Emirates NBD

Financial Reports

Emirates NBD

Financial Statements And Auditors' Report For The Fiscal Year Ending On December 31st, 2023

UHY - UNITED United for Audit and Taxation	Deloitte – Wafik, Ramy and Partners Accountants and Auditors

Auditors' report

To the Shareholders of Emirates NBD "S.A.E"

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Emirates NBD "S.A.E." as of December 31, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with Central Bank of Egypt's rules pertaining to the preparation and presentation of the banks' financial statements, issued on December 16, 2008 as amended by the regulations issued on February 26, 2019 and in light of the prevailing Egyptian laws and regulations relating to the preparation of these financial statements.

Report on Legal and Other Regulatory Requirements

No material contravention, during the financial year ended December 31, 2023, of the provisions of Central Bank of Egypt and the Banking System Law No. 194 of 2020 has come to our attention as part of our audit of the financial statements.

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

The financial information included in the Board of Directors' report, prepared in accordance with the Companies Law No. 159 of 1981 and its Executive Regulations, is in agreement with the Bank's books of account.

Wafik Alfred Hanna	Nabil Akram Istanboli
Egyptian Financial Supervisory Authority	Egyptian Financial Supervisory Authority
Register No. "132"	Register No. "71"
Deloitte – Wafik, Ramy and Partners	**UHY - UNITED**
Accountants and Auditors	**United for Audit and Tax**

Cairo, January 31, 2024

Statement of financial position as at 31 December 2023

(All amounts are presented in thousand Egyptian pound)

	Notes	31 December 2023	31 December 2022
Assets			
Cash and cash balances at the Central Bank	(14)	12,124,152	9,660,055
Due from banks	(15)	14,732,747	17,990,185
Treasury bills	(16)	33,279,667	13,951,340
Loans and advances to customers (net)	(17)	55,716,763	42,903,594
Financial derivatives	(18)	55,519	52,521
Financial investments at fair value through profit and loss	(19.1)	4,854	4,822
Financial investments at fair value through OCI	(19.2)	6,419,626	8,862,023
Financial investments at amortized cost	(19.3)	3,573,497	5,379,003
Intangible assets	(20)	50,753	60,064
Other assets	(21)	1,436,983	1,374,673
Property, plant and equipment	(22)	724,100	699,848
Total assets		**128,118,661**	**100,938,128**
Liabilities and equity			
Liabilities			
Due to banks	(23)	7,674,351	1,927,257
Customers' deposits	(24)	102,655,829	85,220,075
Financial derivatives	(18)	67,316	52,143
Other Loans	(25)	2,227,555	2,226,906
Other liabilities	(26)	2,485,293	2,408,057
Other provisions	(27)	377,973	230,084
Current income tax liabilities		1,024,429	357,507
Deferred income tax liabilities	(28)	2,014	7,253
Total liabilities		**116,514,760**	**92,429,282**
Shareholder's equity			
Issued and paid up capital	(29)	5,000,000	5,000,000
Reserves	(30.1)	33,606	12,044
Retained earnings	(30.2)	6,570,295	3,496,802
Total shareholders' equity		**11,603,901**	**8,508,846**
Total liabilities and shareholders' equity		**128,118,661**	**100,938,128**

- The attached notes from 1 to 38 are an integral part of the financial statements and to be read therewith.
- Auditor's report attached.

Chief Financial Officer	Chief Executive Officer and Managing Director	Chairman
Tamer Sherif Ghannam	Amr Mohamed EL-Shafei	Hesham Abdulla Al Qassim

Emirates NBD - (S.A.E.)

Income statement for the year ended 31 December 2023

(All amounts are presented in thousand Egyptian pound)

	Note	31 December 2023	31 December 2022
Interest from loans and similar income	(6)	15,702,804	9,502,888
Cost of deposits and similar expenses	(6)	(8,439,039)	(5,211,803)
Net interest income		**7,263,765**	**4,291,085**
Fees and commissions income	(7)	1,523,617	818,717
Fees and commissions expenses	(7)	(404,584)	(284,576)
Net fees and commissions income		**1,119,033**	**534,141**
Dividends income		2,304	1,490
Net trading income	(8)	262,898	252,694
Gain on financial investment	(19)	32,545	39,393
Impairment charges of credit losses	(11)	(1,541,717)	(756,860)
Administrative expenses	(9)	(1,951,643)	(1,717,250)
Other operating expenses	(10)	(300,952)	(619,185)
Profits for the year before income tax		**4,886,233**	**2,025,508**
Income tax expense	(12)	(1,651,331)	(844,763)
Net profit for the year after income tax		**3,234,902**	**1,180,745**
Earnings per share (EGP/Share)	(13)	**59.05**	**21.88**

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- Auditor's report attached.

Chief Financial Officer	Chief Executive Officer and Managing Director	Chairman
Tamer Sherif Ghannam	Amr Mohamed EL-Shafei	Hesham Abdulla Al Qassim

Statement of Other Comprehensive Income for the year ended 31 December 2023

(All amounts are presented in thousand Egyptian pound)

	31 December 2023	31 December 2022
Net profit of the year	3,234,902	1,180,745
Items that may be reclassified in profit or loss:		
Net change in fair value of investments at fair value through other comprehensive income	(41,291)	(657,089)
Total other comprehensive income for the year	**(41,291)**	**(657,089)**
Total comprehensive income for the year, net of tax	**3,193,611**	**523,656**

- The attached notes from 1 to 38 are an integral part of the financial statements and to be read therewith.
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Chief Financial Officer	Chief Executive Officer and Managing Director	Chairman
Tamer Sherif Ghannam	Amr Mohamed EL-Shafei	Hesham Abdulla Al Qassim

Emirates NBD - (S.A.E.)

Statement of changes in shareholders' equity for the year ended 31 December 2023

(All amounts are presented in thousand Egyptian pound)

	Issued and paid up Capital	Legal Reserve	General Reserve	Special Reserve	Capital Reserve	Fair Value Reserve	General Banking Reserve	General Risk Reserve	Amount under capital increase	Retained earnings	Total
Balance as at 31 December 2021	1,700,000	459,770	24,196	190	4,581	35,024	292,457	117,695	3,300,000	2,102,894	**8,036,807**
Dividends paid for year 2021	-	-	-	-	-	-	-	-	-	(43,249)	**(43,249)**
Transferred to legal reserve	-	27,237	-	-	-	-	-	-	-	(27,237)	-
Transferred to general banking reserve	-	-	-	-	-	-	(292,017)	-	-	292,017	-
A percentage of the net profit for the year to the Banking System Strengthening and Development Fund	-	-	-	-	-	-	-	-	-	(8,368)	**(8,368)**
Net change in other comprehensive income	-	-	-	-	-	(657,089)	-	-	-	-	**(657,089)**
net income for the year	-	-	-	-	-	-	-	-	-	1,180,745	**1,180,745**
	3,300,000	-	-	-	-	-	-	-	(3,300,000)	-	-
Balance as of 31 December 2022	**5,000,000**	**487,007**	**24,196**	**190**	**4,581**	**(622,065)**	**440**	**117,695**	**-**	**3,496,802**	**8,508,846**
Balance as at 31 December 2022	5,000,000	487,007	24,196	190	4,581	(622,065)	440	117,695	-	3,496,802	**8,508,846**
Dividends paid for year 2022	-	-	-	-	-	-	-	-	-	(86,789)	**(86,789)**
Transferred to legal reserve	-	58,836	-	-	-	-	-	-	-	(58,836)	-
Transferred to capital reserve	-	-	-	-	4,017	-	-	-	-	(4,017)	-
A percentage of the net profit for the year to the Banking System Strengthening and Development Fund	-	-	-	-	-	-	-	-	-	(11,767)	**(11,767)**
Net change in other comprehensive income	-	-	-	-	-	(41,291)	-	-	-	-	**(41,291)**
Net profit for the year	-	-	-	-	-	-	-	-	-	3,234,902	**3,234,902**
Balance as of 31 December 2023	**5,000,000**	**545,843**	**24,196**	**190**	**8,598**	**(663,356)**	**440**	**117,695**	**-**	**6,570,295**	**11,603,901**

