facilities granted from one of the banks which represents the following:

- A pledged governmental bond contract to secure a credit facility amounted to EGP Thousands 1,065,628.

\*\* Relate to Bank NXT

**17- Customer deposits**

	<b>31/3/2025</b>	<b>31/12/2024</b>
Call deposits	31,610,262	27,739,336
Term deposits	26,835,153	28,332,022
Saving and deposit certificates	8,969,622	8,181,929
Saving deposits	2,217,354	1,892,984
Other deposits	2,235,152	1,062,314
Balance	<u>71,867,543</u>	<u>67,208,585</u>
Corporate deposits	46,418,235	45,754,381
Individual deposits	25,449,308	21,454,204
Balance	<u>71,867,543</u>	<u>67,208,585</u>
Current	64,278,932	60,801,046
Non-current	7,588,611	6,407,539
Balance	<u>71,867,543</u>	<u>67,208,585</u>

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(In the notes all amounts are shown in EGP Thousands unless otherwise stated)

**18- Accounts payable - customers credit balance at fair value through profit and loss**

This amount represents payable to customers against the structured notes issued by one of group companies. These financial liabilities are linked to structured notes purchased by the Company. These structured notes are linked mainly to Treasury Bills and quoted equity securities.

**19- Issued bonds**

- During October 2024 EFG Corp-Solutions (a subsidiary - 100%) issued the second issuance (third for the company) of the first program (multi-tranche issuance program of tradable non-convertible to shares registered bonds for the three year with a value of EGP 3 billion) with a value of EGP 400 million for a five years.
- During June 2024 EFG Corp-Solutions (a subsidiary - 100%) issued the second issuance of unsecured short-term bonds with a value of EGP 433 million for one year. The bonds are tradable and non-convertible to shares for a period of 12 months. The bonds proceeds will be used to finance different company activities and meet its financial obligations.
- During April 2024 Hermes Securities Brokerage (a subsidiary - 100%) issued short-term bonds with a value of EGP 600 million (Second issuance of second program) that are tradable and non-convertible to shares for a period of 12 months at a par value of EGP 100 (one hundred Egyptian pounds only) for a bond to be paid at the end of the period with a variable annual rate based on the net average rate of return on treasury bills in Egyptian pounds (364 days) after deducting the tax in addition to a margin (2%) note that the first coupon equal 22.72% will be paid at the end after six months of the issuance and the second coupon will be paid at the end of the issuance the bonds will be fully consumed at the end of the issuance period and the bonds non-expedited payment the bonds proceeds will be used to finance different company activities and meet its financial obligations.

**20- Other liabilities**

	<b>31/3/2025</b>	<b>31/12/2024</b>
Accrued expenses	4,771,027	8,010,373
Dividends payable (prior years)	267,101	154,092
Deferred revenues	155,523	145,647
Suppliers	1,082,382	725,083
Clients' coupons - custody activity	194,172	204,017
Tax authority	656,561	135,312
Social Insurance Association	27,853	16,981
Payables- purchase of investments	474,332	--
Medical takaful insurance tax	66,113	51,462
Deposits due to others –finance lease contracts	10,296	10,296
Pre collected Installments	658,857	601,304
Sundry creditors	550,874	425,972
Lease liabilities (20-1)	991,282	560,583
Employees' benefits obligations (20-2)	92,734	89,516
Balance	<u>9,999,107</u>	<u>11,130,638</u>

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**20-1 Lease Liabilities**

	<b>31/3/2025</b>	<b>31/12/2024</b>
Balance at the beginning of the period/year	560,583	419,140
Additions	484,757	246,312
Disposals	--	(9,481)
Accretion of interest	27,238	70,179
Paid during the period/year	(80,150)	(245,847)
Effect of foreign currency translation	(1,146)	80,280
	<u>991,282</u>	<u>560,583</u>
	=====	=====
Current	324,861	154,769
Non-current	666,421	405,814
	<u>991,282</u>	<u>560,583</u>
	=====	=====
Balance	991,282	560,583
	<u>991,282</u>	<u>560,583</u>
	=====	=====

**20-2 Employees' benefits obligations**

**A- Movements in the net liabilities recognized in the statement of financial position and their components are as follows:**

	<b>31/3/2025</b>	<b>31/12/2024</b>
Balance at the beginning of the period/year	89,516	68,459
Charge for the period/year	4,365	15,477
Actuarial gain on re-measurement of employees' benefit obligations	(843)	(2,179)
Paid during the period/year	--	(37,828)
Foreign Currency Translation Difference	(304)	45,587
	<u>92,734</u>	<u>89,516</u>
	=====	=====

**B- Amounts recognized included in statement of profit or loss:**

	<b>31/3/2025</b>	<b>31/12/2024</b>
Current service cost	3,284	10,623
Interests on defined benefit obligation	1,081	4,854
	<u>4,365</u>	<u>15,477</u>
	=====	=====
Balance	4,365	15,477
	<u>4,365</u>	<u>15,477</u>
	=====	=====

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(In the notes all amounts are shown in EGP Thousands unless otherwise stated)

**21- Deferred tax assets (liabilities)**

	Balance at 1/1/2025	Recognized in profit or loss	Recognized in equity	Foreign currency differences	Net	Deferred tax assets	Deferred tax liabilities
Fixed assets depreciation	(203,745)	22,879	--	(5)	(180,871)	--	(180,871)
Claims provision	65,519	(13,266)	--	--	52,253	52,253	--
Impairment loss on assets	2,267	(142)	--	(4)	2,121	2,121	--
Prior year losses carried forward	151,392	(9,017)	--	3,199	145,574	145,574	--
Investment at fair value	(1,504,043)	41,627	(9,363)	--	(1,471,779)	--	(1,471,779)
Foreign currency translation differences	(336,807)	66,004	--	--	(270,803)	--	(270,803)
Revaluation of investment property	1,867	--	--	--	1,867	1,867	--
Investment in Associates	(10,743)	10,259	--	--	(484)	--	(484)
ESOP deferred	12,867	--	--	--	12,867	12,867	--
Securitization Surplus Revaluation	(28,346)	28,346	--	--	--	--	--
	<u>(1,849,772)</u>	<u>146,690</u>	<u>(9,363)</u>	<u>3,190</u>	<u>(1,709,255)</u>	<u>214,682</u>	<u>(1,923,937)</u>

**22- Provisions**

		31/3/2025	31/12/2024
Claims provision	(22-1)	900,188	928,441
Commercial Bank (Bank NXT) contingent liabilities	(22-1)	108,770	142,187
Severance pay provision	(22-1)	811,741	801,766
Financial guarantee for contingent liabilities	(22-1)	49,163	40,883
Balance		<u>1,869,862</u>	<u>1,913,277</u>

**22-1**

	Claims provision	Severance Pay provision*	Financial guarantee for contingent liabilities	Commercial bank contingent liabilities	Total
Balance at the beginning of the period	928,441	801,766	40,883	142,187	1,913,277
Formed during the period	1,564	14,607	13,856	--	30,027
Foreign currency differences	7,159	(4,125)	--	--	3,034
Amounts used during the period	(8,804)	(507)	--	--	(9,311)
Bad Debt	--	--	(5,576)	--	(5,576)
No longer needed	(28,172)	--	--	(33,417)	(61,589)
Balance at the end of the period	<u>900,188</u>	<u>811,741</u>	<u>49,163</u>	<u>108,770</u>	<u>1,869,862</u>

\* Related to group entities outside Egypt.

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(In the notes all amounts are shown in EGP Thousands unless otherwise stated)

**23- Loans and borrowings**

<b>The borrower</b>	<b>Credit Limit</b>	<b>Contract date</b>	<b>Maturity date</b>	<b>31/3/2025</b>	<b>31/12/2024</b>
EFG Corp-Solutions *	900 million	27/05/2024	27/05/2031	383,372	618,713
	4 million	27/02/2020	27/02/2027	4,112	5,015
	443 million	30/04/2024	30/04/2031	428,425	440,681
	438 million	05/08/2024	05/08/2031	437,739	456,449
	2 billion	21/04/2024	21/04/2031	326,947	347,529
	1.014 billion	23/04/2024	23/04/2033	876,804	548,415
	17.3 million	29/08/2022	31/10/2028	17,382	18,494
	194 million	21/06/2023	13/07/2027	194,474	--
	393 million	01/07/2024	21/08/2025	301,770	318,665
	4 million	25/06/2023	25/06/2030	--	7,033
	400 million	12/12/2023	12/12/2028	182,994	92,259
	166 million	20/10/2024	20/10/2031	166,312	174,830
	610 million	19/10/2017	03/03/2027	404,560	609,960
	124 million	21/12/2023	12/12/2030	124,342	124,342
	--	07/02/2018	07/02/2025	--	3,349
	1 billion	04/03/2025	04/03/2032	20,277	6,161
	600 million	09/06/2024	30/11/2031	482,554	488,264
	606.6 million	20/10/2024	20/10/2031	471,010	494,321
	11 million	26/11/2020	26/11/2027	11,141	13,006
	69 million	25/06/2024	11/07/2030	69,036	70,689
200 million	08/10/2024	08/10/2029	40,402	41,396	
Tanmeyah Micro					
Enterprise Services S.A.E	220 million	30/10/2024	30/10/2025	202,301	204,768
	300 million	12/02/2025	12/02/2026	254,244	166,805
	200 million	05/03/2024	04/03/2026	118,750	143,740
	250 million	28/07/2024	28/07/2025	59,461	238,154
	200 million	05/02/2024	31/10/2025	159,000	--
U Consumer finance	600 million	15/02/2024	15/02/2026	598,914	598,438
	350 million	09/05/2022	30/11/2026	358,471	253,876
	325 million	07/06/2024	30/09/2027	283,586	324,264
	300 million	30/01/2023	28/02/2026	298,699	298,630
	50 million	02/02/2023	02/11/2026	49,058	49,394
	600 million	02/05/2023	02/05/2026	433,851	600,000
	400 million	15/8/2023	15/08/2026	396,712	392,361
	200 million	30/09/2024	01/04/2027	193,467	187,323
	700 million	13/07/2024	13/07/2027	698,100	338,530
	950 million	13/06/2024	13/06/2026	973,155	950,871
	750 million	15/07/2024	15/07/2026	493,298	473,800
	100 million	03/10/2024	03/09/2026	102,179	110,000
	500 million	12/01/2024	12/01/2025	491,803	499,967
EFG Finance Holding	120 million	20/10/2024	20/10/2028	102,266	105,887
	200 million	12/12/2023	12/12/2030	161,300	166,001
	400 million	02/03/2023	31/03/2028	390,989	380,538
EFG For SME	150 million	29/07/2024	28/07/2025	18,939	5,475
	150 million	18/11/2024	15/09/2025	26,187	1,501
Bank NXT	120 million	18/08/2014	01/04/2040	119,673	119,673
Balance				<u>11,928,056</u>	<u>11,489,567</u>
	Current			6,249,933	6,160,149
	Non-current			<u>5,678,123</u>	<u>5,329,418</u>
	Balance			<u>11,928,056</u>	<u>11,489,567</u>

**EFG Holding Company**  
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(In the notes all amounts are shown in EGP Thousands unless otherwise stated)

- 
- \* EFG Corp Solutions (wholly owned subsidiary) is committed to settle the credit granted by waiving the rental value of the finance lease contracts to the banks within the credit amount.

**24- Share capital**

- The company's General Assembly approved in its session held on May 24, 2023 to increase the company's authorized capital from EGP 6 billion to EGP 30 billion and increase the company's issued capital from EGP Thousands 5,838,424 to EGP Thousands 7,298,030 distributed on 1,459,606,008 shares with an increase amounting to EGP Thousands 1,459,606 distributed on 291,921,202 shares with par value EGP 5 through the issuance of one free share for every four shares. This increase is transferred from the company retained earnings that presented in December 31, 2022 financial statements. The required procedures had been taken to register the increase in the Commercial Register.

**24-1 Treasury shares**

The company's board of directors approved in its session held on May 22, 2024 to purchase a number of 25 million shares of the company's shares and the company has purchased a number of 23,713,000 shares from Egyptian stock exchange market at cost of EGP thousand 399,975.

**25- Non - controlling interests**

	<b>31/3/2025</b>	<b>31/12/2024</b>
Share capital	2,810,134	2,810,215
Additional paid-in capital	156,282	156,282
Legal reserve	130,198	83,971
Other reserves	1,062,038	963,702
Retained gain	1,106,159	217,853
Profit for the period/year	<u>349,635</u>	<u>1,077,116</u>
Balance	<u>5,614,446</u>	<u>5,309,139</u>

**26- Contingent liabilities**

The holding company guarantees its subsidiary EFG- Hermes UAE LLC against the Letters of Guarantee issued from banks amounting to:

	<b>31/3/2025</b>	<b>31/12/2024</b>
AED	88,670	93,670
Equivalent to EGP Thousands	1,220,808	1,296,243

Group off-financial position items:

- Assets under management 276,489,794 269,559,987

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(In the notes all amounts are shown in EGP Thousands unless otherwise stated)

- **Securitization and Sukuk transactions**

The group has entered into some securitization and Sukuk transactions the assets and liabilities related to those transactions do not qualify for the recognition criteria under Egyptian accounting standards accordingly the group has not recognized those assets or liabilities.

The assets and liabilities related to those transactions are represented in :

Client portfolios related to securitization transactions	12,949,341
Balances with custodians	925,393
Land and Buildings related to Sukuk transactions	600,000
<b>Total Assets</b>	<b>14,474,734</b>
<b>Bonds</b>	<b>9,645,195</b>
<b>Sukuk</b>	<b>360,000</b>
<b>Total liabilities</b>	<b>10,005,195</b>

**Bank NXT Contingent liabilities are as follows:**

**A- Capital commitments**

**Financial investments**

The value of commitments related to financial investments for which payments was not requested until the date of the financial position as at 31 March 2025:

	<b>Contribution amount USD Thousands</b>	<b>Amount paid USD Thousands</b>	<b>Residual amount USD Thousands</b>
African Export -Import Bank	5,336	2,294	3,042

	<b>Contribution amount EGP Thousands</b>	<b>Amount paid EGP Thousands</b>	<b>Residual amount EGP Thousands</b>
Long-Term Assets	1,180,215	828,992	351,223

**B- Commitments on loans guarantees and facilities**

The bank's commitments on loans and facilities are as follows:

	<b>31 March 2025 Thousands EGP</b>	<b>31 December 2024 Thousands EGP</b>
Loan commitments	15,276,920	14,182,263
Letters of guarantees	2,241,480	2,282,896
Letters of credit (Export and Import)	853,379	938,697
Acceptances of supplier facilities	805,555	356,038
<b>Balance</b>	<b>19,177,334</b>	<b>17,759,894</b>

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**27- Other Revenues**

Other revenues includes rental income and non-recurring income.

**28- Impairment loss on assets**

	<b>For the period ended</b>	
	<b>31/3/2025</b>	<b>31/3/2024</b>
Accounts receivables	5,736	30,879
Loans and facilities to customers	178,516	277,829
Cash and cash equivalents	(1,662)	3,955
Other Debit Accounts	(11,075)	7,989
Financial investments	(1,554)	105,492
	<u>169,961</u>	<u>426,144</u>
	=====	=====

**29- Income tax expense**

	<b>For the period ended</b>	
	<b>31/3/2025</b>	<b>31/3/2024</b>
Current income tax	(528,533)	(434,123)
Deferred tax	146,690	(726,655)
	<u>(381,843)</u>	<u>(1,160,778)</u>
	=====	=====

**30- Current tax Liability**

	<b>For the period ended</b>	
	<b>31/3/2025</b>	<b>31/12/2024</b>
Balance at the beginning of period / year	1,020,705	638,583
Charge for the period/year	528,533	1,439,591
Withholding tax receivable	--	(8,406)
Income tax paid	(189,481)	(1,052,558)
Effect of foreign currency translation	(89)	3,495
	<u>1,359,668</u>	<u>1,020,705</u>
	=====	=====

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Notes to the consolidated interim financial statements for the period ended 31 March 2025 (Continued)  
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**31- Assets held for sale**

The group reclassified the value of its direct contribution to the capital of Zahraa EL Maddi company with value of 311,608 thousand pounds, EFG Hermes Pakistan with value of 3,524 thousand pounds to the item of assets held for sale.

**32- Cash and cash equivalents**

For the purpose of preparing the statement of cash flows cash and cash equivalents are represented in the following :

	<b>31/3/2025</b>	<b>31/3/2024</b>
Cash and due from banks	41,087,800	42,804,164
Bank overdraft	(20,313,649)	(19,297,065)
Treasury bills less than 90 days	166,459	1,034,878
Effect of exchange rate	--	27,796
	<hr/>	<hr/>
Cash and cash equivalents	20,940,610	24,569,773
	=====	=====

**33- General administrative expenses**

	<b>For the period ended</b>	
	<b>31/3/2025</b>	<b>31/3/2024</b>
Wages salaries and similar items*	2,069,089	3,548,606
Consultancy	255,683	158,330
Travel accommodation and transportation	33,416	24,445
Leased line and communication	137,037	110,535
Rent and utilities expenses	50,084	34,141
Other expenses	693,622	605,624
	<hr/>	<hr/>
Total	3,238,931	4,481,681
	=====	=====

**EFG Holding Company**  
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Notes to the consolidated interim financial statements for the period ended 31 March 2025 (Continued)  
(In the notes all amounts are shown in EGP Thousands unless otherwise stated)

**\* Share-based payments.**

The Company introduced an Employees Share Ownership plan (ESOP) in accordance with the shareholder's approval at the extraordinary general assembly meeting by issuing Free shares representing 5.5% of the issued capital of the Company shall be granted to employees managers and executive board members of the Company and its subsidiaries.

The duration of this program is five years starting as of 1 January 2021 till 31 December 2025 the vesting period is 3-4 years starting from 1 January 2021 till 31 December 2024. The beneficiary entitled to shares granted to 4 equal installments.

The equity instruments for share-based payment are recognized at fair value on the grant date and are recorded in the income statement with a corresponding increase in equity.

Equity instruments during the period/year represents the following:

	<b>For the period ended 31/3/2025 No. of Shares</b>	<b>For the year ended 31/12/2024 No. of Shares</b>
Total at the beginning of the period/year	48,018,166	68,057,297
Forfeited shares during the period/year	--	(3,024,810)
Exercised during the period/year	(16,006,055)	(17,014,321)
Total at the end of the period/year	<u>32,012,111</u>	<u>48,018,166</u>

**EFG Holding Company**  
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Translation of consolidated financial statements originally issued in Arabic

Notes to the consolidated interim financial statements for the period ended 31 March 2025 (Continued)  
(In the notes all amounts are shown in EGP Thousands unless otherwise stated)

**34- Operating segment**

**(a) Basis for operating segment**

Segment information is presented in respect of the Group's business segments.

The primary format business segment is based on the Group's management and internal reporting structure. Inter-segment pricing is determined on an arm's length basis.

Segment results assets and liabilities include items directly attributable to a segment. The revenue & expense and assets & liabilities analyses in the table below are based on the type of business activities and services that are distinguishable component.

**For the period ended March 31, 2025**

	<b>Holding &amp; Treasury</b>	<b>Brokerage</b>	<b>Asset Management</b>	<b>Investment Banking</b>	<b>Private Equity</b>	<b>Finance Holding</b>	<b>Leasing</b>	<b>Micro Finance</b>	<b>Consumer Finance</b>	<b>Factoring</b>	<b>SME Lending</b>	<b>Commercial bank (Bank NXT)</b>	<b>Adjustments</b>	<b>Total</b>
Interest income	317,917	537,884	1,750	4,136	5,719	4,900	622,985	932,584	390,371	312,801	7,747	3,640,734	(197,211)	6,582,317
Interest Expense	(460,496)	(150,786)	-	(180)	-	(3,688)	(512,625)	(451,549)	(575,838)	(286,327)	(3,056)	(2,564,469)	172,257	(4,836,757)
Net Interest income	<b>(142,579)</b>	<b>387,098</b>	<b>1,750</b>	<b>3,956</b>	<b>5,719</b>	<b>1,212</b>	<b>110,360</b>	<b>481,035</b>	<b>(185,467)</b>	<b>26,474</b>	<b>4,691</b>	<b>1,076,265</b>	<b>(24,954)</b>	<b>1,745,560</b>
Fee and commission income	-	1,369,365	386,165	476,418	101,722	-	35,294	137,090	407,895	10,828	630	198,791	169	3,124,367
Fees and commission expense	(321)	(246,350)	(54,180)	-	-	(84)	(1)	(16,220)	(21,782)	-	(127)	(62,877)	-	(401,942)
Net fees & commission income	<b>(321)</b>	<b>1,123,015</b>	<b>331,985</b>	<b>476,418</b>	<b>101,722</b>	<b>(84)</b>	<b>35,293</b>	<b>120,870</b>	<b>386,113</b>	<b>10,828</b>	<b>503</b>	<b>135,914</b>	<b>169</b>	<b>2,722,425</b>
Securities gain	(19,724)	2,603	-	-	-	-	-	-	-	-	-	99,176	-	82,055
Changes in the investments at fair value through profit and loss	(50,301)	(570)	-	-	-	-	-	-	-	-	-	-	-	(50,871)
Dividend income	588	167	1,965	-	-	-	-	-	-	-	-	52	-	2,772

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Notes to the consolidated interim financial statements for the period ended 31 March 2025 (Continued)

(In the notes all amounts are shown in EGP Thousands unless otherwise stated)

	Holding & Treasury	Brokerage	Asset Management	Investment Banking	Private Equity	Finance Holding	Leasing	Micro Finance	Consumer Finance	Factoring	SME Lending	Commercial bank (Bank NXT)	Adjustments	Total
Other Revenues	55,138	7,041	165	-	5,660	-	433	29,357	285,769	35	-	67,129	(15,406)	435,321
Foreign currencies exchange differences	575,453	14,400	-	-	-	(1)	7,799	(60)	(1,762)	(709)	-	7,359	-	602,479
Share of gain from equity accounted investees	-	-	-	-	(273)	23,253	-	-	-	-	-	19,235	-	42,215
<b>Total revenues</b>	<b>418,254</b>	<b>1,533,754</b>	<b>335,865</b>	<b>480,374</b>	<b>112,828</b>	<b>24,380</b>	<b>153,885</b>	<b>631,202</b>	<b>484,653</b>	<b>36,628</b>	<b>5,194</b>	<b>1,405,130</b>	<b>(40,191)</b>	<b>5,581,956</b>
General administrative expenses	(596,461)	(917,983)	(186,855)	(207,127)	(70,808)	(19,251)	(41,255)	(433,438)	(294,694)	(16,009)	(9,458)	(529,070)	83,478	(3,238,931)
Financial guarantee provision	-	-	-	-	-	-	-	(13,856)	-	-	-	-	-	(13,856)
Impairment loss on assets	2,732	(5,848)	(58)	-	498	(321)	8,637	(74,657)	(4,723)	(300)	(579)	(95,342)	-	(169,961)
Provisions	(183)	(13,090)	(620)	-	(714)	-	-	-	-	-	-	(1,564)	-	(16,171)
Depreciation and amortisation	(43,727)	(15,686)	(5,630)	(437)	(1,614)	(207)	(213)	(25,985)	(19,807)	(36)	(63)	(50,215)	(43,287)	(206,907)
Profit before income tax	(219,385)	581,147	142,702	272,810	40,190	4,601	121,054	83,266	165,429	20,283	(4,906)	728,939	-	1,936,130
Income tax expense	56,123	(105,867)	(1,584)	(9,526)	(6,936)	(38)	(15,763)	(27,317)	(34,550)	(4,889)	(94)	(231,402)	-	(381,843)
<b>Profit for the period</b>	<b>(163,262)</b>	<b>475,280</b>	<b>141,118</b>	<b>263,284</b>	<b>33,254</b>	<b>4,563</b>	<b>105,291</b>	<b>55,949</b>	<b>130,879</b>	<b>15,394</b>	<b>(5,000)</b>	<b>497,537</b>	<b>-</b>	<b>1,554,287</b>
Total assets	22,811,529	63,121,343	2,339,624	1,288,605	413,729	695,200	7,800,726	7,181,890	11,572,992	4,107,907	118,819	85,697,803	-	207,150,167
Total liabilities	9,606,905	54,241,012	799,954	578,351	204,577	53,852	6,754,700	5,681,378	9,445,697	3,880,259	51,038	75,807,494	-	167,105,217

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**For the period ended March 31, 2024**

	<b>Holding &amp; Treasury</b>	<b>Brokerage</b>	<b>Asset Management</b>	<b>Investment Banking</b>	<b>Private Equity</b>	<b>Finance Holding</b>	<b>Leasing</b>	<b>Micro Finance</b>	<b>Consumer Finance</b>	<b>Factoring</b>	<b>Commercial bank (Bank NXT)</b>	<b>Adjustments</b>	<b>Total</b>
Interest income	232,801	374,723	2,426	27,976	3,154	2,143	387,293	551,033	334,878	102,471	2,414,738	(46,373)	4,387,263
Interest Expense	(206,008)	(106,926)	-	(19,294)	-	-	(326,802)	(270,221)	(262,732)	(92,248)	(1,524,527)	26,240	(2,782,518)
Net Interest income	26,793	267,797	2,426	8,682	3,154	2,143	60,491	280,812	72,146	10,223	890,211	(20,133)	1,604,745
Fee and commission income	-	1,094,123	286,485	164,175	55,265	-	23,605	135,312	148,701	3,456	287,015	1,646	2,199,783
Fees and commission expense	(243)	(185,320)	(48,722)	-	(9)	(71)	(5)	(10,068)	(1,800)	-	(34,303)	-	(280,541)
Net fees & commission income	(243)	908,803	237,763	164,175	55,256	(71)	23,600	125,244	146,901	3,456	252,712	1,646	1,919,242
Securities gain	17,113	5,132	-	-	-	(52)	-	-	-	-	45,478	-	67,671
Changes in the investments at fair value through profit and loss	2,351,751	15,457	-	-	(49)	(1,576)	-	-	-	-	-	-	2,365,583
Dividend income	-	1,461	-	-	-	-	-	-	-	-	11,273	-	12,734
Other Revenues	24,965	5,500	166	-	4,900	-	36,766	17,372	87,530	-	8,810	5,666	191,675
Foreign currencies exchange differences	2,111,053	2,567	-	-	-	(11,437)	121,566	1,641	78,053	30,656	63,942	-	2,398,041
Share of loss from equity accounted investees	-	-	-	-	(4,505)	93	-	-	-	-	(3,812)	-	(8,224)
Total revenues	4,531,432	1,206,717	240,355	172,857	58,756	(10,900)	242,423	425,069	384,630	44,335	1,268,614	(12,821)	8,551,467
General administrative expenses	(2,629,562)	(681,977)	(120,169)	(99,392)	(60,943)	(9,345)	(29,308)	(308,631)	(200,836)	(8,299)	(371,765)	38,546	(4,481,681)
Financial guarantee provision	-	-	-	-	-	-	-	(6,506)	-	-	-	-	(6,506)
Impairment loss on assets	(744)	-	(850)	-	(30,644)	(66,135)	(55,146)	(53,377)	(34,870)	(34,346)	(150,828)	796	(426,144)

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(In the notes all amounts are shown in EGP Thousands unless otherwise stated)

	<b>Holding &amp; Treasury</b>	<b>Brokerage</b>	<b>Asset Management</b>	<b>Investment Banking</b>	<b>Private Equity</b>	<b>Finance Holding</b>	<b>Leasing</b>	<b>Micro Finance</b>	<b>Consumer Finance</b>	<b>Factoring</b>	<b>Commercial bank (Bank NXT)</b>	<b>Adjustments</b>	<b>Total</b>
Provisions	(188,868)	(12,407)	(259)	(327)	(477)	-	-	(2,334)	(2,000)	-	(18,691)	-	(225,363)
Depreciation and amortisation	(40,110)	(8,827)	(2,723)	(134)	(1,130)	(11)	(87)	(18,048)	(11,879)	(463)	(25,797)	(26,521)	(135,730)
Profit before income tax	<b>1,672,148</b>	<b>503,506</b>	<b>116,354</b>	<b>73,004</b>	<b>(34,438)</b>	<b>(86,391)</b>	<b>157,882</b>	<b>36,173</b>	<b>135,045</b>	<b>1,227</b>	<b>701,533</b>	-	<b>3,276,043</b>
Income tax expense	(609,395)	(234,861)	1,822	10,337	(7,642)	2,543	(56,388)	(12,397)	(22,814)	(5,339)	(226,644)	-	(1,160,778)
Profit for the period	<b>1,062,753</b>	<b>268,645</b>	<b>118,176</b>	<b>83,341</b>	<b>(42,080)</b>	<b>(83,848)</b>	<b>101,494</b>	<b>23,776</b>	<b>112,231</b>	<b>(4,112)</b>	<b>474,889</b>	-	<b>2,115,265</b>
Total assets	25,155,139	52,230,969	2,209,469	531,661	389,270	315,061	6,496,539	6,132,648	6,299,511	2,047,846	68,218,088	-	170,026,201
Total liabilities	10,440,839	45,128,684	695,411	239,340	308,879	43,086	6,235,885	4,734,166	5,153,607	1,183,621	60,739,160	-	134,902,678

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**(b) Geographical segments**

- The Group operates in main geographical areas: Egypt GCC. In presenting the geographic information segment revenue has been based on the geographical location of operation and the segment assets were based on the geographical location of the assets. The group's operations are reported under geographical segments reflecting their respective size of operation.
- The revenue analysis in the tables below is based on the location of the operating company which is the same as the location of the major customers and the location of the operating companies.

**March 31, 2025**

	<b>Egypt</b>	<b>GCC</b>	<b>Other</b>	<b>Total</b>
Total revenues	3,861,505	1,635,308	85,143	5,581,956
Segment assets	137,422,375	63,855,278	5,872,514	207,150,167

**March 31, 2024**

	<b>Egypt</b>	<b>GCC</b>	<b>Other</b>	<b>Total</b>
Total revenues	7,578,741	860,869	111,857	8,551,467
Segment assets	109,784,371	47,799,915	12,441,915	170,027,201

**35- Tax status (the holding company)**

- As to Income Tax the years till 2019 the competent Tax Inspectorate inspected the parent company's books and all the disputed points have been settled with the Internal Committee. As to years 2020/2023 have not been inspected yet.
- As to Salaries Tax the parent company's books had been examined till 2022 and all the disputed points have been settled with the Internal committee and as to years 2023- 2024 have not been inspected yet.
- As to Stamp Tax the parent company's books had been examined from year 1998 till 2020 and all the disputed points have been settled with the competent Tax Inspectorate and as to years 2021/2024 have not been inspected yet.
- As to Property Tax for Smart Village building the company paid tax till December 31, 2024 and for Nile City's first building the company paid tax till December 31, 2024.

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**36- Corresponding figures**

- Certain reclassification and adjustments have been made to some comparative figures in order to confirm with the current period presentation as following:

**- Consolidated income statement: -**

	<b>(As reported)</b>		<b>(Restated)</b>
	<b>31/3/2024</b>	<b>Adjustments</b>	<b>31/3/2024</b>
Depreciation and amortization	(131,032)	(4,698)	(135,730)
Profit before tax	3,280,741	(4,698)	3,276,043
Profit for the period	2,119,963	(4,698)	2,115,265
Owners of the Company	1,821,399	(4,461)	1,816,938
Non-controlling interests	298,564	(237)	298,327

**37- Earnings Per Share**

	<b>For the period</b>	<b>For the period</b>
	<b>ended</b>	<b>ended</b>
	<b>31/3/2025</b>	<b>31/3/2024</b>
Profit for the period	1,204,652	1,816,938
Weighted average number of shares	1,448,269	1,459,606
Earnings per share (EGP)	<u>0.83</u>	<u>1.24</u>

**38- Group's entities**

The parent company owns the following subsidiaries:

	<b>Direct ownership</b>	<b>Indirect ownership</b>
	<b>%</b>	<b>%</b>
EFG Hermes International Securities Brokerage	99.87	0.09
EFG Hermes Fund Management	88.51	11.49
Hermes Portfolio and Fund Management	78.81	21.19
Hermes Securities Brokerage	97.58	2.42
Hermes Corporate Finance	100	--
EFG - Hermes Advisory Inc.	100	--
EFG- Hermes Financial Management (Egypt) Ltd.	--	100
EFG - Hermes Promoting & Underwriting	99.88	--
Bayonne Enterprises Ltd.	100	--
EFG- Hermes Fixed Income	99	1
EFG Hermes for Digital solutions	96.3	3.7

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(In the notes all amounts are shown in EGP Thousands unless otherwise stated)

	<b>Direct ownership</b>	<b>Indirect ownership</b>
	%	%
EFG- Hermes Private Equity-BVI	--	100
EFG- Hermes UAE LLC.	100	--
Flemming CIIC Holding	100	--
Flemming Mansour Securities	--	99.33
Flemming CIIC Securities	--	96
Flemming CIIC Corporate Finance	--	74.92
EFG- Hermes UAE Ltd.	100	--
EFG- Hermes Holding - Lebanon	99	--
EFG- Hermes KSA	73.3	26.7
EFG- Hermes Lebanon	99	0.97
Mena Opportunities Management Limited	--	95
Mena (BVI) Holding Ltd.	--	95
EFG - Hermes Mena Securities Ltd.	--	100
Middle East North Africa Financial Investments W.L.L	--	100
EFG- Hermes Regional Investment Ltd.	--	100
Offset Holding KSC *	--	50
EFG- Hermes IFA Financial Brokerage	--	63.084
IDEAVELOPERS	--	81
EFG- Hermes CB Holding Limited	--	100
EFG- Hermes Global CB Holding Limited	100	--
Mena Long-Term Value Feeder Holdings Ltd. *	--	50
Mena Long-Term Value Master Holdings Ltd. *	--	45
Mena Long-Term Value Management Ltd. *	--	45
EFG - Hermes CL Holding SAL	--	100
EFG-Hermes IB Limited	100	--
EFG Hermes Securitization	100	--
EFG Hermes-Direct Investment Fund	64	--
Tanmeyah Micro Enterprise Services S.A.E	--	94.057
EFG – Hermes Brokerage Holdings Ltd	100	--
EFG – Hermes USA	100	--
EFG Capital Partners III	--	100
Health Management Company	--	54.6875

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	<b>Direct ownership</b>	<b>Indirect ownership</b>
	%	%
EFG – Hermes Kenya Ltd.	--	100
EFG Finance Holding	99.82	0.18
EFG - Hermes UK Limited	--	100
OLT Investment International Company (B.S.C)	--	100
Frontier Investment Management Partners LTD *	--	50
EFG-Hermes SP limited	--	100
U Consumer Finance	--	94.961
EFG Corp – Solutions	--	100
Beaufort Asset Managers LTD	--	100
EFG Hermes Bangladesh Limited	--	100
EFG Hermes FI Limited	--	100
EFG Securitization	--	100
EFG International Treasury Management Ltd		
-(previously)EFG Hermes PE Holding LLC	100	--
Etkan for Inquiry and Collection and Business Processes	--	100
RX Healthcare Management	--	54.6875
FIM Partners KSA *	--	50
Egypt Education Fund GP Limited	--	80
EFG Hermes Nigeria Limited	--	100
EFG-Hermes Int. Fin Corp	100	--
FIM Partners UK Ltd	--	50
EFG Hermes Sukuk	90	10
Beaufort Holding LTD.	--	100
Beaufort Management LTD.	--	100
Vortex IV GP LTD.	--	100
Beaufort SLP Holding	--	100
Beaufort Private Investment Holding LTD.	--	100
Bank NXT	51	--
EFG VA Holdco Limited	--	100
EFG VA Investco Limited	--	100
Lighthouse Energy GP Limited	--	100

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	<b>Direct ownership</b>	<b>Indirect ownership</b>
	<b>%</b>	<b>%</b>
Beaufort SLP II Limited	--	100
Lighthouse Energy GP II	--	100
Beaufort Management Spain	--	100
EFG Singapore PTE LTD	--	100
Fatura Netherlands B.V	--	94.057
Fatura L.L.C	--	94.057
ASASY FOR DIGITAL CONTENT	--	94.057
EFG Payment	--	100
FIM Partners Muscat SPC	--	50
Noutah for electronic commerce	--	94.057
VA LTIP SPV 1 Limited	--	100
-(Previously) VA ESOP Limited		
EFG National Holding Limited	--	100
VA LTIP Holdco 2 limited	--	100
-(Previously) EFG IB Holdco Limited		
VA LTIP SPV 2 Limited		
-(Previously) EFG IB Investco Limited	--	100
EFG For SME Financing	--	100
Beaufort Managers SLP Limited	--	100
EFG Finance B.V	--	100
Valu for payments and Digital Solutions	--	94.961
Paynas BV	--	94.961
EFG Hermes PE Holdco Ltd	--	100
EFG Hermes IB Holding Ltd.	100	--
WM Holdco Limited	--	100

\* The Holding Company has the power to govern the financial and operating policies of the mentioned companies then the investees Companies are classified as investments in subsidiaries.