- The attached notes from 1 to 38 are an integral part of the financial statements and to be read therewith.
- Auditor's report attached.

Chief Financial Officer
Tamer Sherif Ghannam

Chief Executive Officer and Managing Director
Amr Mohamed EL-Shafei

Chairman
Hesham Abdulla Al Qassim

Emirates NBD - (S.A.E.)

Statement of cash flows for the year ended 31 December 2023

(All amounts are presented in thousand Egyptian pound)

	Note	31 December 2023	31 December 2022
Cash flows from operating activities			
Net profit for the year before tax		4,886,233	2,025,508
Adjustments to reconcile net profit to cash generated from operating activities			
Depreciation and amortization	(21,22)	150,935	138,837
Impairment charge for credit losses	(11)	1,292,981	764,437
Impairment for due from banks	(11)	67,188	2,642
Impairment for treasury bills	(11)	104,776	(1,394)
Impairment charge for investment at fair value through OCI	(11)	76,772	(8,827)
Impairment charge for other provisions	(27,10)	135,853	82,829
Amortization of premium of investment other than trading	(19)	(119,833)	(476,728)
Translation differences of investment at fair value through OCI		(301,471)	-
Gain from sale of fixed assets		-	(4,017)
Gain from sale non current assets held for sale		-	(15,850)
Translation differences of due from Banks impairment provision in foreign currencies		1,098	1,153
Translation differences of Treasury bills impairment provision in foreign currencies		239	926
Translation differences for reserve at fair value through OCI		(51,627)	5,338
Translation differences of other provisions in foreign currencies	(27)	12,036	18,675
Translation differences of other Loan		553,473	-
Used from provisions other than loan provisions	(30)	-	(400)
Operating income before changes in assets and liabilities provided from operating activities		**6,808,653**	**2,533,129**
Net Change in assets and liabilities			
Due from banks		(1,803,540)	(3,887,730)
Treasury bills		(2,907,762)	3,406,851
Financial investment for trading		(32)	387
Loans and advances to customers		(14,106,150)	(4,636,066)
Other assets		(35,226)	(170,177)
Due to banks		5,747,094	(886,637)
Customers' deposits		17,435,754	17,637,505
Financial derivatives (net)		12,175	(3,299)
Other liabilities		65,469	205,396
Income tax paid		(989,648)	(683,083)
Net cash flows provided from operating activities		**10,226,787**	**13,516,276**
Cash flows from investing activities			
Payments to acquire fixed assets and preparations of branches		(177,592)	(176,489)
Proceeds from sale of fixed assets		-	4,019
Proceeds from the sale of non-current assets held for sale		-	115,746
Proceeds from sale of financial investments other than trading		5,602,771	2,136,000
Purchase of financial investments other than trading		(1,000,000)	(820,500)
Payments to acquire intangible assets		(15,368)	(24,548)
Net cash flows (used in) / provided from investing activities		**4,409,811**	**1,234,228**
Cash flows from financing activities			
Proceeds from other loans		(552,824)	655,236
Dividends paid		(86,789)	(43,249)
Net cash flows used in financing activities		**(639,613)**	**611,987**
Net increase in cash and cash equivalents during the year		13,996,985	15,362,491
Cash and cash equivalents at the beginning of the year		23,784,102	8,421,611
Cash and cash equivalents at the end of the year		**37,781,087**	**23,784,102**
Cash and cash equivalents are represented as follows:-			
Cash and due from the Central Bank		12,124,152	9,660,055
Due from banks		14,805,093	17,994,245
Treasury bills		33,385,608	13,952,266
Obligatory reserve balance with Central Bank of Egypt (reserve ratio)		(10,457,578)	(8,654,038)
Treasury bills (maturity more than three months)		(12,076,188)	(9,168,426)
Total cash and cash equivalents at the end of the year		**37,781,087**	**23,784,102**

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- Auditor's report attached.

Chief Financial Officer	Chief Executive Officer and Managing Director	Chairman
Tamer Sherif Ghannam	Amr Mohamed EL-Shafei	Hesham Abdulla Al Qassim

Statement of proposed dividends distribution for the year ended 31 December 2023

(All amounts are presented in thousand Egyptian pound)

	31 December 2023	31 December 2022
Net profit of the year	3,234,902	1,180,745
Less : Profit from selling of fixed asset transferred to capital reserve as per law	-	(4,017)
Net profit available for distribution	**3,234,902**	**1,176,728**
Add: Retained earnings at the beginning of the year	3,335,393	2,316,057
Total	**6,570,295**	**3,492,785**
Appropriation as follow		
Legal reserve	161,745	58,836
Employees' profit share	282,316	86,789
(Less): Percentage of the net profit for the year for the Banking System Support and Development Fund as per law*	32,349	11,767
Retained earnings at the end of the year	6,093,885	3,335,393
Total	**6,570,295**	**3,492,785**

*According to Article (178) of the Central Bank and Banking System Law No. 194 of 2020 by deducting an amount not exceeding 1% of the distributable net annual profits for the benefit of the Banking System Support and Development Fund.

- The attached notes from 1 to 38 are an integral part of the financial statements and to be read therewith.
- Auditor's report attached.

Chief Financial Officer	Chief Executive Officer and Managing Director	Chairman
Tamer Sherif Ghannam	Amr Mohamed EL-Shafei	Hesham Abdulla Al Qassim

1 Legal form and activities

Emirates NBD - Egypt (S.A.E.) (the Bank) was incorporated on 12 May 1977 under the provisions of Law No. 43 of 1974 which was replaced by the Investment Guarantees and Incentives Law No. 8 of 1997 in the Arab Republic of Egypt. The Head office is located at El-teseen Street, New Cairo. Mr. Hesham Abdulla Qassim Al Qassim is the Chairman of the Bank.

Emirates NBD –Egypt (S.A.E) provide corporate, retail and investment banking activities inside and outside the Arab Republic of Egypt through Sixty-Seven branch and served by 2319 employees at the balance sheet date.

The financial statements have been approved by the member of the executive board member on behalf of the board of directors on 22 January 2024.