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**39- Measurement of fair value**

- A number of the Group's accounting policies and disclosures require the measurement of fair values for both financial and non-financial assets and liabilities.
- When measuring the fair value of an asset or a liability the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.
  - Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
  - Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices).
  - Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).
- If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.
- Valuation techniques include net present value and discounted cash flow models comparison with similar instruments for which observable market prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates credit spreads and other premiums used in estimating discount rates bond and equity prices foreign currency exchange rates.
- The following table analyses financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position:

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**31 March 2025**

	Note	Level 1	Level 2	Level 3	Total
<b><u>Financial assets</u></b>					
Mutual fund certificates	(6,9)	140,955	615,812	11,789,119	12,545,886
Equity securities	(6,9)	365,401	--	325,219	690,620
Structured notes	(6)	--	6,953,806	--	6,953,806
Debt instruments	(6,9)	9,076,121	6,636,598	--	15,712,719
		<b>9,582,477</b>	<b>14,206,216</b>	<b>12,114,338</b>	<b>35,903,031</b>
<b><u>Financial Liabilities</u></b>					
Accounts payable - customers					
credit balance at fair value		--	6,953,806	--	6,953,806
through profit and loss	(18)				
		--	<b>6,953,806</b>	--	<b>6,953,806</b>

**31 December 2024**

	Note	Level 1	Level 2	Level 3	Total
<b><u>Financial assets</u></b>					
Mutual fund certificates	(6,9)	171,436	253,240	11,908,733	12,333,409
Equity securities	(6,9)	154,670	--	326,658	481,328
Structured notes	(6)	--	7,901,466	--	7,901,466
Debt instruments	(6,9)	7,580,613	7,566,076	--	15,146,689
		<b>7,906,719</b>	<b>15,720,782</b>	<b>12,235,391</b>	<b>35,862,892</b>
<b><u>Financial Liabilities</u></b>					
Accounts payable - customers					
credit balance at fair value	(18)	--	7,901,466	--	7,901,466
through profit and loss					
		--	<b>7,901,466</b>	--	<b>7,901,466</b>

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**40- Classification of financial assets and financial liabilities**

<b>31 March 2025</b>				
<b><u>Financial assets</u></b>	<b>Note no</b>	<b>Amortised Cost</b>	<b>FVTPL</b>	<b>FVTOCI</b>
Mutual fund certificates	(6,9)	--	12,273,149	272,737
Equity securities	(6,9)	--	391,342	299,278
Structured notes	(6)	--	6,953,806	--
Debt instruments	(6,9,11)	12,959,163	3,978,613	11,734,106
Cash and cash equivalents	(5)	47,664,608	--	--
Loans and facilities to customer	(8)	62,213,554	--	--
Accounts receivables	(7)	31,770,796	--	--
Other assets	(15)	9,588,942	--	--
		164,197,063	23,596,910	12,306,121
<b><u>Financial Liabilities</u></b>				
Due to banks and financial institutions	(16)	23,166,449	--	--
Customer Deposits	(17)	71,867,543	--	--
Loans and borrowings	(23)	11,928,056	--	--
Other Liability	(20)	9,999,107	--	--
Accounts payable - customers credit balance at fair value through profit and loss	(18)	--	6,953,806	--
Accounts payable - customers credit balance		36,603,873	--	--
Issued bonds	(19)	1,432,916	--	--
		154,997,944	6,953,806	--

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**31 December 2024**

<b><u>Financial assets</u></b>	<b>Note no</b>	<b>Amortised Cost</b>	<b>FVTPL</b>	<b>FVTOCI</b>
Mutual fund certificates	(6,9)	--	12,031,837	301,572
Equity securities	(6,9)	--	179,333	301,995
Structured notes	(6)	--	7,901,466	--
Debt instruments	(6,9,11)	12,487,545	3,376,038	11,770,651
Cash and cash equivalents	(5)	51,540,737	--	--
Loans and facilities to customer	(8)	57,928,603	--	--
Accounts receivables	(7)	15,773,382	--	--
Other assets	(15)	6,583,336	--	--
		<u>144,313,603</u>	<u>23,488,674</u>	<u>12,374,218</u>
<b><u>Financial Liabilities</u></b>				
Due to banks and financial institutions	(16)	22,762,916	--	--
Customer Deposits	(17)	67,208,585	--	--
Loans and borrowings	(23)	11,489,567	--	--
Other Liability	(20)	11,130,638	--	--
Accounts payable - customers credit balance at fair value through profit and loss	(18)	--	7,901,466	--
Accounts payable - customers credit balance		20,566,943	--	--
Issued bonds	(19)	1,432,665	--	--
		<u>134,591,314</u>	<u>7,901,466</u>	<u>--</u>

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**41- Financial instruments and management of related risks:**

The Company's financial instruments are represented in the financial assets and liabilities. Financial assets include cash balances with banks investments and debtors while financial liabilities include loans and creditors. Notes to financial statements includes significant accounting policies applied regarding basis of recognition and measurement of the important financial instruments and related revenues and expenses by the company to minimize the consequences of such risks.

Management of financial risk in the commercial bank (Bank NXT) is conduct through a separate organization from the investment bank due to regulatory rules and operational necessity. Below is a summary of the risk management frame work in both business segments.

**41-1 Risk management framework in the investment bank:**

**Risk management**

In the ordinary course of business the Group is exposed to a variety of risks the most important of which are liquidity risk interest rate risk currency risk credit risk and market risk. These risks are identified measured and monitored through various control mechanisms in order to price facilities and products on a risk adjusted basis and to prevent undue risk concentrations.

The independent risk control process does not include business risks such as changes in the environment technology and industry. They are monitored through the Group's strategic planning process.

**Credit risk**

Credit risk is the risk of a person or an organization defaulting in the repayment of their obligations to the Group in respect of the terms and conditions of the credit facilities granted to them by the Group. The management minimizes this risk by spreading its loan portfolio overall economic sectors and by adopting appropriate procedures and controls to evaluate the quality of the credit facilities granted and the creditworthiness of the borrowers. The credit risk of connected accounts is monitored on a united basis. In addition the effective credit appraisal procedure for examining applications for credit facilities followed by the Group adopts as the main criteria the repayment capability and obtaining sufficient collateral. The continuous monitoring of credit accounts and the timely preventive action further minimize to a large extent the exposure to credit risk.

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The following table provides information on the quality of financial assets subject to ECL calculation during the financial year:

**31 March 2025**

<b>Account</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Banks and Time deposits</b>				
Banks	21,494,466	--	--	<b>21,494,466</b>
Time Deposit	3,351,425	1,423,702	--	<b>4,775,127</b>
ECL	(2,390)	(2,798)	--	<b>(5,188)</b>
<b>Net carrying amount</b>	<b>24,843,500</b>	<b>1,420,904</b>	<b>--</b>	<b>26,264,404</b>
<b>Loans and facilities to customers</b>				
Loans and facilities to customers	26,712,322	1,090,759	739,794	<b>28,542,875</b>
ECL	(363,329)	(92,722)	(328,992)	<b>(785,042)</b>
<b>Net carrying amount</b>	<b>26,348,993</b>	<b>998,037</b>	<b>410,802</b>	<b>27,757,833</b>
<b>Accounts Receivable</b>				
Accounts Receivable	31,768,852	45,001	447,050	<b>32,260,903</b>
ECL	(37,655)	(6,098)	(446,353)	<b>(490,106)</b>
<b>Net carrying amount</b>	<b>31,731,197</b>	<b>38,903</b>	<b>696</b>	<b>31,770,796</b>
<b>Investments FVTOCI</b>				
Debt Instruments	1,030,723	--	--	<b>1,030,723</b>
ECL	--	--	--	<b>--</b>
<b>Net carrying amount</b>	<b>1,030,723</b>	<b>--</b>	<b>--</b>	<b>1,030,723</b>
<b>Other Assets</b>				
Other assets	6,504,240	77,330	48,953	<b>6,630,523</b>
ECL	(20,448)	(2,519)	(40,462)	<b>(63,429)</b>
<b>Net carrying amount</b>	<b>6,483,792</b>	<b>74,811</b>	<b>8,492</b>	<b>6,567,094</b>

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**31 December 2024**

<b>Account</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Banks and Time deposits</b>				
Banks	20,694,387	--	--	<b>20,694,387</b>
Time Deposit	8,840,978	1,070,551	--	<b>9,911,529</b>
ECL	(2,184)	(4,855)	--	<b>(7,039)</b>
<b>Net carrying amount</b>	<b>29,533,181</b>	<b>1,065,696</b>	<b>--</b>	<b>30,598,877</b>
<b>Loans and facilities to customers</b>				
Loans and facilities to customers	27,074,496	876,635	642,197	<b>28,593,328</b>
ECL	(371,414)	(78,426)	(308,462)	<b>(758,302)</b>
<b>Net carrying amount</b>	<b>26,703,082</b>	<b>798,209</b>	<b>333,735</b>	<b>27,835,026</b>
<b>Accounts Receivable</b>				
Accounts Receivable	15,759,494	54,966	448,028	<b>16,262,488</b>
ECL	(40,583)	(4,669)	(443,854)	<b>(489,106)</b>
<b>Net carrying amount</b>	<b>15,718,911</b>	<b>50,297</b>	<b>4,174</b>	<b>15,773,382</b>
<b>Investments FVTOCI</b>				
Debt Instruments	1,035,890	--	--	<b>1,035,890</b>
ECL	--	--	--	<b>--</b>
<b>Net carrying amount</b>	<b>1,035,890</b>	<b>--</b>	<b>--</b>	<b>1,035,890</b>
<b>Other Assets</b>				
Other assets	3,748,945	46,029	74,166	<b>3,869,140</b>
ECL	(2,960)	(1,573)	(58,626)	<b>(63,159)</b>
<b>Net carrying amount</b>	<b>3,745,985</b>	<b>44,456</b>	<b>15,540</b>	<b>3,805,981</b>

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**Activity segments**

The following table represents the analysis of the Investment Bank's main credit exposure at carrying value categorized by the activities practiced by the Investment bank's customers.

	<b>Commercial activity</b>	<b>Industrial activity</b>	<b>Financial institutions</b>	<b>Real estate companies</b>	<b>Governmental sector</b>	<b>Other Activities</b>	<b>Individuals</b>	<b>Total</b>
<b>31 March 2025</b>								
Banks and Time deposits	--	--	26,264,404	--	--	--	--	26,264,404
Loans and facilities to customers	6,898,301	670,636	1,223,692	6,648,418	--	634,577	11,682,209	27,757,833
Accounts Receivable	5,807,902	--	22,668,419	--	--	1,833	3,292,642	31,770,796
Investment FVTPL	2,405	--	23,033,412	--	--	561,093	--	23,596,910
Investment FVTOCI	--	--	1,184,830	159,422	--	1,166	--	1,345,418
Other assets	3,555	--	6,036,353	--	3,132	474,421	49,633	6,567,094
<b>Total</b>	<b>12,712,163</b>	<b>670,636</b>	<b>80,411,110</b>	<b>6,807,840</b>	<b>3,132</b>	<b>1,673,090</b>	<b>15,024,484</b>	<b>117,302,455</b>
<b>31 December 2024</b>								
Banks and Time deposits	--	--	30,598,877	--	--	--	--	30,598,877
Loans and facilities to customers	7,885,923	982,959	521,702	6,677,525	--	1,644,000	10,122,917	27,835,026
Accounts Receivable	756,555	--	7,029,100	--	--	90,572	7,897,155	15,773,382
Investment FVTPL	2,405	--	23,343,594	--	--	142,675	--	23,488,674
Investment FVTOCI	--	--	1,192,446	190,004	--	1,172	--	1,383,622
Other assets	6,775	2,885	3,062,432	--	3,422	376,715	353,753	3,805,982
<b>Total</b>	<b>8,651,658</b>	<b>985,844</b>	<b>65,748,151</b>	<b>6,867,529</b>	<b>3,422</b>	<b>2,255,134</b>	<b>18,373,825</b>	<b>102,885,563</b>

### **Market risk**

Market risk is defined as the potential loss in both on and off financial position resulting from movements in market risk factors such as foreign exchange rates interest rates and equity prices.

Market risk is represented in the factors which affect values earnings and profits of all securities negotiated in stock exchange or affect the value earning and profit of a particular security.

According to the company's investment policy the following procedures are undertaken to reduce the effect of this risk.

- Performing the necessary studies before investment decision in order to verify that investment is made in potential securities.
- Diversification of investments in different sectors and industries.
- Performing continuous studies required to follow up the company's investments and their development.

### **Foreign currencies risk**

- The foreign currencies exchange risk represents the risk of fluctuation in exchange rates which in turn affects the company's cash inflows and outflows as well as the value of its assets and liabilities in foreign currencies.
- The company has reevaluate assets and liabilities at the financial position date as disclosed in foreign currency accounting policy.

### **Interest rate risk**

Interest rate risk stems from the sensitivity of earnings to future movements in interest rates applied on assets and liabilities.

The Group's management closely monitors interest rate fluctuations on a continuous basis and ensures that assets and liabilities are matched and re-priced in a timely manner. The Group is exposed to interest rate risk as a result of mismatches or gaps in the amounts of assets and liabilities that mature or are re-priced in a given period. The most important source of interest rate risk derives from the lending funding and investing activities where fluctuations in interest rates are reflected in interest margins and earnings.

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The tables below summaries the Investment Bank 's exposure to the interest rate fluctuations risk:

	<b>Up to 1 month</b>	<b>More than 1 month to 3 months</b>	<b>More than 3 months to 1 year</b>	<b>More than 1 year to 5 years</b>	<b>More than 5 years</b>	<b>Without interest</b>	<b>Total</b>
<b>31 March 2025</b>							
<b>Financial Assets</b>							
Cash and cash equivalents	18, 567, 269	4, 399, 882	--	60	--	3,310,671	26,277,882
Accounts Receivable	6, 777, 474	--	10, 578, 660	--	--	14,414,662	31,770,796
Loans and facilities to customers	1, 223, 853	3, 667, 953	9, 029, 740	11,986,868	81,297	1,768,122	27,757,833
Financial Investments at Fair value through other comprehensive income	--	--	330, 299	700, 435	--	314,684	1,345,418
Financial Investments at Fair value through profit or loss	--	--	8, 272, 547	1, 641, 565	1,492,319	12,190,479	23,596,910
Other Assets	--	--	--	29, 810	--	6,537,284	6,567,094
<b>Total financial assets at 31 March 2025</b>	<u>26, 568, 596</u>	<u>8,067,835</u>	<u>28, 211, 246</u>	<u>14,358,738</u>	<u>1,573,616</u>	<u>38,535,902</u>	<u>117,315,933</u>

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	<b>Up to 1 month</b>	<b>More than 1 month to 3 months</b>	<b>More than 3 months to 1 year</b>	<b>More than 1 year to 5 years</b>	<b>More than 5 years</b>	<b>Without interest</b>	<b>Total</b>
<b>Financial liabilities</b>							
Due to banks and financial institutions and over draft	2,534,660	2,819,673	17,387,821	--	--	--	22,742,154
Loans and borrowing	103,754	1,756,437	4,757,065	5,191,127	--	--	11,808,383
Other liabilities	--	21,298	209,642	276,682	--	7,069,389	7,577,011
Accounts payable - customers credit balance at fair value through profit and loss	--	--	6,953,806	--	--	--	6,953,806
Accounts payable - customers credit balance	--	--	--	--	--	36,603,873	36,603,873
Issued bonds	599,916	--	478,000	355,000	--	--	1,432,916
<b>Total financial liabilities at 31 March</b>							
<b>2025</b>	<b>3,238,330</b>	<b>4,597,408</b>	<b>29,786,334</b>	<b>5,822,809</b>	<b>--</b>	<b>43,673,262</b>	<b>87,118,143</b>
<b>31 March 2025</b>	<b>23,330,266</b>	<b>3,470,427</b>	<b>(1,575,088)</b>	<b>8,535,929</b>	<b>1,573,616</b>	<b>(5,137,360)</b>	<b>30,197,790</b>

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	<b>Up to 1 month</b>	<b>More than 1 month to 3 months</b>	<b>More than 3 months to 1 year</b>	<b>More than 1 year to 5 years</b>	<b>More than 5 years</b>	<b>Without interest</b>	<b>Total</b>
<b>31 December 2024</b>							
<b>Financial Assets</b>							
Cash and cash equivalents	25,501,575	141,621	3,118,472	60	--	1,851,008	30,612,736
Accounts Receivable	4,848,339	73,396	5,344,520	--	--	5,507,127	15,773,382
Loans and facilities to customers	825,058	2,249,797	8,113,530	15,549,892	406,185	690,564	27,835,026
Financial Investments at fair value through other comprehensive income	--	--	--	1,040,605	60,638	282,379	1,383,622
Financial Investments at Fair value through profit or loss	114,900	679,492	8,438,532	704,043	1,488,975	12,062,732	23,488,674
Other Assets	221,137	--	--	182,536	--	3,402,309	3,805,982
<b>Total financial assets at 31 December 2024</b>	<b>31,511,009</b>	<b>3,144,306</b>	<b>25,015,054</b>	<b>17,477,136</b>	<b>1,955,798</b>	<b>23,796,119</b>	<b>102,899,422</b>

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	<b>Up to 1 month</b>	<b>More than 1 month to 3 months</b>	<b>More than 3 months to 1 year</b>	<b>More than 1 year to 5 years</b>	<b>More than 5 years</b>	<b>Without interest</b>	<b>Total</b>
<b>Financial liabilities</b>							
Due to banks and financial institutions and over draft	2,354,369	1,652,760	17,774,022	439,656	--	--	22,220,807
Loans and borrowing	73,739	127,911	2,088,839	9,073,764	5,639	--	11,369,892
Other liabilities	23,042	21,266	40,862	415,084	--	8,871,124	9,371,378
Accounts payable - customers credit balance at fair value through profit and loss	--	--	7,901,466	--	--	--	7,901,466
Accounts payable - customers credit balance	--	--	--	--	--	20,566,943	20,566,943
Issued bonds	--	--	1,032,665	400,000	--	--	1,432,665
<b>Total financial liabilities at 31 December</b>							
<b>2024</b>	<b>2,451,150</b>	<b>1,801,937</b>	<b>28,837,854</b>	<b>10,328,504</b>	<b>5,639</b>	<b>29,438,067</b>	<b>72,863,151</b>
<b>31 December 2024</b>	<b>29,059,859</b>	<b>1,342,369</b>	<b>(3,822,800)</b>	<b>7,148,632</b>	<b>1,950,159</b>	<b>(5,217,809)</b>	<b>30,460,410</b>

### **Equity price risk**

Equity price risk is the risk that the value of a portfolio will fall as a result of change in stock prices. Risk factors underlying this type of market risk are a whole range of various equity (and index) prices corresponding to different markets (and currencies/maturities) in which the Group holds equity-related positions.

The Group sets tight limits on equity exposures and the types of equity instruments that traders are allowed to take positions in. Nevertheless depending on the complexity of financial instruments equity risk is measured in first cash terms such as the market value of a stock/index position and also in price sensitivities such as sensitivity of the value of a portfolio to changes in the underlying asset price. These measures are applied to an individual position and/or a portfolio of equity products.

### **Operational risk**

Operational risk is the risk of direct or indirect loss due to an event or action causing failure of technology process infrastructure personnel and other risks having an operational risk impact. The Group seeks to minimize actual or potential losses from operational risk failure through a framework of policies and procedures that identify assess control manage and report those risks. Controls include effective segregation of duties access authorization and reconciliation procedures staff education and assessment processes.

### **Fair value of financial instruments**

The fair value of the financial instruments does not substantially deviated from its book value at the financial position date. According to the valuation basis applied in accounting policies to the assets and liabilities.

### **Derivative financial instruments and hedge accounting**

- Derivatives are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value according to the valuation basis applied in accounting policies to derivative financial instruments.
- In accordance with an arrangement between the subsidiary EFG-Hermes Mena Securities Limited Co. and its customers (“the customers”) the Company from time to time enters into fully paid

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Shares Swap Transaction Contracts (“the contracts”) with the customers. Under the contracts the customers pay to the Company a pre-determined price which is essentially the market price at the trade date in respect of certain reference securities. In return for such shares swap transactions the Company pays to the customers the mark to market price of the reference securities at a pre-determined date (normally after one year). However the contracts can be terminated at any time by either of the parties which shall be the affected party.

In order to hedge the price risks with respect to the reference securities under the contracts the Company enters into back-to-back fully paid Share Swap Transaction Contracts with other subsidiaries MENA Financial Investments W.L.L. (“MENA-F”) and EFG-Hermes KSA. Accordingly the Share Swap Transactions are measured at fair value based on underlying reference securities under the contracts.

**Liquidity risk**

Liquidity risk is the risk that the Group will be unable to meet its payment obligations when they fall due under normal and stress circumstances. To limit this risk management has arranged diversified funding sources in addition to its core deposit base manages assets with liquidity in mind and monitors future cash flows and liquidity on daily basis. This incorporates an assessment of expected cash flows and the availability of high grade collateral which could be used to secure additional funding if required.

The Group maintains a portfolio of high marketable and diverse assets that can be easily liquidated in the event of an unforeseen interpretation of cash flow. In addition the Group maintains statutory deposits with the Central Banks.

The liquidity position is assessed and managed under a variety of scenarios giving due consideration to stress factors relating to both the market in general and to the Group in specific. The Group maintains a solid ratio of high liquid net assets in foreign currencies to deposits and commitments in foreign currencies taking markets conditions into consideration.

**41-2 Risk management framework in Bank NXT:**

**Credit risk**

The Bank is exposed to credit risk which is the risk resulting from a party's failure to meet its contractual obligations towards the Bank. The credit risk is considered to be the most significant risk for the bank therefore requiring careful management. Credit risk is mainly represented in lending activities that give rise to loans facilities and investment activities that result in the Bank's assets including debt instruments. Credit risk exists also in financial instruments outside the financial position such as loan commitments. The financial risk management and control are centralized in a financial risk management team in the bank's risk management department which reports to the board of directors and head of each business unit regularly.

**Loans and facilities to banks and customers (including commitments and financial guarantee contracts)**

In measuring credit risk of loans and facilities to customers and to banks the Bank's rating system is based on three key pillars:

- Current exposures to the counterparty and its likely future development from which the Bank derive the (exposure at default).
- The risk of default failure (Loss given default).
- The probability of default by the customer or counterparty on its contractual obligations.

These credit risk measurements are embedded in the Bank's daily operations which reflect expected loss through the expected loss model required by the Banking Supervision Committee and the operational measures can contradict with the burden of impairment in accordance with the previous standards that depend on the losses that have realized on the date of the financial statements (realized loss model) and not the expected losses as will come after.

The Bank assesses the probability of default per each customer using internal rating techniques tailored to the various categories of customers. These techniques have been developed internally and the statistical analyses combine credit officers' personal judgment to reach the appropriate viability rating.

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Customers of the Bank are segmented into four viability rating classes. The Bank's viability rating scale which is shown below reflects the range of default probabilities defined for each rating class. This means that in principle credit positions migrate between classes as the assessment of their probability of default changes. The rating techniques are kept under review and are upgraded as necessary. The Bank regularly validates the performance of the viability rating techniques and their ability to predict cases of default.

**Bank's internal rating classes**

<b>Bank's rating</b>	<b>Rating description</b>
1	Performing Debts
2	Standard Monitoring
3	Special Monitoring
4	Non- Performing Debt

The position exposed to default depends on the amounts expected by the bank to be outstanding when default occurs. For example for a loan this position is the nominal value and for commitments the bank recognizes all amounts actually withdrawn in addition to other amounts that are expected to have been withdrawn up to the date of the delay if it occurs.

Loss given default or loss severity represents the bank's expectation of the extent of loss on a claim should a default occur. It is expressed as percentage of loss to debt and typically varies by type of the debtor seniority of claim and availability of collateral or other credit coverages.

Estimation of exposure to credit risks to manage the credit risks is a complex matter that requires the use of statistical and electronic models as the level of exposure to credit risks changes depending on the changes in market conditions and other economic areas in a complex and rapid degree. The exposure to credit risk changes depending on the changes in the level value and timing of expected cash flows and the passage of time. Accordingly assessment of the credit risk of the assets portfolio requires further estimations of the probability of default and the related loss rates.

The bank measures credit risk losses by using the probability of default (default in contractual liabilities) based on the carrying amount balance of the financial instrument at the date of exposure at default and loss given default.

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**Credit risk classification**

The Bank assesses the probability of default at the level of each customer/ related group / credit product by using techniques to classify the customers into different categories taking into account the minimum rating in accordance with the CBE instructions in terms of determining the creditworthiness of the customers and making the provisions issued during the year 2005. Therefore the Bank uses a group of internally developed models and evaluation techniques for the categories of counterparties customers and the nature of various loans in light of the available information that is collected on the date of adoption of the used model (such as: level of income level of disposable income and guarantees for individual clients revenues type of industry and other financial and non-financial indicators of the institutions). The Bank completes such indicators with a set of external data such as the inquiry reports issued by both CBE and credit reporting companies on borrowers and the reports issued by the other local and external credit rating agencies. Moreover the models used by the Bank allow the systematic exercise of expert assessment by credit risk officials in the final internal credit rating. Therefore this allows to consider other matters and indicators that may not have been taken as part of other data inputs in the internally or externally developed assessment models and techniques or through external sources. Credit grades are assessed so that the risk of default increases incrementally at each higher risk grade namely the difference in default rates between the rating grade A and A- is less than the difference in default rates between rating grade B and B-. Additional considerations for each type of credit portfolio held by the Bank are set out below:

**Individuals retail banking products and small & micro enterprises**

After the date of initial recognition the borrower's payment behavior is monitored periodically to calculate a measurement of the payment pattern. Any other information known about the borrower supposed to be determined by the Bank may have an impact the creditworthiness such as unemployment rates and non-payment precedents as they are included to measure the payment pattern and default rates are accordingly determined for each payment pattern measurement.

**(Large & Medium) Enterprises and Companies**

The rating is determined at the level of the borrower / groups with similar credit risks. Any updated or new credit information or assessments are included in the credit system constantly and periodically. In addition information about the creditworthiness of the borrower / groups with similar credit risks is also updated periodically from other sources such as financial statements and other published financial and non-financial statements.

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**Debt Instruments Treasury Bills and Government Bonds**

The Bank uses the external ratings issued by the institutions mentioned in the CBE's instructions to manage the credit risk in terms of the debt instruments in the investment portfolio. These published classifications are monitored and updated regularly and periodically. The default rates associated with each rating are determined based on the rates realized over the previous twelve months as published by the aforementioned rating agencies. The loss rate of the government and CBE debt instruments dominated in local currency is zero.

**Future data used in the expected loss model**

Future data is used in assessing whether there is a significant increase in the credit risk of financial instruments and estimating the expected credit losses (ECL). The management of Bank determines the main economic variables that affect credit risk and expected credit losses for each credit portfolio by carrying out an analysis of historical data. The economic variables and the related effect on both Probability of Default "PD" and the Exposure at Default "EAD" and Loss Given Default "LGD" are different depending on the financial asset. The Bank will use expert opinions regarding these assumptions and estimates if necessary.

To determine the impact of such economic variables on both Probability of Default (PD) Exposure at Default (EAD) and Loss Given Default (LGD) the management of the Bank carries out the "regression analysis" to understand the historical effects arising from such variables on the default rates and the inputs used in calculating both Exposure at Default (EAD) and Loss Given Default (LGD).

Further to the key economic scenarios the management of Bank establishes other potential scenarios in addition to assumptions relating to each scenario separately.

The lifetime probability of default (PD) relating to the key assumption and other assumptions are used as the outcome of multiplication is determined for each assumption with the related probabilities of each in addition to the supporting indicators and qualitative indicators. Based on the results of such study it is assessed whether this financial asset is located at the first second or third level on the basis of which it is determined whether the expected credit losses "ECL" will be computed on 12- month bases "12-month ECL" or over lifetime of the financial instrument "Lifetime ECL".

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The expectations and probabilities of occurrence are subject to a high degree of uncertainty as it is known to any economic forecasts therefore the actual results may be significantly different from those anticipated. The Bank makes the best estimate of these potential expectations and carries out an analytical study of the irrelevant and non -similar factors for the different credit portfolios to conclude appropriate assumptions for all possible scenarios.

**Variable Economic Assumptions**

The most significant assumptions that have an impact on the expected credit losses “ECL” are:

- a) Consumption pricing indicators (CPI)
- b) Unemployment rate
- c) Gross domestic product (GDP)
- d) Gross national saving/investment
- e) Real available income

**Classification of the instruments relating to the losses measured on basis of the similar groups**

For ECL provisions groups are classified on the basis of similar credit risk characteristics as risk exposure within the Bank is homogeneous. When carrying out this classification it is taken into consideration that there is sufficient information that enables the Bank to classify the Bank with statistical reliability. When sufficient information is not available the Bank takes into consideration the complementary internal / external reference data.

**Corporate loans**

- Probability of default model (S& P) is used.
- A conciliation was made between “S&P” and “ORR”.
- The model was updated by some economic indicators to keep the probability of default in line with the clients existing in Egypt.
- The model was updated by the ratios of change in the low credit rating of the other clients of the Bank for two years to keep the ratios of model default in line with the clients of the Bank.

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**Maximum exposure to credit risks – impaired financial instruments**

The following table represents the total carrying amount of the financial assets and the maximum exposure to credit risk on these financial assets.

	<b>31 March 2025</b>			<b>EGP</b>
	<b>Order of Expected Credit Losses</b>			<b>Thousands</b>
<b>Retail</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	
<b>Credit Rating</b>	<b>12 Month</b>	<b>Lifetime</b>	<b>Lifetime</b>	<b>Total</b>
<b>Standard monitoring</b>				
Overdraft	55,718	111	365	<b>56,194</b>
Personal loans	8,262,952	112,500	3,809	<b>8,379,261</b>
Credit cards	448,572	1,387	74	<b>450,033</b>
Mortgage Loans	2,028,682	12,612	5,458	<b>2,046,752</b>
<b>Special monitoring</b>				
Overdraft	129	35	171	<b>335</b>
Personal loans	146,939	167,208	149,631	<b>463,778</b>
Credit cards	18,449	1,143	566	<b>20,158</b>
Mortgage Loans	74	3,048	1,187	<b>4,309</b>
<b>Total carrying amount</b>	<b>10,961,515</b>	<b>298,044</b>	<b>161,261</b>	<b>11,420,820</b>
Expected credit losses	(46,241)	(12,359)	(160,262)	(218,862)
<b>Net carrying amount</b>	<b>10,915,274</b>	<b>285,685</b>	<b>999</b>	<b>11,201,958</b>
Collaterals	3,263,593	29,257	717	3,293,567

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				EGP Thousands
Retail	31 December 2024			
	Order of Expected Credit Losses			
Credit Rating	Stage 1 12 Month	Stage 2 Lifetime	Stage 3 Lifetime	Total
<b>Standard monitoring</b>				
Overdraft	61,700	95	467	62,262
Personal loans	7,684,007	229,312	20,927	7,934,246
Credit cards	387,902	1,661	231	389,794
Mortgage Loans	1,784,129	13,473	6,298	1,803,900
<b>Special monitoring</b>				
Overdraft	--	--	147	147
Personal loans	6,945	285	120,315	127,545
Credit cards	2,300	70	467	2,837
Mortgage Loans	--	--	563	563
<b>Total carrying amount</b>	<b>9,926,983</b>	<b>244,896</b>	<b>149,415</b>	<b>10,321,294</b>
Expected credit losses	(40,232)	(9,388)	(148,911)	(198,531)
<b>Net carrying amount</b>	<b>9,886,751</b>	<b>235,508</b>	<b>504</b>	<b>10,122,763</b>
Collaterals	2,911,374	26,335	1,706	2,939,415

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Corporate	31 March 2025			EGP Thousands
	Order of Expected Credit Losses			Total
	Stage 1 12 Month	Stage 2 Lifetime	Stage 3 Lifetime	
<b>Credit Rating</b>				
<b>Standard monitoring</b>				
Overdraft	840,294	32	--	<b>840,326</b>
Direct loans	15,828,982	321,531	175	<b>16,150,688</b>
Syndicated Loans	6,607,373	296,347	--	<b>6,903,720</b>
<b>Special monitoring</b>				
Overdraft	--	790	--	<b>790</b>
Direct loans	--	36,659	--	<b>36,659</b>
Syndicated Loans	--	492,875	--	<b>492,875</b>
<b>Default</b>				
Overdraft	--	--	3,008	<b>3,008</b>
Direct loans	--	--	903,906	<b>903,906</b>
Syndicated Loans	--	--	202,134	<b>202,134</b>
<b>Total carrying amount</b>	<b>23,276,649</b>	<b>1,148,234</b>	<b>1,109,223</b>	<b>25,534,106</b>
Expected credit losses	(590,772)	(485,923)	(1,040,031)	(2,116,726)
<b>Net carrying amount</b>	<b>22,685,877</b>	<b>662,311</b>	<b>69,192</b>	<b>23,417,380</b>
Collaterals	2,279,420	302,447	75,515	2,657,382

Corporate	31 December 2024			EGP Thousands
	Order of Expected Credit Losses			Total
	Stage 1 12 Month	Stage 2 Lifetime	Stage 3 Lifetime	
<b>Credit Rating</b>				
<b>Standard monitoring</b>				
Overdraft	263,840	19	--	<b>263,859</b>
Direct loans	14,871,233	322,318	--	<b>15,193,551</b>
Syndicated Loans	4,816,629	304,567	--	<b>5,121,196</b>
<b>Special monitoring</b>				
Overdraft	--	493	--	<b>493</b>
Direct loans	--	34,693	--	<b>34,693</b>
Syndicated Loans	--	459,330	--	<b>459,330</b>
<b>Default</b>				
Overdraft	--	--	2,916	<b>2,916</b>
Direct loans	--	--	913,201	<b>913,201</b>
Syndicated Loans	--	--	202,134	<b>202,134</b>
<b>Total carrying amount</b>	<b>19,951,702</b>	<b>1,121,420</b>	<b>1,118,251</b>	<b>22,191,373</b>
Expected credit losses	(525,427)	(468,763)	(1,054,238)	(2,048,428)
<b>Net carrying amount</b>	<b>19,426,275</b>	<b>652,657</b>	<b>64,013</b>	<b>20,142,945</b>
Collaterals	2,379,740	302,803	70,200	2,752,743

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				EGP Thousands
<b>Due From Banks</b>				
<b>31 March 2025</b>				
<b>Order of Expected Credit Losses</b>				
<b>Credit Rating</b>	<b>Stage 1 12 Month</b>	<b>Stage 2 Lifetime</b>	<b>Stage 3 Lifetime</b>	<b>Total</b>
Standard monitoring	14,519,637	--	--	14,519,637
<b>Total carrying amount</b>	<b>14,519,637</b>	<b>--</b>	<b>--</b>	<b>14,519,637</b>
Expected credit losses	(4,136)	--	--	(4,136)
<b>Net carrying amount</b>	<b>14,515,501</b>	<b>--</b>	<b>--</b>	<b>14,515,501</b>

				EGP Thousands
<b>Financial Investments</b>				
<b>31 March 2025</b>				
<b>Order of Expected Credit Losses</b>				
<b>Credit Rating</b>	<b>Stage 1 12 Month</b>	<b>Stage 2 Lifetime</b>	<b>Stage 3 Lifetime</b>	<b>Total</b>
Standard monitoring	23,726,835	--	--	23,726,835
<b>Total carrying amount</b>	<b>23,726,835</b>	<b>--</b>	<b>--</b>	<b>23,726,835</b>
Expected credit losses	(94,865)	--	--	(94,865)
<b>Net carrying amount</b>	<b>23,631,970</b>	<b>--</b>	<b>--</b>	<b>23,631,970</b>

				EGP Thousands
<b>Other Assets</b>				
<b>31 March 2025</b>				
<b>Order of Expected Credit Losses</b>				
<b>Credit Rating</b>	<b>Stage 1 12 Month</b>	<b>Stage 2 Lifetime</b>	<b>Stage 3 Lifetime</b>	<b>Total</b>
Standard monitoring	3,039,630	--	--	3,039,630
<b>Total carrying amount</b>	<b>3,039,630</b>	<b>--</b>	<b>--</b>	<b>3,039,630</b>
Expected credit losses	(17,782)	--	--	(17,782)
<b>Net carrying amount</b>	<b>3,021,848</b>	<b>--</b>	<b>--</b>	<b>3,021,848</b>

**EFG Holding Company**  
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(In the notes all amounts are shown in EGP Thousands unless otherwise stated)

				EGP Thousands
<b>Due From Banks</b>				
<b>31 December 2024</b>				
<b>Order of Expected Credit Losses</b>				
<b>Credit Rating</b>	<b>Stage 1 12 Month</b>	<b>Stage 2 Lifetime</b>	<b>Stage 3 Lifetime</b>	<b>Total</b>
Standard monitoring	11,997,888	--	--	11,997,888
<b>Total carrying amount</b>	<b>11,997,888</b>	<b>--</b>	<b>--</b>	<b>11,997,888</b>
Expected credit losses	(4,012)	--	--	(4,012)
<b>Net carrying amount</b>	<b>11,993,876</b>	<b>--</b>	<b>--</b>	<b>11,993,876</b>

				EGP Thousands
<b>Financial Investments</b>				
<b>31 December 2024</b>				
<b>Order of Expected Credit Losses</b>				
<b>Credit Rating</b>	<b>Stage 1 12 Month</b>	<b>Stage 2 Lifetime</b>	<b>Stage 3 Lifetime</b>	<b>Total</b>
Standard monitoring	23,285,422	--	--	23,285,422
<b>Total carrying amount</b>	<b>23,285,422</b>	<b>--</b>	<b>--</b>	<b>23,285,422</b>
Expected credit losses	(96,781)	--	--	(96,781)
<b>Net carrying amount</b>	<b>23,188,641</b>	<b>--</b>	<b>--</b>	<b>23,188,641</b>