2 Summary of significant accounting policies

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

2.1 Basis of preparation of the financial statements

The separate financial statements have been prepared in accordance with the Central Bank of Egypt (CBE) rules approved by its Board of Directors on December 16, 2008. As well as in accordance with the instructions of preparing the financial statements of banks in accordance with the requirements of IFRS (9) Financial Instruments issued by the Central Bank of Egypt dating February 26, 2019.

2.2 Segment reporting

An operating segment is a group of assets and operations providing products or services whose risks and benefits are different from those associated with products or services provided by other operating segments. A geographical segment provides products or services within a specific economic environment characterized by risks and benefits different from those related to other geographical segments operating in a different economic environment.

2.3 Foreign currency translation

2.3.1 Functional and presentation currency

The financial statements of the bank are presented in the Egyptian pound which is the bank's functional and presentation currency.

2.3.2 Foreign currency transactions and balances

The Bank maintains its accounting records in Egyptian pounds. Transactions in foreign currencies during the year are translated into the Egyptian pounds using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at end of reporting year at the exchange rates then prevailing. Foreign exchange gains and losses resulting from settlement and translation of such transactions and balances are recognized in the income statement and reported under the following line items:-

- "Net trading income" or "net income from financial instruments designated at fair value through profit or loss" for assets and liabilities held for trading, as at fair value through profit or loss.

- Other operating income (expenses) for the remaining assets and liabilities.

  Changes in the fair value of investments in debt instruments; which represent monetary financial instruments denominated in foreign currencies and classified as FVOCI assets (debt instrument) are analyzed into differences resulting from changes in the amortized cost of the instrument, differences resulting from changes in the applicable exchange rates and differences resulting from changes in the fair value of the instrument. Valuation differences resulting from changes in the amortized cost are recognized in the income statement in "income from loans and similar revenues", whereas differences resulting from changes in foreign exchange rates are recognized in "other operating revenues and expenses". The remaining differences resulting from changes in fair value are deferred in equity and accumulated in the "fair value reserve in other comprehensive income".

- Valuation differences arising on the measurement of non-monetary items at fair value include gains or losses resulting from changes in foreign currency exchange rates used to translate those items. Total fair value changes arising on the measurement of equity instruments classified as at fair value through the profit or loss are recognized in the income statement, whereas total fair value changes arising on the measurement of equity instruments classified as FVTOCI are recognized directly in equity in the "Fair value revaluation reserve" in Other comprehensive income.

2.4 Treasury bills

Treasury bills are carried at the balance sheet at face value, net of unearned interest and expected credit loss provision.

2.5 Financial assets and financial liabilities

Financial assets classified as amortized cost, fair value through other comprehensive income (FVTOCI) and fair value through profit or loss (FVTPL). The classification depends on the business model of the financial assets that are managed with its contractual cash flow and is determined by management at the time of initial recognition.

Financial assets at amortized cost

The financial asset is retained in the business model of financial assets held to collect contractual cash flow.
The objective from this business model is to collect contractual cash flow which represented in principal and interest. The sale is an exceptional event for the purpose of this model and under the terms of the standard represented in following:

- Significant deterioration for the issuer of financial instrument;
- Lowest sales in terms of rotation and value;
- A clear and reliable documentation process for the justification of each sale and its conformity with the requirements of the standard.

Financial assets at fair value through other comprehensive income

The financial asset is retained in the business model of financial assets held to collect contractual cash flows and sales. Held to collect contractual cash flows and sales are integrated to achieve the objective of the model.
Sales are high in terms of turnover and value as compared to the business model retained for the collection of contractual cash flows.

Financial assets at fair value through profit or loss

The financial asset is held in other business models including trading, management of financial assets at fair value, maximization of cash flows through sale.

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

The characteristics of the business model are as follows:

- Structuring a set of activities designed to extract specific outputs.
- Represents a complete framework for a specific activity (inputs - activities - outputs);
- The business model can include sub-business models.

The following conditions are to be met in the financial assets that the Bank can classify on acquisition at fair value through profit or loss:

- Be on the stock exchange of domestic or foreign securities.
- To have an active transaction during the three months preceding the date of acquisition.

2.6 Offsetting of financial instruments

Financial assets and liabilities are offset when the bank has a legally enforceable right to offset the recognized amounts and it intention to settle the amount on a net basis, or realize the asset and settle the liability simultaneously.

2.7 Derivative financial instruments

Derivatives are initially recognized at fair value at the date the derivative contract is entered into and are subsequently re measured to their fair value at the end of each reporting year. Fair value is determined based on quoted market prices in an active market, recent market transactions, or valuation techniques, including discounted cash flow and options pricing models, as appropriate. All derivatives are presented as assets when their fair value is positive and as liabilities when their fair value is negative.

Derivatives embedded in other financial instruments, such as the conversion option in a convertible bond, are treated as separate derivatives when they meet the definition of a derivative and where their economic characteristics and risks are not closely related to those of the host contract, provided that the host contract is not measured at fair value through profit or loss.

This implied derivative are measured with fair value, changes in derivative are initially recognized at fair value through profit or loss in net trading income, and this implied derivative didn't separated unless the bank choose to classify host contract in full at fair value through profit or loss.

The timing of recognition in profit or loss, of any gains or losses arising from changes in the fair value of derivatives, depends on whether the derivative is designated as a hedging instrument, and the nature of the item being hedged. The Bank designates certain derivatives as hedging instruments of:

- The exposure to changes in fair value of recognized assets, liabilities or unrecognized firm commitments (fair value hedge);
- The exposure to variability in cash flows that is attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction (cash flow hedge); or
- Hedge of net investment in a foreign operation (Investment hedge).

2.8 Interest income and expense

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

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

The Bank ceases to recognize in profit or loss interest income on non-performing or impaired loans and receivables. It is rather marginalized and recorded off balance sheet in statistical records.
Interest income on these loans is recognized in revenue on a cash basis as follows:

- For retail, personal housing and small business loans: when interest income is collected and after recovery of all arrears.
- For corporate loans, interest income is also recognized on the cash-basis where subsequent interest is accreted on the loan in accordance with the reschedule arrangement until the bank collects 25% of the rescheduled installments, provided that payment of such installments continue for at least one year. Thereafter, and as the customer continues to pay the rescheduled installments, incremental interest accruing on the principal then outstanding (interest on the rescheduled performing loan) is recognized in revenues. Interest that is marginalized prior to the date when the loan becomes performing is not recognized in profit or loss except when the total balance of the loan, prior to that date, is paid in full.

2.9 Fees and commissions income

Fees charged for servicing a loan or facility are recognized as revenue as the service is provided. Fees and commissions on non-performing or impaired loans or receivables cease to be recognized as income and are rather recorded off balance sheet. These are recognized as revenue - on the cash basis – only when interest income on those loans is recognized in profit or loss, in which event, fees and commissions that are an integral part of the effective interest rate of a financial asset are treated as an adjustment to the effective interest rate of that financial asset and recognized in revenue.

Commitment fees received by the Bank to originate a loan are deferred if it is probable that the Bank will enter into a specific lending arrangement and are regarded as a compensation for an ongoing involvement with the acquisition of the financial instrument and recognized as an adjustment to the effective interest rate. If the commitment expires without the Bank making the loan, the fees are recognized as revenue on expiry.

Loan syndication fees received by the Bank are recognized as revenue when the syndication has been completed, provided that the Bank which arranges the loan retains no part of the loan package for itself or retains a part at the same effective interest rate for comparable risk as other participants.

Fees and commissions that are earned on negotiating or participating in the negotiation of a transaction in favor of third party, such as arrangements for the allotment of shares or another financial instrument or acquisition or sale of an enterprise on behalf of a client, are recognized as revenue when the transaction has been completed. Administrative consultations and other service fees are usually recognized as revenue on a straight-line basis over the year in which the service is rendered. Fees from financial planning management and custodian services provided to clients over long years are usually recognized as revenue on a straight-line basis over the year in which these services are rendered.

2.10 Dividends income

Dividends income on investments in equity instruments and similar assets is recognized in the income statement when the bank’s right to receive payment is established.

2.11 Agreement for purchase and resale & Agreement for selling and repurchasing

The financial instruments sold under repurchase agreement (Repo’s) are disclosed in asset side added to treasury bills and the financial instruments purchased under resell agreements (Reverse Repo’s) are discounted from treasury bills as it’s considered commitment or lending using treasury bills as collateral . The difference between selling price and repurchase price or between purchase price and resell price is recognized as (Debit /Credit) interest and worth over the year of the agreement using the real effective interest rate method.

2.12 Impairment of financial assets

The Bank reviews all its financial assets except for financial assets that are measured at fair value through profit or loss to assess the extent of impairment as described below.

Financial assets are classified at three stages at each reporting date:

- Stage 1: Financial assets that have not experienced a significant increase in credit risk since the date of initial recognition, and the expected credit loss is calculated for 12 months.
- Stage 2: Financial assets that have experienced a significant increase in credit risk since the initial recognition or the date on which the investments are made, and the expected credit loss is calculated over the life of the asset.
- Stage 3: Financial assets that have impaired in value and for which there is evidence that they have become troubled (irregular), which requires calculating their expected credit loss for the entire life of the asset based on the difference between the book value of loans and credit facilities and the present value of expected future cash flows.

The following are excluded from the calculation of expected credit losses:

- Deposits with banks have a maturity of one month or less from the date of the financial position.
- Current accounts at banks
- Balances with the Central Bank in local currency

Significant increase in credit risk

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

Quantitative criteria:

The quantitative criteria fall into two parts: First, the deterioration in the credit rating of the instrument, which is represented by a significant increase in the probability of failure during the remaining life of the instrument from the date of the financial position compared to the probability of failure during the remaining life expected upon initial recognition, according to the risk structure accepted by the bank. Secondly, a non-payment period of more than 30 days for the instrument.

According to the circular issued by the Central Bank of Egypt on December 14, 2021 regarding the temporary amendment of the treatment of non-performing loans to small and medium-sized companies so that they are considered irregular in the event of non-compliance with contractual terms, such as the presence of receivables equal to or exceeding 180 consecutive days. Note that the original period is 60 days, reduced at a rate of 10 days annually to become 30 days within 3 years from the date of application (2019).

The bank uses the external rating according to international rating agencies for debt instruments, loans, facilities and deposits with banks, financial institutions, and the Central Bank, which are aligned with the bank's internal rating categories and through which the deterioration in the credit rating mentioned above is measured to detect the fundamental increase in credit risk.

Qualitative criteria:

Retail loans, micro and small businesses.

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

- The borrower submits a request to convert short-term to long-term payments due to negative effects on the borrower's cash flows.
- Extension of the deadline for repayment at the borrower's request.
- Frequent Past dues over the previous 12 months.
- Future adverse economic changes affecting the borrower's future cash flows.

Corporate loans for small and medium size entities

If the borrower has a follow-up list and / or financial instrument faced one or more of the following events (For example and not restriction):

- A significant increase in the rate of return on the financial asset as a result of increased credit risk.
- Significant negative changes in the activity and physical or economic conditions in which the borrower operates.
- Request for scheduling as a result of difficulties facing the borrower or a fundamental change in the terms of the loan or credit facility/instrument as a result of difficulties.
- Scheduling request as a result of difficulties facing the borrower.
- Significant negative changes in actual or expected operating results or cash flows.
- Negative changes in any of the guarantees or guarantees provided by a third party or by the borrower and provided against obligations, which may lead to doubts about the borrower's commitment to cover the gap in exposure.
- Future economic changes affecting the borrower's future cash flows.
- Early indicators of cash flow / liquidity problems such as delays in servicing creditors / business loans.

Transfer between three stages 1.2.3:

Transfer from the second stage to the first stage:
The financial asset shall not be transferred from the second stage to the first stage unless all the quantitative and qualitative elements of the first stage are met and the full arrears of the financial asset and the proceeds are paid, and the account goes through a recuperation period to confirm regular payment of 12 months.

Transfer from the third stage to second:
The financial asset shall not be transferred from the third stage to the second stage until all the following conditions have been met:

-A completion of all quantitative and qualitative elements of the second stage

-Repayment of 25% of the balance of the outstanding financial assets, including occurred segregated /statistical interest

-Regularity of repayment for at least 12 months

The difference between the allowance account is considered according to the principles of creditworthiness (A) and the allowance account according to the expected credit loss (B), while if (A) > (B) the general bank risk reserve increases from the distribution of net profit and is included in equity. Property. If (A) < (B), the increase is returned to retained profits within the limits of what was previously created in the general bank risk reserve account.

2.13 Intangible Assets

Computer software
Expenditure on upgrade and maintenance of computer programs is recognized as an expense in the income statement when incurred. Expenditures directly incurred in connection with specific software are recognized as intangible assets if they are controlled by the Bank and when it is probable that they will generate future economic benefits that exceed its cost within more than one year. Cost of a computer software recognized as an asset shall be amortized over the year of expected benefits within a range of four to five years.

2.14 Fixed Assets

Property, plant and equipment

Property, plant and equipment basically comprise premises of the head office, branches and offices. All items of property, plant and equipment are carried at historical cost net of accumulated depreciation and accumulated impairment losses. Historical cost includes expenditures that are directly attributable to the acquisition of these assets.

Subsequent costs are included in the carrying amount of an item or recognized separately, as appropriate, only when it is probable that future economic benefits associated with that item will flow to the Bank and the cost of the item can be measured reliably. Repairs and maintenance expenses are recognized in profit or loss in “other operating costs” line item during the financial year in which they are incurred.

The Bank has modified the productive life of the new fixed assets as of 1 May, 2017 in order to unifying to the productive life of the group in Dubai and to consolidate the accounting policies used for all units owned by the Bank.

(In the notes all amounts are presented in thousand Egyptian pound unless otherwise stated)

Land is not depreciated. Depreciation is charged so as to write off the cost of other assets over their estimated useful lives, using the straight-line method to the extent of their estimated residual values. Depreciation rates as set out below.

Buildings	25-60 years
Facade	25-30 years
Public fixtures	10-20 years
Constructions and leasehold improvements	7-10 years
Computers hardware	4-5 years
ATM machines	5-7 years
Vehicles	3-5 years
Office equipment and vaults	5 years
Furniture and fixtures	5 years

The useful lives of constructions and leasehold improvements are 10 years for owner-occupied properties and 7 years for leased properties.