				EGP Thousands
<b>Other Assets</b>				
<b>31 December 2024</b>				
<b>Order of Expected Credit Losses</b>				
<b>Credit Rating</b>	<b>Stage 1 12 Month</b>	<b>Stage 2 Lifetime</b>	<b>Stage 3 Lifetime</b>	<b>Total</b>
Standard monitoring	2,790,648	--	--	2,790,648
<b>Total carrying amount</b>	<b>2,790,648</b>	<b>--</b>	<b>--</b>	<b>2,790,648</b>
Expected credit losses	(13,293)	--	--	(13,293)
<b>Net carrying amount</b>	<b>2,777,355</b>	<b>--</b>	<b>--</b>	<b>2,777,355</b>

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Translation of consolidated financial statements originally issued in Arabic

Notes to the consolidated interim financial statements for the period ended 31 March 2025 (Continued)  
(In the notes all amounts are shown in EGP Thousands unless otherwise stated)

**The following table displays changes in balances and ECL between the beginning and end of the year:**

Corporate Loans	31 March 2025			EGP
	Stage 1	Stage 2	Stage 3	Thousands
	12 months ECL	Life time ECL	Life time ECL	Total ECL
<b>Balance as of 1 January 2025</b>	<b>525,427</b>	<b>468,763</b>	<b>1,054,238</b>	<b>2,048,428</b>
New financial assets purchased or issued	193,365	626	--	193,991
Financial assets matured or derecognized	(5)	--	(393)	(398)
Transfer to stage 1	2,250	(1,261)	--	989
Transfer to stage 2	(2,662)	2,194	--	(468)
Transfer to stage 3	--	(1,359)	27,202	25,843
Changes in the probability of default	(126,949)	17,466	(19,341)	(128,824)
Write- off during the year	--	--	(21,358)	(21,358)
Proceeds from previously written off debts	--	--	2,754	2,754
Foreign exchange differences	(654)	(506)	(3,071)	(4,231)
<b>Balance as of 31 March 2025</b>	<b>590,772</b>	<b>485,923</b>	<b>1,040,031</b>	<b>2,116,726</b>

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(In the notes all amounts are shown in EGP Thousands unless otherwise stated)

**31 December 2024**

<b>Corporate Loans</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>EGP</b>
	<b>12 months</b>	<b>Life time</b>	<b>Life time</b>	<b>Thousands</b>
	<b>ECL</b>	<b>ECL</b>	<b>ECL</b>	<b>Total</b>
				<b>ECL</b>
<b>Balance as of 1 January 2024</b>	<b>347,350</b>	<b>167,724</b>	<b>917,827</b>	<b>1,432,901</b>
New financial assets purchased or issued	474,823	--	--	<b>474,823</b>
Financial assets matured or derecognized	(77,477)	(2,404)	(64,509)	<b>(144,390)</b>
Transfer to stage 1	5,086	(6,077)	--	<b>(991)</b>
Transfer to stage 2	(6,486)	7,643	(617)	<b>540</b>
Transfer to stage 3	(493)	(6,729)	68,585	<b>61,363</b>
Changes in the probability of default	(270,312)	267,003	(125,425)	<b>(128,734)</b>
Write- off during the year	--	--	(94,670)	<b>(94,670)</b>
Proceeds from previously written off debts	--	--	100,154	<b>100,154</b>
Foreign exchange differences	52,936	41,603	252,893	<b>347,432</b>
<b>Balance as of 31 December 2024</b>	<b>525,427</b>	<b>468,763</b>	<b>1,054,238</b>	<b>2,048,428</b>

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(In the notes all amounts are shown in EGP Thousands unless otherwise stated)

<b>31 March 2025</b>				
<b>Retail Loans</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b><u>EGP</u></b>
	<b>12 months</b>	<b>Life time</b>	<b>Life time</b>	<b>Total</b>
	<b>ECL</b>	<b>ECL</b>	<b>ECL</b>	<b>ECL</b>
<b>Balance as of 1 January 2025</b>	<b>40,232</b>	<b>9,388</b>	<b>148,911</b>	<b>198,531</b>
New financial assets purchased or issued	5,340	4	--	<b>5,344</b>
Financial assets matured or derecognized	(146)	(1)	(211)	<b>(358)</b>
Transfer to stage 1	393	(2,059)	(11,436)	<b>(13,102)</b>
Transfer to stage 2	(1,499)	7,455	(2,389)	<b>3,567</b>
Transfer to stage 3	(17)	(2,752)	42,889	<b>40,120</b>
Changes in the probability of default	1,938	324	(1,409)	<b>853</b>
Write- off during the year	--	--	(18,682)	<b>(18,682)</b>
Proceeds from previously written off debts	--	--	2,589	<b>2,589</b>
<b>Balance as of 31 March 2025</b>	<b>46,241</b>	<b>12,359</b>	<b>160,262</b>	<b>218,862</b>

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**31 December 2024**

<b>Retail Loans</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>EGP</b>
	<b>12 months</b>	<b>Life time</b>	<b>Life time</b>	<b>Thousands</b>
	<b>ECL</b>	<b>ECL</b>	<b>ECL</b>	<b>Total</b>
				<b>ECL</b>
<b>Balance as of 1 January 2024</b>	<b>20,775</b>	<b>14,831</b>	<b>153,956</b>	<b>189,562</b>
New financial assets purchased or issued	29,605	--	--	<b>29,605</b>
Financial assets matured or derecognized	(11,792)	(678)	(29,067)	<b>(41,537)</b>
Transfer to stage 1	5,124	(10,655)	(22,053)	<b>(27,584)</b>
Transfer to stage 2	(5,056)	38,795	(22,122)	<b>11,617</b>
Transfer to stage 3	(5,459)	(17,417)	188,154	<b>165,278</b>
Changes in the probability of default	6,925	(15,488)	(87,653)	<b>(96,216)</b>
Write- off during the year	--	--	(101,425)	<b>(101,425)</b>
Proceeds from previously written off debts	--	--	69,104	<b>69,104</b>
Foreign exchange differences	110	--	17	<b>127</b>
<b>Balance as of 31 December 2024</b>	<b>40,232</b>	<b>9,388</b>	<b>148,911</b>	<b>198,531</b>

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(In the notes all amounts are shown in EGP Thousands unless otherwise stated)

Due From Banks	31 March 2025			
	Stage 1	Stage 2	Stage 3	<u>EGP</u>
	12 months ECL	Life time ECL	Life time ECL	<u>Thousands</u> Total ECL
<b>Balance as of 1 January 2025</b>	4,012	--	--	4,012
New financial assets purchased or issued	5,464	--	--	5,464
Financial assets matured or derecognized	(3,448)	--	--	(3,448)
Changes in the probability of default	(1,859)	--	--	(1,859)
Foreign exchange differences	(33)	--	--	(33)
<b>Balance as of 31 March 2025</b>	<b>4,136</b>	<b>--</b>	<b>--</b>	<b>4,136</b>
	<b>31 December 2024</b>			
<b>Balance as of 1 January 2024</b>	2,716	--	--	2,716
New financial assets purchased or issued	23,137	--	--	23,137
Financial assets matured or derecognised	(13,995)	--	--	(13,995)
Changes in the probability of default	(8,159)	--	--	(8,159)
Foreign exchange differences	313	--	--	313
<b>Balance as of 31 December 2024</b>	<b>4,012</b>	<b>--</b>	<b>--</b>	<b>4,012</b>

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(In the notes all amounts are shown in EGP Thousands unless otherwise stated)

<b>31 March 2025</b>				
<b>Financial Investments at fair value through Other Comprehensive income</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b><u>EGP</u> <u>Thousands</u></b>
	<b>12 months</b>	<b>Life time</b>	<b>Life time</b>	<b>Total</b>
	<b>ECL</b>	<b>ECL</b>	<b>ECL</b>	<b>ECL</b>
<b>Balance as of 1 January 2025</b>	<b>33,747</b>	--	--	<b>33,747</b>
Changes in the probability of default	(3,085)	--	--	(3,085)
Foreign exchange differences	(87)	--	--	(87)
<b>Balance as of 31 March 2025</b>	<b>30,575</b>	--	--	<b>30,575</b>
<b>31 December 2024</b>				
<b>Balance as of 1 January 2024</b>	<b>30,314</b>	--	--	<b>30,314</b>
New financial assets purchased or issued	13,872	--	--	13,872
Financial assets matured or derecognised	(13,770)	--	--	(13,770)
Changes in the probability of default	(410)	--	--	(410)
Foreign exchange differences	3,741	--	--	3,741
<b>Balance as of 31 December 2024</b>	<b>33,747</b>	--	--	<b>33,747</b>

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Notes to the consolidated interim financial statements for the period ended 31 March 2025 (Continued)

(In the notes all amounts are shown in EGP Thousands unless otherwise stated)

Financial Investments at AC	31 March 2025			<u>EGP</u>
	Stage 1	Stage 2	Stage 3	<u>Thousands</u>
	12 months ECL	Life time ECL	Life time ECL	Total ECL
<b>Balance as of 1 January 2025</b>	63,034	--	--	63,034
New financial assets purchased or issued	23,385	--	--	23,385
Financial assets matured or derecognized	(22,977)	--	--	(22,977)
Changes in the probability of default	1,124	--	--	1,124
Foreign exchange differences	(276)			(276)
<b>Balance as of 31 March 2025</b>	<b>64,290</b>	<b>--</b>	<b>--</b>	<b>64,290</b>
		<b>31 December 2024</b>		
<b>Balance as of 1 January 2024</b>	40,120	--	--	40,120
New financial assets purchased or issued	65,296	--	--	65,296
Financial assets matured or derecognised	(3,626)	--	--	(3,626)
Changes in the probability of default	(62,459)	--	--	(62,459)
Foreign exchange differences	23,703	--	--	23,703
<b>Balance as of 31 December 2024</b>	<b>63,034</b>	<b>--</b>	<b>--</b>	<b>63,034</b>

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**The following table displays changes in balances and expected credit losses (ECL) between the beginning and end of the year:**

**Credit Guarantees**

The Bank uses many policies and practices to limit the credit risks. The most widely adopted of these is the acceptability of collateral for debt instruments and loan commitments. The Bank has internal policies regarding classes of collateral that can be accepted to limit or decrease the credit risk.

The Bank accrues out an assessment of the guarantees that have been obtained when establishing these loans. This assessment is regularly assessed. The key types of guarantees are:

- Cash and cash equivalent
- Real estate mortgage
- Derivatives margin agreement that has been signed with the Bank as a part of main offsetting agreements.
- Commercial mortgages
- Financial assets pledge such as debt instruments and equity instruments.

The guarantees held as collateral against the financial assets other than loans and facilities depend on the nature of the instrument as debt securities government bonds and other qualified bills are generally not secured except for the asset-backed securities and similar instruments secured by portfolios of financial instruments. The derivatives are often secured.

The policies adopted by the Bank have not been changed significantly in terms of obtaining guarantees during the financial year and there has been no change in the quality of those guarantees held by the Bank compared to the previous financial year.

The Bank closely monitors the guarantees held against the low – credit financial assets as it is likely that the Bank will hold collateral to mitigate potential credit losses.

**Written-off financial instruments (loans)**

The Bank excludes the financial assets that are still under compulsory collection for unpaid contractual amounts of the bad assets. The Bank seeks to fully recover some amounts legally due that were partially or fully written off due to the lack of a possibility of a full recovery.

**Modifications of loans terms and rescheduling**

The Bank sometimes modifies terms of the loans granted to the customers due to the commercial renegotiation or non-performing to increase the chances of recovery. The activities of restructuring include arrangements of extension of repayment terms grace periods exemption from repayment or some or full interests. Restructuring policies and practices are based on indicators or criteria that indicate – based on the discretion of management - that repayment is likely to continue. These policies are constantly reviewed.

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**Reduction and risk avoidance policies**

The Bank manages limits and controls the concentration of credit risks at the debtor level groups industries and countries. The Bank regulates the levels of acceptable credit risks by setting limits to the amount of risk that will be accepted at the level of each borrower or group of borrowers and at the level of economic activities and geographical sectors. These risks are monitored constantly and are reviewed annually or on a recurring basis when necessary. Limits of the credit risks at the level of the borrower / bank producer sector and country are quarterly approved by the Board of Directors.

Credit limits for any borrower including banks are divided into sub-limits that include the amounts on- and off- balance sheet and the daily risk limit relating to trading items such as forward foreign exchange contracts. Actual amounts are compared with the daily limits. Exposure to credit risks is also managed through periodic analysis of the ability of borrowers and potential borrowers to meet the repayment of their liabilities and by amending lending limits if appropriate.

**Means of setting limits of to the risks are shown as following:**

**Guarantees**

The Bank adopts many policies and controls to limit the credit risks. These means include the guarantees obtained against borrowed funds. The Bank sets guiding rules for specific acceptable classes of guarantees. The key types guarantee of loans and facilities are:

- Real estate mortgages.
- Mortgage of activity assets such as machinery and merchandise.
- Mortgage of financial instruments such as debt instruments and equity.

The financing is often granted in the longer term and loans to the companies are secured. In order to reduce the credit loss to a minimum the Bank seeks to get additional guarantees from the concerned parties and when indicators of impairment are shown for a loan or facilities. The guarantees taken as collateral for assets other than loans and facilities are determined based on the nature of the instrument. Generally the debt instruments and treasury bills are not secured except for groups of financial instruments covered by Asset-Backed Securities and similar instruments that are secured by a portfolio of financial instruments.

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**Derivatives**

The Bank maintains strict control limits on net open derivative positions (i.e. the difference between purchase and sale contracts) by both amount and term. The amount exposed to credit risk at any time is determined at the fair value of the instrument that provides a benefit for the Bank i.e. an asset with a positive fair value that represents a portion of the contractual / notional value used to express the size of the existing instruments. This credit risk exposure is managed as part of the overall lending limits with customers together with potential exposures from market movements. Collateral or other security is not usually obtained for credit risk exposures on these instruments except where the Bank requires margin deposits from counterparties.

Settlement risk arises in any situation where a payment in cash securities or equities is made against the expectation of a corresponding receipt in cash securities or equities. Daily settlement limits are established for each counter party to cover the aggregate of all settlement risk arising from the Bank's market transactions on any single day.

**Master netting arrangements**

The Bank further restricts its exposure to credit losses by entering into master netting arrangements with counterparties with which it undertakes a significant volume of transactions. Master netting arrangements do not generally result in an offset of assets and liabilities shown in the balance sheet as transactions are either usually settled on a gross basis. However the credit risk associated with favorable contracts is reduced by a master netting arrangement to the extent that if a default occurs all amounts with the counterparty are terminated and settled on a net basis. The Bank's overall exposure to credit risk on derivative instruments subject to master netting arrangements can change substantially within a short year as it is affected by each transaction subject to the arrangement.

**Credit related commitments**

The main purpose of credit-related commitments is to ensure that funds are available to the customer on demand and financial guarantee contracts carry a credit risk related to loans and documentary and commercial credits issued by the Bank on behalf of the customer to grant a third party the right to withdraw from the Bank within certain amounts and under specific terms and conditions often secured against the goods being shipped and therefore carries a lower degree of risk than a direct loan.

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

**Expected credit loss measurement policy**

The Bank's policy requires defining three stages for classifying financial assets that are measured at amortized cost loan commitments and financial guarantees as well as debt instruments at fair value through other comprehensive income according to changes in credit quality since the initial recognition and then measuring (expected credit losses) in the value related to these instruments as follows:

The unimpaired financial asset is classified upon initial recognition in Stage 1 and credit risk is monitored on an ongoing basis by the Bank's credit risk department.

If there has been a significant increase in credit risk since initial recognition the financial asset is transferred to Stage 2 and the financial asset is not considered impaired at this stage (lifetime expected credit loss in the absence of credit impairment).

If there are indications of impairment in the value of the financial asset it is transferred to Stage 3 and the Bank relies on the following indicators to determine whether there are objective evidence indicating :

- A significant increase in the rate of interest 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.
- A scheduling request as a result of difficulties facing the borrower.
- Negative material changes in actual or expected operating results or cash flows.
- Early signs of cash flow/liquidity problems such as delays in servicing creditors/business loans.
- Cancellation of a direct facility by the Bank due to the borrower's high credit risk.

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**General Bank Risk Measurement Model**

The management performs classifications in the form of a more detailed subgroup to comply with the requirements of the central bank of Egypt and the assets exposed to credit risk are classified according to detailed rules and conditions that depend largely on the information related to the customer his activity his financial status and the extent of his regularity of payment.

The bank calculates the required provisions in accordance with the instructions of creditworthiness on the basis of specific ratios by the Central Bank of Egypt and in the event that the required provisions in accordance with the rules of the central bank of Egypt exceed the expected credit losses calculated for the purposes of preparing the financial statements the general bank risk reserve is set aside within rights ownership with a discount on the distributable profits by the amount of that increase and this reserve is periodically adjusted by increase or decrease so that it is always equal to the amount of the increase between the two provisions and this reserve is not distributable.

Following is a table on the creditworthiness levels for institutions in accordance with the internal assessment bases compared to the Central Bank of Egypt assessment bases and the provision ratios required for the impairment of the assets exposed to credit risk:

<b>CBE Rating</b>	<b>Rating description</b>	<b>Provision%</b>	<b>Internal rating description</b>
1	Low Risk	0%	Good debts
2	Moderate Risk	1%	Good debts
3	Satisfactory Risk	1%	Good debts
4	Reasonable Risk	2%	Good debts
5	Acceptable Risk	2%	Good debts
6	Marginally Acceptable Risk	3%	Standard monitoring
7	Watch List	5%	Special monitoring
8	Substandard	20%	Non-performing debts
9	Doubtful	50%	Non-performing debts
10	Bad Debt	100%	Non-performing debts

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**Maximum limits for credit risk before collateral - items exposed to credit risk (on-balance sheet)**

	<b>31 March 2025</b>	<b>31 December 2024</b>
	<b>EGP Thousands</b>	<b>EGP Thousands</b>
Treasury Bills and other Government Securities	11,919,600	13,042,703
Due from banks	14,515,501	11,993,876
<b>Loans and facilities to customers</b>		
<b>Retail Loans</b>		
Personal loans	8,653,104	7,890,500
Credit cards	450,888	375,008
Overdraft	56,350	62,322
Mortgage loans	2,041,616	1,794,933
<b>Corporate Loans</b>		
Overdraft	833,153	263,166
Direct loans	15,907,618	14,945,541
Syndicated loans	6,676,609	4,934,238
Suspended interest	(643)	(643)
Unearned interest	(162,974)	(171,488)
<b>Financial Investment</b>		
Debt instruments	11,742,945	10,179,603
Other assets - accrued revenue	1,170,555	989,741
	<b>73,804,322</b>	<b>66,299,500</b>

**Off-balance sheet items exposed to credit risk:**

	<b>31 March 2025</b>	<b>31 December 2024</b>
	<b>EGP Thousands</b>	<b>EGP Thousands</b>
Loan Commitment	15,276,920	14,182,263
Letters of guarantee	3,526,346	3,611,737
Letters of credit	912,065	1,017,394
Acceptances on supplier facilities	821,873	357,051
	<b>20,537,204</b>	<b>19,168,445</b>

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The above table represents the maximum bank exposure to credit risk 31 March 2025 and 31 December 2024 without taking in consideration any collateral held for in-balance sheet items the balances included are based on net carrying amounts as reported in the balance sheet and as shown above 46.41% of the maximum exposure arising from loans and facilities to customers against 45.04% at 31 December 2024; While investments in debt tools represent 32.47% compared to 35.53% on December 31, 2024. Management is confident in its ability to continue to control and sustain minimal exposure of credit risk to the Bank resulting from both its loan and facility portfolio and debt Instruments based on the following:

- 97% of the loans and facility portfolio is categorized in the top two grades of the internal rating system against 96.56% on 31 December 2024.
- 92.48% of the loans and facility portfolio without accruals or impairment indicators against 90.52% on 31 December 2024.
- 87.98% of the investments in debt instruments and treasury bills represent the debt instruments on Egyptian Government against 87,34% on 31 December 2024.