At the end of each reporting year, residual values and useful lives of items of property, plant and equipment are reviewed and adjusted, where appropriate. The Bank reviews the carrying amounts of its depreciable fixed assets for impairment whenever changes in circumstances or events indicate that the carrying amounts of those assets may not be recovered. Where the carrying amount of an asset exceeds its recoverable amount, the carrying amount is reduced to its recoverable amount. The recoverable amount of an asset is the higher of the asset's net realizable value or value in use.

Gains and losses on disposals are determined by comparing net proceeds with relevant carrying amount. These are included in profit or loss in other operating income (expenses) in the income statement.

2.15 Assets reverted to the Bank in settlement of debt.

Assets reverted to the Bank in settlement of debt are recognized with the value which reverted to the Bank with. This represent the debt value which the management decided to waive in exchange of the asset .and in case there is an objective evidence of an impairment loss in the value of these assets in later date, so the loss is measured as the difference between book value and current value of the future cash flow discounted by market rate of similar asset or net realizable value of the asset (whichever is higher) and this for each asset separately. Reduction of the book value of the asset through an impairment account and loss is recognized in income statement in (other operating income / expense), and if possible in any subsequent periods to link the decrease in impairment loss with an event happened after the impairment loss, so impairment loss is reversed to income statement and at the date of loss reversal, the assets should not exceed the initial value of the asset.

2.16 Impairment of non-financial assets:

Non-financial assets that do not have definite useful lives, except for goodwill, are not amortized. These are annually tested for impairment. Depreciable property and equipment are tested for impairment whenever changes in circumstances or events indicate that the carrying amounts of those assets may not be recovered. Impairment loss is recognized and the carrying amount of an asset is reduced to the extent that such carrying amount exceeds the asset's recoverable amount.

The recoverable amount of an asset is the higher of the asset's net realizable value or value in use. For the purpose of estimating the impairment loss, where it is not possible to estimate the recoverable amount of an individual asset, the bank estimates the recoverable amount of the cash-generating unit to which the asset belongs is estimated. At the end of each year, the bank reviews non-financial assets for which an impairment loss is recognized to assess whether or not all or part of such impairment losses should be reversed through profit or loss.

2.17 Leases

The accounting treatment for the finance lease is complied with law 95/1995, if the contract entitles the lessee to purchase the asset at a specified date and predefined value, or the current value of the total lease payments representing at least 90% of the value of the asset. The other leases contracts are considered operating leases contracts.

2.18 The Bank as a lessee

Finance lease contract recognizes the lease cost, including the cost of maintenance of the leased assets in the income statement for the period in which they occurred. If the Bank decides to exercise the right to purchase the leased asset the leased assets are capitalized and included in ‘property, plant and equipment’ and depreciated over the useful life of the expected remaining life of the asset in the same manner as similar asset.

2.19 Cash and cash equivalents

For the purpose of the cash flows statement, cash and cash equivalents comprise balances with maturities of less than three months from date of acquisition and include cash and balances at central banks, other than those under the mandatory reserve, current accounts at banks and treasury bills.

2.20 Other provisions

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

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations is remote.

When a provision is wholly or partially no longer required, it is reversed through profit or loss under other operating income (expenses) line item.

Provisions due within more than one year from the balance sheet date are measured at the present value of the best estimate of the consideration required to settle the present obligation, at the balance sheet date, using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. Where an obligation matures within one year or less, provisions are calculated based on undiscounted expected outflows unless the time value of money has a significant impact on the amount of provision, then it is measured at the present value.

2.21 Financial guarantees contracts

A financial guarantee contract is a contract issued by the bank as security for loans or overdrafts due from its clients to other entities that requires the bank to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantees are generally issued by the bank to beneficiary banks, corporations and other entities on behalf of the bank's clients.

When a financial guarantee is recognized initially, it is measured at its fair value plus, transaction costs that is directly attributable to the issue of such financial guarantee. After initial recognition, a financial guarantee contract issued by the bank is measured at the higher of:

- The amount initially recognized less, when appropriate, cumulative amortization of security fees recognized as income in profit or loss using the straight-line method over the term of the guarantee; and
- The best estimate for the payments required to settle any financial obligation resulting from the financial guarantee at the reporting date.

Such estimates are made based on experience in similar transactions and historical losses as guarantee, shall be recognized within other operating income (expenses) in the income statement.

2.22 Employees' benefits

Defined contribution plans

A defined contribution plan is a pension plan under which the Bank pays fixed contributions into a separate entity. The Bank has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to their service in the current and prior years. The Bank has two defined contribution plans, one of them to be paid to Social Insurance Authority and the other one to one of a fund management company.

The Bank pays contributions to the Social Insurance Authority and to fund manager where it shall be under no additional obligation once such contributions have been paid. Those contributions are recognized in profit or loss as employee benefits cost in the year when employees have rendered service entitling them to the contributions.

Employees profit share

The Bank pays to its employees a profit share as a percentage of the expected distributable cash dividends. Such employees profit share is charged to equity as part of dividends and recognized as a liability when it is approved by the Bank's general assembly. No obligation is recognized for the employees share in undistributed profits.

2.23 Income taxes

Income tax expense on the year's profit or loss represents the sum of the tax currently payable and deferred tax and is recognized in the income statement, except when they relate to items that are recognized directly in equity, in which case the tax is also recognized in equity.

The Bank's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting year, in addition to income tax adjustments related to previous years.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. However, when it is expected that the tax benefit will increase, the carrying amount of deferred tax assets shall increase to the extent of previous reduction.

Offsetting between deferred tax assets and liabilities is made if the Bank has legal right for doing such off setting and when income tax is associated to the same tax department.

2.24 Borrowings

Loans obtained by the bank are initially recognized at fair value net of transaction costs incurred in connection with obtaining the loan. Borrowings are subsequently measured at amortized cost, with the difference between net proceeds and the value to be paid over the borrowing period, recognized in profit or loss using the effective interest rate method.

2.25 Other loans

In accordance with the contract dated 15 February 2017 between Emirates NBD and European bank for construction and development (EBRD) The Bank has granted a loan of USD 125 million, the first tranche of which was issued on 28 February 2017 in the amount of USD 50 million, in light of the decision of the Central Bank of Egypt in its meeting held on 28 December 2016 To amend paragraph 2.3.2.6 of the instructions issued to banks on 24 December 2012 to allow international institutions or multilateral development banks to grant subsidized loans (deposits) provided that the conditions for listing in the second tranche are met at present value provided that the grants are unconditional or not designated For a certain activity or to meet assets of its own, and should be subject to the same treatment as the loans (deposits) supported by the bank, the Egyptian central bank.

The loan is backed by a variable rate of return determined in advance each month. The Bank has fulfilled all its contractual obligations during the year, which include repayment of the principal amount, the proceeds and any other obligations arising from the terms of the contract.

2.26 Capital

2-26 -1 Share issue costs

Issue costs directly attributable to the issue of new shares, issue of shares to effect an acquisition, or issue of share options, net of tax benefits, are deducted from equity.

2-26-2 Dividends

Dividends are recognized when the general assembly of shareholders approves them. Dividends include the employees' profit share and the board of directors' remuneration as prescribed by the Bank's articles of association and the corporate law.