**Loans and facilities**

Balances of loans and facilities at 31 March 2025 are set out below:

	<b>31 March 2025</b>	<b>31 December 2024</b>
	<b>EGP Thousands</b>	<b>EGP Thousands</b>
Stage 1	34,238,164	29,878,685
Stage 2	1,446,278	1,366,316
Stage 3	1,270,484	1,267,666
<b>Total</b>	<b>36,954,926</b>	<b>32,512,667</b>
<b>Less:</b>		
Expected credit losses	(2,335,588)	(2,246,959)
Suspended interest	(643)	(643)
Unearned interest	(162,974)	(171,488)
<b>Net</b>	<b>34,455,721</b>	<b>30,093,577</b>

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	31 March 2025							<u>EGP</u> <u>Thousands</u>
	Retail				Corporate			Total loans and facilities to customers
	Overdraft	Credit cards	Personal loans	Mortgage loans	Overdraft	Direct loans	Syndicated loans	
<b>Rating</b>								
Performing /No Dues	55,606	395,563	7,628,705	2,023,838	844,075	15,833,182	7,396,595	<b>34,177,564</b>
Past due up to 30 days	589	54,471	754,632	23,333	7	265,797	--	<b>1,098,829</b>
Past due 30-60 days	134	9,586	218,138	2,876	10	69,295	--	<b>300,039</b>
Past due 60 -90 days	23	5,856	96,706	706	1	29,139	--	<b>132,431</b>
Impaired	177	4,715	144,858	308	31	893,840	202,134	<b>1,246,063</b>
<b>Total</b>	<b>56,529</b>	<b>470,191</b>	<b>8,843,039</b>	<b>2,051,061</b>	<b>844,124</b>	<b>17,091,253</b>	<b>7,598,729</b>	<b>36,954,926</b>
Expected Credit Losses	(179)	(19,303)	(189,935)	(9,445)	(10,971)	(1,183,635)	(922,120)	<b>(2,335,588)</b>
Suspended interest	--	--	(5)	--	--	(638)	--	<b>(643)</b>
Unearned interest	--	--	(152,453)	--	--	(10,521)	--	<b>(162,974)</b>
<b>Total</b>	<b>56,350</b>	<b>450,888</b>	<b>8,500,646</b>	<b>2,041,616</b>	<b>833,153</b>	<b>15,896,459</b>	<b>6,676,609</b>	<b>34,455,721</b>

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	<b>31 December 2024</b>							<b>EGP</b>
	<b>Retail</b>				<b>Corporate</b>			<b>Thousands</b>
	<b>Overdraft</b>	<b>Credit cards</b>	<b>Personal loans</b>	<b>Mortgage loans</b>	<b>Overdraft</b>	<b>Direct loans</b>	<b>Syndicated loans</b>	<b>Total loans and facilities to customers</b>
<b>Rating</b>								
Performing /No Dues	62,200	341,221	7,191,045	1,795,038	267,207	14,216,338	5,580,526	<b>29,453,575</b>
Past due up to 30 days	--	40,297	500,736	6,736	--	962,623	--	<b>1,510,392</b>
Past due 30-60 days	62	5,989	146,353	1,864	9	24,480	--	<b>178,757</b>
Past due 60 -90 days	--	2,286	96,468	262	--	11,714	--	<b>110,730</b>
Impaired	147	2,838	127,189	563	52	926,290	202,134	<b>1,259,213</b>
<b>Total</b>	<b>62,409</b>	<b>392,631</b>	<b>8,061,791</b>	<b>1,804,463</b>	<b>267,268</b>	<b>16,141,445</b>	<b>5,782,660</b>	<b>32,512,667</b>
Expected Credit Losses	(87)	(17,623)	(171,291)	(9,530)	(4,102)	(1,195,904)	(848,422)	<b>(2,246,959)</b>
Suspended interest	--	--	(5)	--	--	(638)	--	<b>(643)</b>
Unearned interest	--	--	(149,209)	--	--	(22,279)	--	<b>(171,488)</b>
<b>Total</b>	<b>62,322</b>	<b>375,008</b>	<b>7,741,286</b>	<b>1,794,933</b>	<b>263,166</b>	<b>14,922,624</b>	<b>4,934,238</b>	<b>30,093,577</b>

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**Restructured loans and facilities**

Restructuring activities include extending payment arrangements implementing forced management programs modifying and postponing payments. Policies for implementing restructuring depend on indicators or criteria that indicate that there is a high probability of Continued payments based on the personal judgment of management. These policies are subject to continuous review. It is usual to apply restructuring to long-term loans especially customer financing loans. The restructured loans at 31 March 2025 amounted 2,236,227 EGP thousands compared to 2,122,894 EGP thousand at 31 December 2024.

**Written-off loans**

In accordance with the Board of Directors' decision or its specialized committees the written-off loans from the non-performing loans are written-off against its related loan loss provisions and that step is made after exhausting all the possible recovery processes.

**Debt Instruments and Treasury Bills**

The table below presents an analysis of debt instruments and other treasury bills according to the rating agencies at 31 March 2025.

	<u>EGP Thousands</u>		
	Treasury bills & other Governmental securities	Debt Instruments	Total
<b>31 March 2025</b>			
B	11,943,986	11,782,849	23,726,835
<b>31 December 2024</b>			
B	13,065,489	10,219,851	23,285,340

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Activity segments

The following table represents the analysis of the Bank's main credit exposure at carrying value categorized by the activities practiced by the bank's customers.

								<u>EGP Thousands</u>
	<u>Commercial activity</u>	<u>Industrial activity</u>	<u>Financial institutions</u>	<u>Real estate companies</u>	<u>Governmental sector</u>	<u>Other Activities</u>	<u>Individuals</u>	<u>Total</u>
Due from banks	--	--	14,515,501	--	--	--	--	14,515,501
<b>Loans and facilities to customers</b>								
<b>Retail loans</b>								
Overdraft	--	--	--	--	--	--	56,529	56,529
Personal loans	--	--	--	--	--	--	8,843,039	8,843,039
Credit Cards	--	--	--	--	--	--	470,191	470,191
Mortgage loans	--	--	--	--	--	--	2,051,061	2,051,061
<b>Corporate loans</b>								
Overdraft	320	14,342	35	52	823	828,552	--	844,124
Direct loans	223,282	9,348,274	2,612,787	749,290	--	4,157,620	--	17,091,253
Syndicated loans	--	1,019,834	--	2,826,698	226,111	3,526,086	--	7,598,729
Expected Credit Losses	(32,484)	(1,228,712)	(86,562)	(264,717)	(621)	(503,630)	(218,862)	(2,335,588)
Suspended interest	--	--	--	--	--	(638)	(5)	(643)
Unearned interest	--	--	--	--	--	(10,521)	(152,453)	(162,974)
<b>Financial Investments</b>								
Debt instruments	--	--	23,662,545	--	--	--	--	23,662,545
Other assets	--	--	1,170,555	--	--	--	--	1,170,555
<b>Total at 31 March 2025</b>	<b>191,118</b>	<b>9,153,738</b>	<b>41,874,861</b>	<b>3,311,323</b>	<b>226,313</b>	<b>7,997,469</b>	<b>11,049,500</b>	<b>73,804,322</b>
<b>Total at 31 December 2024</b>	<b>229,266</b>	<b>8,738,047</b>	<b>38,289,624</b>	<b>2,667,023</b>	<b>233,896</b>	<b>6,168,095</b>	<b>9,973,549</b>	<b>66,299,500</b>

### **Market risk**

Market and liquidity risks are defined as the risks to which the bank is exposed because of maintaining certain positions considering changes or fluctuations in the markets in which the bank operates and not necessarily in which the bank is geographically located.

Market risks result from open positions for the purpose of trading whether currency positions or investments that are sensitive to changes in interest rates which affects the market value of those investments and these effects are reflected in the income statement daily.

As for positions held for non-trading purposes that are sensitive to changes in interest rates the effect of changes on the bank's capital is reflected.

Trading portfolios arise because of the bank's direct dealings with clients or with the market. While portfolios are created for non-trading purposes because of the bank's management of assets and liabilities and are primarily created through investments classified at amortized cost or through other comprehensive income.

#### **Types of market risks:**

These include interest rate risks exchange rate risks and liquidity risks. Below is an explanation of each category of market risk:

**Interest rate risk:** The risks that arise from unfavorable movements in the prevailing interest rates in the market during a certain period of time which may negatively affect the bank's profitability or the economic value of its property rights and thus its financial position.

**Exchange rate risk:** It is the risk of a change in the value of the investment due to change in the exchange rate. This also refers to the risks that the bank faces when it needs to close a long or short position in a foreign currency at a loss due to the adverse movement in exchange rates.

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**Liquidity risk:** It is a type of financial risk that involves the inability to trade financial assets on the market fast enough to influence the price of the market within a given time frame. This happens when there is insufficient market liquidity to make it simple to purchase or sell assets without having a big impact on their price.

**Methods for measuring market risk:**

**Measuring Interest rate risk:** Interest rate risks are divided into two types:

Interest rate risks for positions held for non-trading purposes in the Banking Book which result from the main activities of the bank that are not carried out for the purpose of trading.

Additionally interest rate risk in the trading portfolio which arises from positions taken with the intention of trading in financial markets is included in the guidelines for the minimum capital adequacy level under the market risk framework.

The sensitivity of the bank's profitability to interest rate movements in the short term is measured specifically through its impact on net interest income although interest rate risks have an increasing impact on all of the bank's revenues including revenues Other than net income from returns (such as commissions) the focus is It will be mainly based on net income from earnings (EAR).

The process of calculating the value of the capital required to meet the interest rate risk for positions held for non-trading purposes is carried out according to the standard method by following the following steps for each currency separately:

- A netting is made between assets and liabilities - including derivative contracts - that are sensitive to return rates in each period to reach the net position (assets - liabilities).
- The net position for each time period is multiplied by the discount factor for each period which is calculated according to the interest rates for each time period based on the yield curve for each currency.

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- To determine the economic value of the bank's equity prior to any shocks a forced summation procedure is carried out (considering the signal to make a clearing between the surplus and deficit positions) of the weighted positions for the various time periods for each currency separately.
- The previous steps are repeated by following 6 scenarios for the rise and fall of interest rates (according to the various changes in the interest curve) for each currency to arrive at the economic value of the bank's equity aftershocks.

**Measuring Exchange rate risk:**

- The bank applies the value at risk (parametric VAR) method to estimate the market risk of existing positions and the maximum expected loss based on several assumptions for various changes in market conditions. The value at risk (VAR) is a statistical prediction of the potential loss resulting from adverse market movements and expresses the maximum value that the bank can lose using a 99% confidence coefficient meaning that there is a 1% probability that the actual loss will be greater than the value of the expected loss.
- The VAR model assumes a ten-day holding period before closing open positions.
  - Three steps to apply VAR as a measurement approach for foreign exchange risk and cost of capital:
    - 1- The bank is expected to calculate its expected losses on a daily basis.
    - 2- The bank compares the VAR value at the end of the month with the average daily VAR for 60 days and calculates the capital charge based on the larger value of the two.
    - 3- To adequately calculate the cost of capital the bank must conduct a back test by comparing actual daily losses with the calculated value of risk.

**Value at risk according to risk type**

	EGP Thousands			EGP Thousands		
	31 March 2025			31 December 2024		
	Average	Higher	Lower	Average	Higher	Lower
Foreign Currency Exchange risk	1,820	3,741	337	1,597	4,035	108

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**Foreign exchange fluctuation risk**

The Bank is exposed to the effects of fluctuations in the foreign currency exchange rates on its financial position and cash flows. The Board of Directors sets limits on the level of exposure by currency and in aggregate for both overnight and intra-day positions which are monitored daily. The table below summarizes the Bank's exposure to foreign currency exchange rate risk at the end of financial period and Bank's financial instruments at carrying amounts categorized by currency.

						<u>EGP</u> <u>Thousands</u>
31 March 2025	<u>EGP</u>	<u>USD</u>	<u>EUR</u>	<u>GBP</u>	<u>Other</u> <u>Currencies</u>	<u>Total</u>
<b>Financial Assets</b>						
Cash and balances with Central Bank	6,771,289	67,176	23,107	2,688	6,965	<b>6,871,225</b>
Due from banks	7,631,663	5,846,839	846,616	170,027	20,356	<b>14,515,501</b>
Loans and facilities to customers	31,577,312	2,802,325	75,740	256	88	<b>34,455,721</b>
<b>Financial Investments</b>						
Financial Investments at fair value through other comprehensive income	9,118,184	1,837,147	5,372	--	--	<b>10,960,703</b>
Financial Investments at amortized cost	4,057,583	8,780,147	121,433	--	--	<b>12,959,163</b>
Financial Investments in associates	503	--	--	--	--	<b>503</b>
Non-Current Asset Held for Sale	311,608	--	--	--	--	<b>311,608</b>
Other Financial Assets	1,013,414	150,260	6,609	272	--	<b>1,170,555</b>
<b>Total financial assets at 31 March 2025</b>	<b><u>60,481,556</u></b>	<b><u>19,483,894</u></b>	<b><u>1,078,877</u></b>	<b><u>173,243</u></b>	<b><u>27,409</u></b>	<b><u>81,244,979</u></b>

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<b>31 March 2025</b>	<b>EGP</b>	<b>USD</b>	<b>EUR</b>	<b>GBP</b>	<b>Other Currencies</b>	<b><u>EGP</u> <u>Thousands</u></b> <b>Total</b>
<b>Financial liabilities</b>						
Due to banks	5,129	324,396	94,770	--	--	<b>424,295</b>
Customers' deposits	51,258,983	19,583,209	828,061	173,486	23,804	<b>71,867,543</b>
Other loans	119,673	--	--	--	--	<b>119,673</b>
Other financial liabilities	1,087,074	53,887	216	13	--	<b>1,141,190</b>
<b>Total financial liabilities at 31 March 2025</b>	<b>52,470,859</b>	<b>19,961,492</b>	<b>923,047</b>	<b>173,499</b>	<b>23,804</b>	<b>73,552,701</b>
<b>Net financial position at 31 March 2025</b>	<b>8,010,697</b>	<b>(477,598)</b>	<b>155,830</b>	<b>(256)</b>	<b>3,605</b>	<b>7,692,278</b>
<b>Net financial position at 31 December 2024</b>	<b>7,048,026</b>	<b>(137,809)</b>	<b>(13,507)</b>	<b>107</b>	<b>(20,390)</b>	<b>6,876,427</b>

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**Interest rate risk**

The risk that arises from unfavorable movements in the prevailing interest rates in the market during a certain period which may negatively affect the bank's profitability or the economic value of its property rights and thus its financial position.

The tables below summaries the Bank 's exposure to the interest rate fluctuations risk that include carrying amount of the financial instruments categorized based on the repricing dates or the maturity date – whichever is earlier.

31 March 2025	<u>Up to 1 month</u>	<u>More than 1 month to 3 months</u>	<u>More than 3 months to 1 year</u>	<u>More than 1 year to 5 years</u>	<u>More than 5 years</u>	<u>Without interest</u>	<u>EGP Thousands Total</u>
<b>Financial Assets</b>							
Cash and balances with Central Bank	--	--	--	--	--	6,871,225	<b>6,871,225</b>
Due from banks	12,194,030	1,972,286	53,974	--	--	295,211	<b>14,515,501</b>
Loans and facilities to customers	18,680,197	1,712,600	6,305,191	7,794,044	2,462,894	(2,499,205)	<b>34,455,721</b>
<b>Financial Investments</b>							
Financial Investments at fair value through other comprehensive income	3,397,636	456,630	5,889,762	959,354	--	257,321	<b>10,960,703</b>
Financial Investments at amortized cost	979,511	132,993	7,062,682	4,848,267	--	(64,290)	<b>12,959,163</b>
Financial Investments in associates	--	--	--	--	--	503	<b>503</b>
Non-current assets held for sale	--	--	--	--	--	311,608	<b>311,608</b>
Other Financial Assets	--	--	--	--	--	1,170,555	<b>1,170,555</b>
<b>Total financial assets at 31 March 2025</b>	<b>35,251,374</b>	<b>4,274,509</b>	<b>19,311,609</b>	<b>13,601,665</b>	<b>2,462,894</b>	<b>6,342,928</b>	<b>81,244,979</b>

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							<u>EGP</u> <u>Thousands</u>
31 March 2025	Up to 1 month	More than 1 month to 3 months	More than 3 months to 1 year	More than 1 year to 5 years	More than 5 years	Without interest	Total
<b>Financial liabilities</b>							
Due to banks	--	--	--	--	--	424,295	<b>424,295</b>
Customers' deposits	16,666,672	12,203,514	12,600,361	22,639,964	5,632	7,751,400	<b>71,867,543</b>
Other Loans	--	--	--	--	119,673	--	<b>119,673</b>
Other financial liabilities	--	--	--	--	--	1,141,190	<b>1,141,190</b>
<b>Total financial liabilities at 31 March 2025</b>	<u>16,666,672</u>	<u>12,203,514</u>	<u>12,600,361</u>	<u>22,639,964</u>	<u>125,305</u>	<u>9,316,885</u>	<u>73,552,701</u>
<b>31 March 2025</b>	<u>18,584,702</u>	<u>(7,929,005)</u>	<u>6,711,248</u>	<u>(9,038,299)</u>	<u>2,337,589</u>	<u>(2,973,957)</u>	<u>7,692,278</u>
<b>31 December 2024</b>	<u>(6,895,903)</u>	<u>17,403,253</u>	<u>(4,701,163)</u>	<u>(1,899,683)</u>	<u>2,472,404</u>	<u>497,518</u>	<u>6,876,426</u>

### **Liquidity risk**

It is a type of financial risk that involves the inability to trade financial assets on the market fast enough to influence the price of the market within a given time frame. This happens when there is insufficient market liquidity to make it simple to purchase or sell assets without having a big impact on their price.