2-26-3 Treasury stock

When the Bank acquires its own equity instruments, the cost of its treasury stock is deducted from total equity until it is cancelled. Where treasury stock is subsequently sold or reissued, all proceeds are added to equity. Any gains or losses resulting from such transactions are not recognized in profit or loss, but are rather recognized directly in equity.

2.27 Custodial activities

The Bank carries out Custodial activities that result in ownerships or management of assets on behalf of individuals, trusts, and retirement benefit plans and other institutions. These assets and income arising thereon are excluded from the Bank's financial statements, as they are not assets of the bank.

2.28 Comparatives

Comparative figures for financial assets and liabilities are reclassified to comply with the current year's financial statements presentation.

3 Financial instruments and management of relevant risks

3.1 Financial instruments

a. Financial instruments comprise financial assets and financial liabilities. Financial assets include cash balances, current accounts and deposits with banks, investments (except for those in subsidiaries) and loans to customers and banks. Financial liabilities include customers' deposits and due to banks.
The accounting policies and basis of recognition and measurement of the most significant financial instruments and their relevant income and expenses are disclosed in note (2) to the financial statements on the bases of proof and measurement of the most important financial instruments and associated revenues and expenses

b. Forward currency contracts
According to the Central Bank of Egypt' regulations, the bank does not enter into forward currency contracts except to the extent necessary to cover its needs of foreign currencies or to assist its customers to meet their foreign currencies obligations that may result from transactions carried out through the bank.

3.2 Management of financial risks

In conducting its activities, the bank is exposed to various financial risks. Since financial activities are based on the concept of accepting risks and analyzing and managing individual risks or group of risks altogether, the bank aims at achieving a well-balanced risks and relevant rewards, as appropriate and to reduce the probable adverse effects on the bank's financial performance. The most significant types of risks are credit risk, market risk (including interest rate risk and foreign currency risk), liquidity risk and other operating risks.

A) Credit risk

The bank takes on exposure to credit risk, which is the risk resulting from failure of counterparty to meet its contractual obligations. Credit risk is considered to be the most significant risk for the bank, therefore, requiring careful management. The credit risk manifests itself in the lending activities including loans and facilities and investments in debt instruments. Credit risk also arises from the clients' failure to honour their obligations, thus, requiring the bank to pay these obligations on their behalf (i.e. contingent liabilities). The credit risk management and control in cooperation with the investigation department are centralised in a credit risk management team in Bank Treasury report to the Board of Directors and head of each business unit on a regular basis.

Structure and organization of the bank's Risk Management.

The Bank has a Borrowing Limit System whereby borrowing decisions are approved through an official risk management officer, in accordance with Emirates NBD rules. Risk management is completely separate of the business segments despite the subordination of the risk manager to the managing director of the bank in the career hierarchy and remains directly subordinate of group risk management in the United Arab Emirates.

Loans and Advances for banks and customers

Credit approvals are obtained in accordance with the following procedures:

- Investigation Department issues a report based on meetings with the company's management and information collected from the market.
- Business Line meets the client and then issues the credit proposal based on the Investigation report, other collective information obtained and in light of the client's needs.
- Risk Department assesses the risk based on the credit proposal, Investigation report and on discussions with the Business Lines and then issues an opinion.
- A decision is taken by the appropriate level in accordance with the credit limits.

Bank concentration with foreign individual correspondent

The bank has available policies concerning concentrations for correspondent abroad as these policies aim at limiting the concentration for currencies, banks or countries.

Risk management objectives and policies and risk reporting or measurement systems

Emirates NBD deals only with clients who are sufficiently known to the bank or whose market reputation is not doubtful. Additionally, the client business is thoroughly investigated by investigation report in accordance with the Central Bank of Egypt instructions. The bank periodically checks the sources of the amounts deposited by clients.

For the borrowers and guarantors, the audited accounts of the last three years – when available - are required (except for fully secured facilities) including consolidated and non-consolidated information for entities that belong to groups. Special attention is required for off-balance elements and for changes in financial statements and its basis of preparation. As for individuals or smaller entities that do not provide financial information, the bank is obliged to exercise its best effort to determine the financial position of debtors, their resources, indebtedness and other relevant indications.

Emirates NBD Bank Egypt has a comprehensive internal rating system provided by the Group where the internal master scale ratings based on Moody's Risk Analyst (MRA) are mapped to the Central Bank ORR in line with the description of each group of ratings. MRA master scale encompasses 29 ratings (26 performing and 3 non-performing). Each Group of ratings (e.g., 1a, 1b, 1c…) has a specific description which reflects the creditworthiness of obligors within each category as well as the PD (Probability of Default). This is being used as the basis for the mapping to the ORR which is a 10-scale rating; of which 7 ratings are performing and 3 ratings are non-performing.

MRA supports sophisticated analysis of ratios and financial metrics. It produces a borrower rating and a 1-year probability of default (PD). Its assessment is created by combining a number of inputs. Each input is assessed individually, and then the scores are aggregated. This aggregated score is then mapped onto the data-type of the output. The inputs can have different datatypes. MRA is supported by Moody's and built in-house with inputs from concerned parties in the Group.

The following table provides an analysis of credit worthiness for corporations based on internal ratings compared with CBE ratings and includes rates of provisions needed for related to credit risks:

indication of CBE rating	CBE rating	Provision %	ENBD Master	ENBD Description
Low Risk	1	Zero %	1A	Excellent Credit Quality
	1		1B	
	1		1C	
	1		1D	
	1		1E	
	1		1F	
Modest Risk	2	1%	2A	Good Credit Quality
	2		2B	
	2		2C	
	2		2D	
	2		2E	
	2		2F	
Satisfactory Risk	3	1%	3A	Acceptable Credit Quality
	3		3B	
	3		3C	
	3		3D	
Adequate Risk	4	2%	3E	
	4		3F	
	4		3G	
Acceptable Risk	5	2%	4A	Weak credit quality
	5		4B	
	5		4C	
Marginally Acceptable Risk	6	3%	4D	Watch-List
	6		4E	
	6		4F	
Watch List	7	5%	5A	Special Monitoring
Substandard	8	20%	5B	Non Performing
Doubtful	9	50%	5C	Non Performing
Loss	10	100%	5D	Non Performing

Debt instruments, treasury bills and other governmental notes

The bank uses the external ratings for debt instruments and treasury bills. When those ratings are not available, the bank uses methods similar to those applied in the evaluation of its credit customers. Investments in such securities and treasury bills are regarded as providing better credit quality and as an available source of liquidity to meet the financing requirements.

Debt instruments, treasury bills and other governmental notes are rated, at the end of the financial year, by rating agencies. Based on Standard & Poor's and Fitch ratings, these debt instruments and treasury bills have been rated B-.

(In the notes all amounts are presented in thousand Egyptian pound unless otherwise stated)

Bank's policies and procedures for taking the collateral

The Bank accepts the following guarantees:

- Cash (cash covers, certificates of deposits, term deposits, treasury bills and government bonds).
- Personal and bank guarantees.
- Mortgage (commercial, real estate, and shares).
- Credit Risk Guarantee Company

Life insurance is highly recommended for all medium-term loans whether to individuals, professionals, or sole proprietorship entities. The guarantors are subject to the same review requirements as of those applied to primary debtors. All credits must have remuneration conditions superior to those agreed for the deposits received under guarantee.