### **Measuring Liquidity Risk:**

- The bank prepares the Liquidity Coverage Ratio (LCR) which aims to ensure that the bank maintains a sufficient amount of high-quality unencumbered liquid assets to meet net cash outflows within 30 days.
- Net Stable Funding Ratio (NSFR): The Net Stable Funding Ratio represents the relationship between the available stable financing (ASF - Funding Stable Funding Required) (the numerator of the ratio) and the stable financing required (RSF - Funding Stable Required) (the denominator of the ratio) as the ratio works to confront the incompatibility of the financing structure. Long-term by urging the use of stable long-term sources of funds for a period extending for at least one year in order to cover investments in assets and any financing claims resulting from obligations outside the budget which helps the bank to structure its sources of funds.
- On an individual basis (the bank's branches at home country and abroad) and on a combined basis (the banking group includes the bank and all its branches at its home country and abroad and all affiliated financial companies with the exception of insurance companies) on a monthly basis gradually for both the local currency and foreign currencies separately and 100% must be adhered to as a limit Lowest LCR & NSFR ratios.
- In case of having a deficit in the Liquidity Coverage Ratio (LCR) sources of funds are provided equivalent to the amount of the deficit in the level of high-quality liquid assets and they are invested within those assets.
- In case of a deficit in the Net Stable Financing Ratio (NSFR) the bank creates capital equivalent to the amount of the deficit in the ratio as additional capital in the capital base which leads to compliance with the specified limit for the Net Stable Financing Ratio.

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- The bank calculates the liquidity ratio for both local currency and foreign currencies (keeping the minimum for each of them at 20% and 25% respectively) where the ratio is calculated on the basis of the daily average of the actual working days during the month.

**Liquidity Gap:**

The liquidity risk control processes implemented by the bank's Asset and Liabilities Department include the following:

- The liquidity gap occurs when there are differences between the maturity dates and the maturity scale for assets and liabilities. Gap analysis includes evaluating the difference between the maturity dates of assets and liabilities (Liquidity Mismatch).

-The bank prepares a monthly report to monitor market risks and prepare reports on net liquidity gap positions liquidity gap limits and liquidity ratio limits.

The following tables represent the analysis of the bank 's liquidity coverage ratio:

	<b>31 March 2025</b>	<b>31 December 2024</b>
	<b>EGP Thousands</b>	<b>EGP Thousands</b>
Total amount of high-quality liquid assets (1)	20,697,978	22,539,597
Total Cash outflows	15,632,012	18,080,788
Considerable total cash inflows within the set limit (value less than: total cash inflows 75% of total cash outflows)	(11,724,009)	(11,420,652)
<b>Net cash outflows (2)</b>	<b>3,908,003</b>	<b>6,660,136</b>
<b>Liquidity coverage ratio (1/2)</b>	<b>529,63%</b>	<b>338,43%</b>

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**Cash Flows Risk Hedge**

Description/ Maturity Date	<u>EGP Thousands</u>						
	31 March 2025						
	Up to 1 month	More than 1 month to 3 months	More than 3 months to 1 year	More than 1 year to 5 years	More than 5 years	Without interest	Total
Due to banks	-	-	-	-	-	424,295	424,295
Customers' deposits	7,558,997	12,147,550	11,268,615	9,418,715	10,050	36,611,981	77,015,908
Other Loans	-	-	-	-	119,673	-	119,673
Other liabilities	-	-	-	-	-	1,141,190	1,141,190
<b>Total financial liabilities according to the contractual maturity date</b>	<b>7,558,997</b>	<b>12,147,550</b>	<b>11,268,615</b>	<b>9,418,715</b>	<b>129,723</b>	<b>38,177,466</b>	<b>78,701,066</b>
<b>Total financial assets according to the contractual maturity date *</b>	<b>15,320,231</b>	<b>7,516,504</b>	<b>29,709,539</b>	<b>38,131,084</b>	<b>4,829,488</b>	<b>7,243,580</b>	<b>102,750,426</b>

Description/ Maturity Date	<u>EGP Thousands</u>						
	31 December 2024						
	Up to 1 month	More than 1 month to 3 months	More than 3 months to 1 year	More than 1 year to 5 years	More than 5 years	Without interest	Total
Due to banks	10,578	-	-	-	-	531,532	542,110
Customers' deposits	10,162,407	12,160,111	10,796,304	7,794,504	21,726	31,203,389	72,138,441
Other Loans	-	-	-	-	119,673	-	119,673
Other liabilities	-	-	-	-	-	1,215,990	1,215,990
<b>Total financial liabilities according to the contractual maturity date</b>	<b>10,172,985</b>	<b>12,160,111</b>	<b>10,796,304</b>	<b>7,794,504</b>	<b>141,399</b>	<b>32,950,911</b>	<b>74,016,214</b>
<b>Total financial assets according to the contractual maturity date *</b>	<b>12,274,720</b>	<b>18,635,742</b>	<b>16,740,790</b>	<b>29,859,110</b>	<b>10,479,175</b>	<b>8,597,329</b>	<b>96,586,866</b>

Assets available to satisfy all liabilities and cover loan-associated commitments include cash balances with the Central Bank Due from banks treasury bills and other governmental securities loans and facilities to banks and customers. A percentage of loans to customers that are due to be repaid within a year are extended during the normal activity of Bank NXT in addition to that there is a mortgage of some debt instruments treasury bills and other government securities to guarantee obligations and Bank NXT has the ability to satisfy the unexpected net cash flows by selling securities and finding other financing sources.

\* Assets shown in the table represent the undiscounted cash flows in accordance with the contractual maturity date.

### **Capital Management**

The Bank's objectives on managing capital which include other elements in addition to the equity shown in the balance sheet are as follows:

- Compliance with the legal requirements of capital in the Arab Republic of Egypt.
- Protecting the Bank's ability to continue as a going concern and enabling it to continue generating income for shareholders and other parties dealing with the Bank.
- Maintaining a strong capital base that supports the growth of activity.

The capital adequacy and capital uses are daily reviewed according to the requirements of the Central Bank of Egypt by the Bank's management through forms based on the guidelines of the Basel Committee on Banking Supervision. The required data are submitted and provided to the Central Bank of Egypt on a quarterly basis.

#### **The Central Bank of Egypt requires the Bank to do the following:**

- Maintain Five billion Egyptian pounds as a minimum for issued and paid-up capital.
- Maintain a ratio equal to or more than 12.5% between the elements of capital and the elements of assets and contingent liabilities weighted by risk weights.
- In accordance with the requirements of the Central Bank of Egypt to update the position of the banking sector with regard to the capital adequacy ratio according to Basel II decisions.

#### **The numerator of the capital adequacy ratio consists of the following two tiers:**

##### **Tier I after disposals includes the following:**

Some of the items that will be deducted/ will not be considered and mentioned in the "supervisory instructions on the minimum ratio of capital adequacy" Chapter II on the capital base will be dealt with later as stated in the instructions.

- Continuing core capital after disposals (CET1-Common Equity).
- Additional core capital

There are some items that will be deducted/ not considered and mentioned in the "supervisory instructions on the minimum ratio of capital adequacy" Chapter II on the capital base. These items are deducted from the continuous core capital if the balance is negative while they are not considered if it is positive.

### **Tier II after disposals**

It includes 45% of the special reserve loans and subordinated deposits within the limits of the prescribed percentage as well as the considerable provisions required against the debt instruments loans credit facilities and contingent liabilities included in the first stage (Stage 1).

The capital adequacy ratio model includes some important notes and points which are as follows:

1-Reserves: include legal general statutory supportive and capital reserves only.

2-The “general risk reserve” is formed in accordance with the supervisory instructions issued to banks on 26 January 2019. It includes the special reserve – credit the general bank risk reserve - credit and the reserve risk of standard (9) considering that in the subsequent periods of application the Bank shall abide by what is stated within the instructions on minimum capital adequacy ratio “which is not to consider the bank risk reserve when calculating the ratio.”

3-The values of accumulated other comprehensive income items whether they are positive or negative are considered.

4-Interim profits/ (losses): It is allowed to record the net interim profits within the capital base after the limited inspection report prepared by the auditor on the Bank’s financial statements on a quarterly basis. As for the interim losses they are presented without any conditions.

5-It does not include the part related to credit and the explanatory instructions of the rules on the preparation and presentation of the financial statements issued by the Central Bank in April 2009 page 7 item (9) must be perused.

6-It should not exceed 1.25% of total assets and contingent liabilities weighted for credit risk provided that the required provisions against debt instruments loans credit facilities and contingent liabilities included in the Stage 2 and Stage 3 are sufficient to meet the obligations for which the provision is formed.

7-"The value of exceeding the limits set for investments in countries weighted by risk weights."

8-This value must be included in accordance with Form No. 720 related to investments in countries abroad taking into account that the value of the capital base listed in the aforementioned statement must be adjusted according to the calculated value.

Notes to the consolidated interim financial statements for the year ended 31 March 2025 (Continued)  
(In the notes all amounts are shown in EGP Thousands unless otherwise stated)

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- The continuing core capital after the regulatory adjustments is Clause 1.1 before excluding contributions to financial companies (shares or investment funds) represented in Clause 1.3.1.1.
  - Continuing core capital before regulatory adjustments means paid-up capital reserves retained earnings general risk reserve and accumulated other comprehensive income items net of goodwill and treasury shares.
  - Subordinated loans (deposits): provided that they do not exceed 50% of Tier I after disposals and that 20% of its value is consumed in each of the last five years.

#### **Financial leverage ratio**

The Board of Directors of the Central Bank of Egypt in its session held on 7 July issued a decision approving the supervisory instructions related to the financial leverage besides the banks' compliance with the stipulated minimum percentage (3%) on a quarterly basis as follows:

-As an indicative percentage as of the end of September 2015 until the year 2017.

-As a compulsory supervisory percentage as of 2018.

This is in preparation for the consideration of it within the first pillar of Basel decisions (the minimum capital adequacy ratio) for maintaining the strength and integrity of the banking sector and keeping pace with the best international control practices in this regard.

The financial leverage reflects the relationship between Tier I of capital used in capital adequacy ratio (after disposals) and the Bank's assets (inside and outside the balance sheet) unweighted with risk weights.

#### **Financial instruments measured at fair value**

The fair value of one-day variable-rate placements and deposits represent their present value and the expected fair value of variable-rate deposits is estimated based on the discounted cash flows using the interest rate prevailing in the capital markets for debts that have similar credit risk and maturity date.

#### **Loans and facilities to banks**

Loans and facilities to banks represent loans other than bank deposits. The expected fair value of loans and facilities is the discounted value of future cash flows expected to be collected and the cash flows are discounted using the current market interest rate for determining the fair value to determine the fair value to meet all the requirements. This includes replacement of funds on maturity or upon being lent to customers. The Bank is present in global money markets to achieve this objective.

**Loans and facilities to customers**

They are recognized at net value after deduction of provision for impairment loss. The expected fair value for these loans and facilities represents the discounted value of estimated future cash flows expected to be collected. Cash flows are deducted using the current interest rate in the market to specify the fair value.

**Investments in securities**

Assets through other comprehensive income or profit or loss are carried at fair value. The fair value is determined based on market prices. If such data is not available fair value is estimated using prices of capital markets for traded securities with similar credit characteristics dates of maturity and rates.

**Financial instruments not measured at fair value**

**Financial investments at amortized cost**

They include held-to-maturity financial assets that are listed in the market and are measured at amortized cost in case of bonds and with respect to investment funds the evaluation is done at the recoverable amount (fair value).

Management believes that the fair value is not materially different from the carrying amount of these assets.

**Due from banks**

The fair value of one-day variable-rate placements and deposits represent their present value and the expected fair value of variable-rate deposits is estimated based on the discounted cash flows using the interest rate prevailing in the capital markets for debts that have similar credit risk and maturity date.

**Loans and facilities to banks**

Loans and facilities to banks represent loans other than bank deposits. The expected fair value of loans and facilities is the discounted value of future cash flows expected to be collected and the cash flows are discounted using the current market interest rate for determining the fair value. Loans and facilities are presented net of provision for impairment losses.

### **Investments in securities**

Investments in securities include only financial assets that have a fixed or determinable maturity date and the business model aims to hold them in order to obtain only the investment principal and the return thereon. The fair value of these financial assets held to maturity is determined based on market prices or prices obtained from brokers. If this data is not available the fair value is estimated using financial market prices for tradable securities with similar credit characteristics maturity dates and rates.

### **Due to other banks and customers**

The estimated fair value of deposits with an indefinite maturity date that include non-interest-bearing deposits is the amount that would be repaid on demand.

The fair value of fixed interest-bearing deposits and other loans that are not traded in an active market is determined based on the discounted cash flows using the rate of return on new debts with a similar maturity date.

### **Issued debt instruments**

The total fair value is calculated based on current capital market prices. For securities that have no active markets the discounted cash flow model is used for the first time based on the current rate that fits the remaining period till the maturity date.

## **42- Important events**

The monetary policy of the Central Bank of Egypt decided to set the basic trends at 225 basis points in its meeting on April 17, 2025, to reach the overnight deposit rate and the Central Bank's home page rate of 25%, 26%, and 25.5%, respectively. The credit and discount rates were also reduced by 225 basis points to reach 25.5% in addition to, Central Bank of Egypt allowed Exchange rates determination to be according to market mechanisms.

#### **43- Significant accounting policies applied**

##### **43-1- Basis of consolidation**

###### **43-1-1 Business combination**

- The Group accounts for business combinations using the acquisition method when control is transferred to the Group.
- The consideration transferred in the acquisition is generally measured at fair value as are the identifiable net assets acquired.
- Any goodwill that arises is tested annually for impairment any gain on a bargain purchase is recognized immediately in profit or loss.
- Transaction costs are expensed as incurred except if related to the issue of debt or equity securities.
- The consideration transferred doesn't include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss.
- Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity then it is not re measured and settlement is accounted for within equity. Otherwise other contingent consideration is re measured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

###### **43-1-2 Subsidiaries**

- Subsidiaries are entities controlled by the Group.
- The Group controls an entity when it is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.
- The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

###### **43-1-3 Non-controlling interests**

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

**43-1-4 Loss of control**

When the Group loses control over a subsidiary it derecognises the assets and liabilities of the subsidiary and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

**43-1-5 Interests in equity-accounted investees**

The Group's interests in equity-accounted investees comprise interests in associates and a joint venture. Associates are those entities in which the Group has significant influence but not control or joint control over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control where by the Group has rights to the net assets of the arrangement. Rather than rights to its assets and obligations for its liabilities.

Interests in associates and the joint venture are accounted for using the equity method. They are initially recognized at cost which includes transaction costs. Subsequent to initial recognition the consolidated financial statements include the Group's share of the profit or loss and OCI of equity accounted investees until the date on which significant influence or joint control ceases.

**43-1-6 Transactions eliminated on consolidation**

Intra-group balances and transactions and any unrealised income and expenses arising from intra-group transactions are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

**43-2 Foreign currency**

**43-2-1 Foreign currency transactions**

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

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Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss and presented within finance costs.

However foreign currency differences arising from the translation of the following items are recognised in OCI:

- An investment in equity securities designated as at FVOCI (except on impairment in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss);
- A financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective and qualifying cash flow hedges to the extent that the hedges are effective.

#### **43-2-2 Foreign operations**

The assets and liabilities of foreign operations including goodwill and fair value adjustments arising on acquisition are translated at the exchange rates at the reporting date. The income and expenses of foreign operations are translated at the exchange rates at the dates of the transactions.

Foreign currency differences are recognized in OCI and accumulated in the translation reserve except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control significant influence or joint control is lost the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control the relevant proportion of the cumulative amount is reclassified to profit or loss.

### **43-3 Discontinued operation**

A discontinued operation is a component of the Group's business the operations and cash flows of which can be clearly distinguished from the rest of the Group.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation the comparative statement of profit or loss and OCI is re-presented as if the operation had been discontinued from the start of the comparative period.

### **43-4 Revenue**

#### **43-4-1 Gain (loss) on sale of investments**

Gain (loss) resulting from sale of investments are recognized on transaction date and measured by the difference between cost and selling price less selling commission and expenses. In case of derecognizing of investments in associates the difference between the carrying amount and the sum of both the consideration received and cumulative gain or loss that had been recognized in shareholders' equity shall be recognized in income statement.

#### **43-4-2 Dividend income**

Dividend income is recognized when declared.

#### **43-4-3 Custody fee**

Custody fees are recognized when the service is provided and the invoice is issued.

#### **43-4-4 Interest income and expenses**

Interest income and expenses are recognized in the income statement under "Interest income" item or "Interest expenses" by using the effective interest rate method of all instruments bearing interest other than those classified held for trading or which have been classified at inception "fair value through income statement".

**43-4-5 Fee and commission income**

Fee related to servicing the loan or facility are recognized in income when performing the service while the fees and commissions related to non-performing or impaired loans are not recognized instead they are to be recorded in marginal records off the financial position. Then they are recognized within the income pursuant to the cash basis when the interest income is collected. As for fees which represent an integral part of the actual return on the financial assets they are treated as an amendment to the rate of actual return.

**43-4-6 Brokerage commission**

Brokerage commission resulting from purchase of and sale of securities operations in favor of clients are recorded when operation is implemented and the invoice is issued.

**43-4-7 Management fee**

Management fee is calculated as determined by the management contract of each investment fund & portfolio and recorded on accrual basis.

**43-4-8 Incentive fee**

Incentive fee is calculated based on certain percentages of the annual return realized by the fund and portfolio however these incentive fee will not be recognized until revenue realization conditions are satisfied and there is adequate assurance of collection.

**43-4-9 Investment property rental income**

Rental income from investment property is recognized as revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income over the term of the lease. Rental income from other property is recognized as other income.

**43-4-10 Revenue from micro-finance services**

- Revenue from micro-finance services is recognized based on time proportion taking into consideration the rate of return on asset. Revenue yield is recognized in the income statement using the

effective interest method for all financial instruments that carry a yield the effective interest method is the method of measuring the amortised cost of a financial asset and distributing the revenue over the life of time the relevant instrument. The effective interest rate is the rate that discounts estimated future cash receipts during the expected life of the financial instrument to reach the book value of the financial asset.

- When classifying loans to customers as irregular no income is recognized on its return and it is recognized in marginal records outside the financial statements and are recognized as revenue in accordance with the cash basis when it is collected.
- The commission income is represented in the value of the difference between the yield of the financing granted micro-enterprises and the accruals of the company's bank by deducting the services provided directly from the amounts collected from the entrepreneurs.
- The benefits and commissions resulting from the performance of the service are recognized according to the accrual basis as soon as the service is provided to the client unless those revenues cover more of the financial period are recognized on a time proportion basis.
- An administrative commission of 8% of the loan granted to customers is collected on contracting in exchange for the issuance of the loan service and administrative commission revenue are proven in the income statement upon the issuance of the loan to the client.
- A commission delay in payments of premiums is collected at rates agreed upon within the contracts and are recognized as soon as customers delayed payment on the basis of the extended delay.

#### **43-4-11 Gains from securitization**

Gains from securitization is measured as the difference between the fair value of the consideration received or is still due to the company at the end of securitization process and the carrying amount of the securitization portfolios in the company's books on the date of the transfer agreement.

### **43-5 Income tax**

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination or items recognized directly in equity or in OCI.

#### **43-5-1 Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

#### **43-5-2 Deferred tax**

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognized for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- Temporary differences related to investments in subsidiaries associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business

plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects at the reporting date to recover or settle the carrying amount of its assets and liabilities. For this purpose the carrying amount of investment property measured at fair value is presumed to be recovered through sale and the Group has not rebutted this presumption.

Deferred tax assets and liabilities are offset only if certain criteria are met.

#### **43-6 Property plant and equipment**

##### **43-6-1 Recognition and measurement**

Items of property plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of certain items of property plant and equipment. If significant parts of an item of property plant and equipment have different useful lives then they are accounted for as separate items (major components) of property plant and equipment. Any gain or loss on disposal of an item of property plant and equipment is recognized in profit or loss.

##### **43-6-2 Subsequent expenditure**

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

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### **43-6-3 Depreciation**

Depreciation is calculated to write off the cost of items of property plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognized in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated. The estimated useful lives of property plant and equipment for current and comparative periods are as follows:

	<b>Estimated useful life</b>
- Buildings	20 - 50 years
- Office furniture equipment & electrical appliances	2 - 16.67 years
- Computer equipment	3.33 - 5 years
- Transportation means	3.33 - 8 years

Depreciation methods useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

### **43-6-4 Reclassification to investment property**

When the use of a property changes from owner-occupied to investment property.

### **43-7 Projects under construction**

Projects under construction are recognized initially at cost the book value is amended by any impairment concerning the value of these projects cost includes all expenditures directly attributable to bringing the asset to a working condition for its intended use. Property and equipment under construction are transferred to property and equipment caption when they are completed and are ready for their intended use.

### **43-8 Intangible assets and goodwill**

#### **- Goodwill**

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

**- Research and development**

Expenditure on research activities is recognized in profit or loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably the product or process is technically and commercially feasible future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise it is recognized in profit or loss as incurred. Subsequent to initial recognition development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

**- Other intangible assets**

Other intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

**43-9 Investment property**

Investment property is measured at cost on initial recognition. Subsequent to initial recognition investment property is measured at cost less accumulated depreciation and impairment loss if any. Investment property is depreciated on a straight line basis over its useful life. The estimated useful life of investment property is 33 years.

**43-10 Assets held for sale**

Non-current assets or disposal groups comprising assets and liabilities are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets or disposal groups are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill and then to the remaining assets and liabilities on a pro rata basis except that no loss is allocated to inventories financial assets deferred tax assets employee benefit assets investment property or biological assets which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held-for-sale intangible assets and property plant and equipment are no longer amortised or depreciated and any equity-accounted investee is no longer equity accounted.

## **43-11 Financial instruments**

### **43-11-1 Recognition and initial measurement**

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus for an item not at FVTPL transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

### **43-11-2 Classification and subsequent measurement**

#### **Financial assets**

On initial recognition a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an instrument-by-instrument basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

#### **43-11-3 Financial assets – Business model assessment**

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income maintaining a particular interest rate profile matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Group's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency volume and timing of sales of financial assets in prior periods the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

If the company determines that its business model has changed in a way that is significant to its operations then all affected assets are reclassified from the first day of the next reporting period (the reclassification date). The change in business model has to be affected before the reclassification date. In order for reclassification to be appropriate the company cannot engage in activities consistent with its former business model after the date of change in business model. Prior periods are not restated.

**43-11-4 Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest**

For the purposes of this assessment ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs) as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment the Group considers:

- Contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate including variable-rate features;
- Prepayment and extension features; and
- Terms that limit the Group’s claim to cash flows from specified assets (e.g. non-recourse features).

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A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding which may include reasonable compensation for early termination of the contract. Additionally for a financial asset acquired at a discount or premium to its contractual par amount a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

**43-11-5 Financial assets – Subsequent measurement and gains and losses**

<b>Financial assets at FVTPL</b>	These assets are subsequently measured at fair value. Net gains and losses including any interest or dividend income are recognised in profit or loss.
<b>Financial assets at amortised cost</b>	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
<b>Debt investments at FVOCI</b>	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition gains and losses accumulated in OCI are reclassified to profit or loss.
<b>Equity investments at FVOCI</b>	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

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**43-11-6 Financial liabilities – Classification subsequent measurement and gains and losses**

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses including any interest expense are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

**43-11-7 Derecognition**

**Financial assets**

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases the transferred assets are not derecognised.

**Financial liabilities**

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

**43-11-8 Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when and only when the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**43-11-9 Derivative financial instruments and hedge accounting**

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition derivatives are measured at fair value and changes therein are generally recognised in profit or loss.

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates and certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.

At inception of designated hedging relationships the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

**Cash flow hedges**

When a derivative is designated as a cash flow hedging instrument the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item determined on a present value basis from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

The Group designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts (forward points) is separately accounted for as a cost of hedging and recognised in a costs of hedging reserve within equity.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory the amount accumulated in the hedging reserve and the cost of hedging reserve is included directly in the initial cost of the non-financial item when it is recognised.

For all other hedged forecast transactions the amount accumulated in the hedging reserve and the cost of hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold expires is terminated or is exercised then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued the amount that has been accumulated in the hedging reserve remains in equity until for a hedge of a transaction resulting in the recognition of a non-financial item it is included in the non-financial item's cost on its initial recognition or

For other cash flow hedges it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

#### **Net investment hedges**

When a derivative instrument or a non-derivative financial liability is designated as the hedging instrument in a hedge of a net investment in a foreign operation the effective portion of for a derivative changes in the fair value of the hedging instrument or for a non-derivative foreign exchange gains and losses is recognised in OCI and presented in the translation reserve within equity. Any ineffective portion of the changes in the fair value of the derivative or foreign exchange gains and losses on the non-derivative is

recognised immediately in profit or loss. The amount recognised in OCI is reclassified to profit or loss as a reclassification adjustment on disposal of the foreign operation.

## **43-12 Share capital**

### **43-12-1 Ordinary shares**

Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity. Income tax relating to transaction costs of an equity transaction are accounted for in accordance with EAS 24.

### **43-12-2 Repurchase and reissue of ordinary shares (treasury shares)**

When shares recognized as equity are repurchased the amount of the consideration paid which includes directly attributable costs is recognized as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the treasury share reserve. When treasury shares are sold or reissued subsequently the amount received is recognized as an increase in equity and the resulting surplus or deficit on the transaction is presented within share premium.

## **43-13 Legal reserve**

The Company's statutes provides for deduction of a sum equal to 5% of the annual net profit for formation of the legal reserve. Such deduction will be ceased when the total reserve reaches an amount equal to half of the Company's issued capital and when the reserve falls below this limit it shall be necessary to resume.

## **43-14 Impairment**

### **43-14-1 Non-derivative financial assets**

#### **Financial instruments and contract assets**

The Group recognises loss allowances for Expected Credit Loss (ECLs) on:

- Financial assets measured at amortised cost;
- Debt investments measured at FVOCI;
- contract assets.

The Group also recognises loss allowances for ECLs on loans receivables.

The Group measures loss allowances at an amount equal to lifetime ECLs except for the following which are measured at 12-month ECLs:

- Debt securities that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, unless it can be rebutted.

The Group considers a financial asset to be in default when:

- The debtor is unlikely to pay its credit obligations to the Group in full without recourse by the Group to actions such as realising security (if any is held); or
- The financial asset is more than 90 days past due unless it can be rebutted.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

#### **43-14-2 Measurement of ECLs**

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

#### **43-14-3 Credit-impaired financial assets**

At each reporting date the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the debtor;
- A breach of contract such as a default or being more than 90 days past due;
- The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- It is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for a security because of financial difficulties.

#### **43-14-4 Presentation of allowance for ECL in the statement of financial position**

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI the loss allowance is charged to profit or loss and is recognised in OCI.

#### **43-14-5 Write-off**

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers the Group has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

#### **43-14-6 Non-financial assets**

- At each reporting date the Group reviews the carrying amounts of its non-financial assets (other than investment property contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.
- For impairment testing assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.
- The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.
- An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

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- Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.
  - An impairment loss in respect of goodwill is not reversed. For other assets an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation if no impairment loss had been recognised.

#### **43-15 Provisions**

Provisions are recognized when the Group has a legal or constructive current obligation as a result of a past event and it's probable that a flow of economic benefits will be required to settle the obligation. If the effect is material provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and where appropriate the risks specific to the liability. Provisions are reviewed at the financial position date and amended (when necessary) to represent the best current estimate.

#### **43-16 Treasury bills**

Treasury bills are recorded at nominal value and the unearned income is recorded under the item of "creditors and other credit balances". Treasury bills are presented on the financial position net of the unearned income.

#### **43-17 Trade and notes receivables debtors and other debit balances**

- Trade notes receivables debtors and other debit balances are stated at nominal value less impairment losses.
- The Company's lessees and the leased assets are regularly classified & evaluated and their obligations are reduced by the rent value paid in each financial period and with the assurance of the availability of adequate guarantee to collect the client's rent values.

#### **43-18 Cash and cash equivalents**

For the purpose of preparing the statement of cash flows cash and cash equivalents includes the balances whose maturity do not exceed three months from the date of acquisition cash on hand cheques under collection and due from banks and financial institutions.

#### **43-19 Profit sharing to employees**

The holding company pays 10% of its cash dividends as profit sharing to its employees provided that it will not exceed total employees' annual salaries. Profit sharing is recognized as a dividend distribution through equity and as a liability when approved by the Company's shareholders.

#### **43-20 Employees benefits**

##### **43-20-1 Share based payments**

###### **Equity settled transactions**

For equity-settled share-based payment transactions the company measure the services received and the corresponding increase in equity indirectly by reference to the fair value of the equity instruments granted. The fair value of those equity instruments is measured at grant date.

Vesting conditions other than market conditions are taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount so that ultimately the amount recognized for services received as consideration for the equity instruments granted are based on the number of equity instruments that eventually vest. Hence on a cumulative basis no amount is recognized for services received if the equity instruments granted do not vest because of failure to satisfy a vesting condition. The company recognize an amount for the services received during the vesting period based on the best available estimate of the number of equity instruments expected to vest and revise that estimate if necessary if subsequent information indicates that the number of equity instruments expected to vest differs from previous estimates. On vesting date the entity shall revise the estimate to equal the number of equity instruments that ultimately vested.

#### **43-21 Micro-enterprises Receivables**

##### **43-21-1 Credit policy**

###### **Funding Consideration**

- Funding are granted to clients who have previous experience not less than one year in his current activity which is confirmed by the client with adequate documentation and field inquiry.

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- Funding are granted to the client which it's installment is suitable according to his predictable income activity and this done throw analyzing client's revenues and expenses and his foreseeable marginal income and this done by the branches specialists of the company on the prepared form for this purpose (financial study form and credit decision).
  - Before grant funding a client activity field inquiry is done.
  - Recording inquiries results about client and guarantor with inquiring forms of the company which reveal client's activity (visit form & Inquiry form).
  - The company prohibit grant funding for new client unless the activity is existing with previous one year experience where the granted funds be within a minimum 1 000 EGP and maximum 30 000 EGP with loan duration of 12 months.
  - Inquiries for clients are performed by I-Score Company before granting and in case of approval on granting. The credit limit of the client is considered when calculating the client's revenue and expenses.

#### **Client's Life Insurance**

The insurance process on the client is performed with the authorized companies from insurance supervisory authority.

#### **Client's Following up**

The company keeps specialists in branches from following up all regular clients and irregular with continuous application of that during finance period with judging on their commitment in paying the remaining installments and this done through recording visits for clients with daily basis and also with data base provided by computer system for all branches all over the republic.

#### **Impairment loss of micro financed loans**

The company at the date of the financial statements estimates the impairment loss of micro financed loans in the light of the basis and rules of granting credit and forming the provisions according to the Board of Directors decision of the Financial Supervisory Authority No. (173) issued on December 21, 2014 to deal with the impairment loss.

## **43-22 Leases**

At inception of a contract the Group assesses whether a contract is or contains a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset the Group uses the definition of a lease in EAS 49.

### **43-22-1 As a lessee**

At commencement or on modification of a contract that contains a lease component the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset which is determined on the same basis as those of property and equipment. In addition the right-of-use asset is periodically reduced by impairment losses if any and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date discounted using the interest rate implicit in the lease or if that rate cannot be readily determined the Group's incremental borrowing rate. Generally the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

fixed payments including in-substance fixed payments;

variable lease payments that depend on an index or a rate initially measured using the index or rate as at the commencement date;

amounts expected to be payable under a residual value guarantee;

and the exercise price under a purchase option that the Group is reasonably certain to exercise lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee if the Group changes its assessment of whether it will exercise a purchase extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

#### **Short-term leases and leases of low-value assets**

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low – value assets and short-term leases including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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**43-22-2 As a lessor**

At inception or on modification of a contract that contains a lease component the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case then the lease is a finance lease; if not then it is an operating lease. As part of this assessment the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components then the Group applies EAS 11 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in EAS 47 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other revenue'.

**43-23 Operating segment**

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment) or in providing products or services within a particular economic environment (geographical segment) which is subject to risks and rewards that are different from those of other segments. The Group's primary format for segment reporting is based on business segment.

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**44- New Editions and Amendments to Egyptian Accounting Standards:**

- On 6 March 2023 the Prime Minister's Decree No. (883) of 2023 was issued amending some provisions of the Egyptian accounting standards and on 3 March 2024 another decision was issued by the Prime Minister No. (636) of 2024 amending some other provisions of the Egyptian accounting standards.
- On October 23, 2024 the Prime Minister issued Decision No. 3527 of 2024 which introduces and adds the new Egyptian Accounting Standard No. (51) titled "Financial Statements in Hyperinflationary Economies."

and the following is a summary of the most important of those amendments:

<b>New or reissued standards</b>	<b>Summary of the most significant amendments</b>	<b>Potential impact on the financial statements</b>	<b>Effective date</b>
<b>Egyptian Accounting Standard No. (50) "Insurance Contracts"</b>	<p>1- This standard determines the principles of recognition of insurance contracts falling within the scope of this standard and determines their measurement presentation and disclosure. The objective of the standard is to ensure that the company provides appropriate information that truthfully reflects those contracts.</p> <p>This information provides users of the financial statements with the basis for assessing the impact of insurance contracts on the company's financial position financial performance and cash flows.</p> <p>2- Egyptian Accounting Standard No. (50) replaces and cancels Egyptian Accounting Standard No. 37 "Insurance Contracts".</p>	<p>Management is currently evaluating the potential impact on the financial statements from the application of the standard.</p>	<p>Egyptian Accounting Standard No. (50) is effective for annual financial periods starting <b><u>on or after July 1 2024</u></b> and if the Egyptian Accounting Standard No. (50) shall be applied for an earlier period the company should disclose that fact.</p>

**EFG Holding Company**  
**(Egyptian Joint Stock Company)**

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<b>New or reissued standards</b>	<b>Summary of the most significant amendments</b>	<b>Potential impact on the financial statements</b>	<b>Effective date</b>
	<p>3- Any reference to Egyptian Accounting Standard No. (37) in other Egyptian Accounting Standards to be replaced by Egyptian Accounting Standard No. (50).</p> <p>4- The following Egyptian Accounting Standards have been amended to comply with the requirements of the application of Egyptian Accounting Standard No. (50) "Insurance Contracts" as follows:</p> <ul style="list-style-type: none"> <li>- Egyptian Accounting Standard No. (10) "Fixed Assets".</li> <li>- Egyptian Accounting Standard No. (23) "Intangible Assets".</li> <li>- Egyptian Accounting Standard No. (34) "Investment property".</li> </ul>		
Accounting Interpretation No. (2) "Carbon Reduction Certificates"	Carbon Credits Certificates: Are financial instruments subject to trading that represent units for reducing greenhouse gas emissions. Each unit represents one ton of equivalent carbon dioxide emissions and are issued in favor of the reduction project developer (owner/non-owner) after approval and verification in accordance with internationally recognized	The management is currently studying the financial implications of applying the accounting interpretation to the Company's financial statements.	The application starts on or after the first of January 2025 early adaption is allowed.

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New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements	Effective date
The new Egyptian Accounting Standard No. (51) "Financial Statements in Hyperinflationary Economies."	<p>standards and methodologies for reducing carbon emissions carried out by verification and certification bodies whether local or international registered in the list prepared by the Financial Regulatory Authority "FRA" for this purpose. Companies can use Carbon Credits Certificates to meet voluntary emissions reduction targets to achieve carbon trading or other targets which are traded on the Voluntary Carbon Market "VCM".</p> <p>1- This standard must be applied to financial statements including consolidated financial statements for any entity whose functional currency is in an economy classified as hyperinflationary.</p> <p>2- This standard applies to financial statements including independent and individual financial statements for any entity whose functional currency is in an economy classified as hyperinflationary. It also applies to any group that has foreign operations including branches subsidiaries sister</p>	The impact on the financial statements has not yet been determined until the application date is specified.	A decision will be issued by the Prime Minister or an authorized representative to specify the start and end dates for the financial period(s) during which this standard must be applied when the functional currency is the local currency taking into account the following: (a) This standard must be applied to the financial statements of the entity starting from the beginning of the financial period in

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New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements	Effective date
	companies joint ventures or others in an economy classified as hyperinflationary.		which the economy is classified as hyperinflationary.
	3- This standard requires the adjustment of financial statements prepared in the currency of a hyperinflationary economy aiming to provide useful information about the financial position of the entity its performance and changes in its financial position for a wide range of users to make economic decisions based on a fair presentation of the financial statements.		Comparative figures presented in the financial statements must be adjusted in accordance with the requirements of this standard. (b) As an exception to the requirements of paragraph 39 of Egyptian Accounting Standard No. 1 personal estimates may be used when applying this standard for accounting for foreign operations such as branches subsidiaries sister companies or joint ventures to determine whether the economy is hyperinflationary. (c) This standard must be applied to all entities whose functional currency is the currency in which the economy has been classified as hyperinflationary.