Maximum credit risk limit before collaterals:

Maximum credit risk limit before collaterals: **In balance sheet credit risk exposure is shown below:**	**31 December 2023**	**31 December 2022**
Due from CBE (reserve ratio)	10,457,578	8,654,038
Gross Due from banks	14,805,093	17,994,245
Treasury bills	33,385,608	13,952,266
Retail Loans:		
Car loans	1,338,202	1,066,761
Credit cards	943,800	556,489
Personal loans	11,805,276	10,871,941
Corporate loans :		
Overdrafts	27,910,852	17,836,952
Direct loans	13,328,580	11,580,875
Syndicated loans	4,739,336	4,490,650
Gross Loans	**60,066,046**	**46,403,668**
Derivatives	55,519	52,521
Financial investment:		
Financial investments at fair value through Comprehensive income	6,386,201	8,839,352
Debt instruments at amortized cost	3,573,497	5,379,003
Other assets	876,643	1,062,065
Total	**129,606,185**	**102,337,158**

(In the notes all amounts are presented in thousand Egyptian pound unless otherwise stated)

The following table provides information on the quality of financial assets during the Financial Year ended 31 December 2023:

Due from banks	**Stage1 12 Months**	**Stage 2 Lifetime**	**Stage 3 Lifetime**	**Total**
Credit rating				
Performing Loans	11,213,095	3,591,998	-	14,805,093
Regular watch list	-	-	-	-
Special watch list	-	-	-	-
Non-performing loans	-	-	-	-
	11,213,095	**3,591,998**	**-**	**14,805,093**
Less: ECL	-	(72,346)	-	(72,346)
Carrying amount	**11,213,095**	**3,519,652**	**-**	**14,732,747**

Treasury Bills	**Stage1 12 Months**	**Stage 2 Lifetime**	**Stage 3 Lifetime**	**Total**
Credit rating				
Performing Loans	-	33,385,608	-	33,385,608
Regular watch list	-	-	-	-
Special watch list	-	-	-	-
Non-performing loans	-	-	-	-
Total	**-**	**33,385,608**	**-**	**33,385,608**
Less: ECL	-	(105,941)	-	(105,941)
Carrying amount	**-**	**33,279,667**	**-**	**33,279,667**

Retail loans	**Stage1 12 Months**	**Stage 2 Lifetime**	**Stage 3 Lifetime**	**Total**
Credit rating				
Performing Loans	13,601,676	-	-	13,601,676
Regular watch list	-	384,654	-	384,654
Special watch list	-	-	37,533	37,533
Non-performing loans	-	-	63,415	63,415
Total	**13,601,676**	**384,654**	**100,948**	**14,087,278**
Less: ECL	(87,039)	(57,161)	(85,568)	(229,768)
Carrying amount	13,514,637	**327,493**	**15,380**	**13,857,510**

(In the notes all amounts are presented in thousand Egyptian pound unless otherwise stated)

Corporate loans	**Stage1 12 Months**	**Stage 2 Lifetime**	**Stage 3 Lifetime**	**Total**
Credit rating				
Performing Debts	39,781,586	1,181,879	-	40,963,465
Regular watch list	237,110	2,281,399	-	2,518,509
Special watch list	-	218,633	-	218,633
Non-performing loans	-	-	2,278,161	2,278,161
Total	**40,018,696**	**3,681,911**	**2,278,161**	**45,978,768**
Less: ECL	(948,299)	(1,030,642)	(1,753,520)	(3,732,461)
Carrying amount	**39,070,397**	**2,651,269**	**524,641**	**42,246,307**

Debt instruments at fair value through other comprehensive income	**Stage1 12 Months**	**Stage 2 Lifetime**	**Stage 3 Lifetime**	**Total**
Credit rating				
Performing Debts	-	6,386,201	-	6,386,201
Regular watch list	-	-	-	-
Special watch list	-	-	-	-
Non-performing loans	-	-	-	-
Total	**-**	**6,386,201**	**-**	**6,386,201**
Less: ECL	-	(94,909)	-	(94,909)
Carrying amount	**-**	**6,291,292**	**-**	**6,291,292**

Debt instruments at amortized cost	Stage1 12 Months	Stage 2 Lifetime	Stage 3 Lifetime	Total
Credit rating				
Performing Debts	3,573,497	-	-	3,573,497
Regular watch list	-	-	-	-
Special watch list	-	-	-	-
Non-performing loans	-	-	-	-
Total	3,573,497	-	-	3,573,497
Less: ECL	-	-	-	-
Carrying amount	3,573,497	-	-	3,573,497

(In the notes all amounts are presented in thousand Egyptian pound unless otherwise stated)

The following table provides changes in expected Credit Loss ECL between the beginning and end of the year as a result of these circumstances:

Due from banks	Stage1 12 Months	Stage 2 Lifetime	Stage 3 Lifetime	Total
Provision for impairment losses from 1 January 2023	4,060	-	-	4,060
New financial assets purchased or issued	-	93,175	-	93,175
Financial assets have been matured or derecognized	-	(25,987)	-	(25,987)
Transfer to stage 1	-	-	-	-
Transfer to stage2	(4,060)	4,060	-	-
Transfer to stage 3	-	-	-	-
written-off during the year	-	-	-	-
Foreign exchange translation differences	-	1,098	-	1,098
Balance at the end of the financial year	**-**	**72,346**	**-**	**72,346**

Treasury Bills	Stage1 12 Months	Stage 2 Lifetime	Stage 3 Lifetime	Total
Provision for impairment losses from 1 January 2023	926	-	-	926
New financial assets purchased or issued	-	111,055	-	111,055
Financial assets have been matured or derecognized	(926)	(5,353)	-	(6,279)
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
written off during the Year	-	-	-	-
Foreign exchange translation differences	-	239	-	239
Balance at the end of the financial year	**-**	**105,941**	**-**	**105,941**

Retail loans	Stage1 12 Months	Stage 2 Lifetime	Stage 3 Lifetime	Total
Provision for impairment losses from 1 January 2023	62,052	64,884	77,136	204,072
Net impairment losses recognized during the year	14,800	(44,167)	130,054	100,687
loans written off during the year	-	-	(121,622)	(121,622)
Proceeds from loans previously written off	10,187	36,444	-	46,631
Foreign exchange translation differences	-	-	-	-
Balance at the end of the financial Year	**87,039**	**57,161**	**85,568**	**229,768**

(In the notes all amounts are presented in thousand Egyptian pound unless otherwise stated)

corporate loans	Stage1 12 Months	Stage 2 Lifetime	Stage 3 Lifetime	Total
Provision for impairment losses from 1 January 2023	407,645	694,569	2,041,465	3,143,679
New financial assets purchased or issued	503,086	984,173	660,685	2,147,944
Financial assets have been matured or derecognized	(38,629)	(652,704)	(264,317)	(955,650)
Transfer to stage 1	76,384	(76,384)	-	-
Transfer to stage 2	(14,612)	14,612	-	-
Transfer to stage 3	(1,162)	(141,294)	142,456	-
Proceeds from previously written off debts	-	132,603	-	132,603
written off during the year	-	-	(952,393)	(952,393)
Foreign exchange translation differences	15,587	75,067	125,624	216,278
Balance at the end of the financial year	**948,299**	**1,030,642**	**1,753,520**	**3,732,461**

Debt instruments at fair value through other comprehensive income	Stage1 12 Months	Stage 2 Lifetime	Stage 3 Lifetime	Total
Provision for impairment losses from 1 January 2023	13,915	-	-	13,915
New financial assets purchased or issued	-	133,908	-	133,908
Financial assets have been matured or derecognized	(13,915)	(43,221)	-	(57,136)
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
written off during the year	-	-	-	-
Foreign exchange translation differences	-	4,222	-	4,222
Balance at the end of the financial year	**-**	**94,909**	**-**	**94,909**

Provision for contingent liabilities (corporate)	Stage1 12 Months	Stage 2 Lifetime	Stage 3 Lifetime	Total
Provision for impairment losses from 1 January 2023	133,302	62,483	27,323	223,108
New financial assets purchased or issued	181,564	36,278	32,946	250,788
Financial assets have been matured or derecognized	(49,866)	(45,943)	(16,073)	(111,882)
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
written off during the year	-	-	-	-
Foreign exchange translation differences	11,410	1,188	(1,347)	11,251
Balance at the end of the financial year	**276,410**	**54,006**	**42,849**	**373,265**

(In the notes all amounts are presented in thousand Egyptian pound unless otherwise stated)

The following table provides information on the quality of financial assets during the Financial year ended 31 December 2022:

Due from banks	Stage1 12 Months	Stage 2 Lifetime	Stage 3 Lifetime	Total
Credit rating				
Performing Debts	10,538,991	7,455,254	-	17,994,245
Regular watch list	-	-	-	-
Special watch list	-	-	-	-
Non-performing loans	-	-	-	-
	10,538,991	**7,455,254**	**-**	**17,994,245**
Less: ECL	(4,060)	-	-	(4,060)
Carrying amount	**10,534,931**	**7,455,254**	**-**	**17,990,185**

Treasury Bills	Stage1 12 Months	Stage 2 Lifetime	Stage 3 Lifetime	Total
Credit rating				
Performing Debts	13,952,266	-	-	13,952,266
Regular watch list	-	-	-	-
Special watch list	-	-	-	-
Non-performing loans	-	-	-	-
	13,952,266	**-**	**-**	**13,952,266**
Less: ECL	-926	-	-	(926)
Carrying amount	**13,951,340**	**-**	**-**	**13,951,340**

Retail loans	Stage1 12 Months	Stage 2 Lifetime	Stage 3 Lifetime	Total
Credit rating				
Performing Debts	11,418,047	-	-	11,418,047
Regular watch list	-	971,786	-	971,786
Special watch list	-	-	-	-
Non-performing loans	-	-	105,357	105,357
	11,418,047	**971,786**	**105,357**	**12,495,190**
Less: ECL	(62,052)	(64,885)	(77,135)	(204,072)
Carrying amount	**11,355,995**	**906,901**	**28,222**	**12,291,118**

(In the notes all amounts are presented in thousand Egyptian pound unless otherwise stated)

Debt instruments at fair value through other comprehensive income	Stage1 12 Months	Stage 2 Lifetime	Stage 3 Lifetime	Total
Credit rating				
Performing Debts	8,839,352	-	-	8,839,352
Regular watch list	-	-	-	-
Special watch list	-	-	-	-
Non-performing loans	-	-	-	-
	8,839,352	**-**	**-**	**8,839,352**
Less: ECL	(13,915)	-	-	(13,915)
Carrying amount	**8,825,437**	**-**	**-**	**8,825,437**

Debt instruments at amortized cost	Stage1 12 Months	Stage 2 Lifetime	Stage 3 Lifetime	Total
Credit rating				
Performing Debts	5,379,003	-	-	5,379,003
Regular watch list	-	-	-	-
Special watch list	-	-	-	-
Non-performing loans	-	-	-	-
	5,379,003	**-**	**-**	**5,379,003**
Less: ECL	-	-	-	-
Carrying amount	**5,379,003**	**-**	**-**	**5,379,003**

The following table shows the changes in expected credit losses (ECL) between the beginning and the end of the year 31 December 2022 as a result of these factors:

Due from banks	Stage1 12 Months	Stage 2 Lifetime	Stage 3 Lifetime	Total
Provision for impairment losses from 1 January 2022	266	-	-	266
New financial assets purchased or issued	6,847	-	-	6,847
Financial assets have been matured or derecognized	(4,204)	-	-	(4,204)
Transfer to stage 1	-	-	-	-
Transfer to stage2	-	-	-	-
Transfer to stage 3	-	-	-	-
written-off during the year	-	-	-	-
Foreign exchange translation differences	1,151	-	-	1,151
Balance at the end of the financial year	**4,060**	**-**	**-**	**4,060**

(In the notes all amounts are presented in thousand Egyptian pound unless otherwise stated)

Treasury Bills	Stage1 12 Months	Stage 2 Lifetime	Stage 3 Lifetime	Total
Provision for impairment losses from 1 January 2022	1,394	-	-	1,394
New financial assets purchased or issued	5,254	-	-	5,254
Financial assets have been matured or derecognized	(6,648)	-	-	(6,648)
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
written off during the year	-	-	-	-
Foreign exchange translation differences	926	-	-	926
Balance at the end of the financial year	**926**	**-**	**-**	**926**

Retail loans	Stage1 12 Months	Stage 2 Lifetime	Stage 3 Lifetime	Total
Provision for impairment losses from 1 January 2022	45,859	87,227	98,166	231,252
Net impairment losses recognized during the year	14,947	(52,754)	120,636	82,829
written off during the year	-	-	(141,666)	(141,666)
Proceeds from loans previously written off	1,246	30,411	-	31,657
Foreign exchange translation differences	-	-	-	-
Balance at the end of the financial year	**62,052**	**64,884**	**77,136**	**204,072**

Corporate loans	Stage1 12 Months	Stage 2 Lifetime	Stage 3 Lifetime	Total
Provision for impairment losses from 1 January 2022	197,712	605,193	1,372,701	2,175,606
New financial assets purchased or issued	155,388	131,259	449,507	736,154
Financial assets have been matured or derecognized	(115,176)	60,631	-	(54,545)
Transfer to stage 1	88,660	(88,660)	-	-
Transfer to stage 2	(65,389)	65,389	-	-
Transfer to stage 3	(31,793)	(77,993)	109,786	-
loans written off during the year	-	-	(2,905)	(2,905)
Foreign exchange translation differences	178,243	(1,250)	112,376	289,369
Balance at the end of the financial year	**407,645**	**694,569**	**2,041,465**	**3,143,679**

(In the notes all amounts are presented in thousand Egyptian pound unless otherwise stated)

Debt instruments at fair value through other comprehensive income	**Stage1**	**Stage 2**	**Stage 3**	**Total**
	12 Months	**Lifetime**	**Lifetime**	
Provision for impairment losses from 1 January 2022	17,404	-	-	17,404
New financial assets purchased or issued	1,199	-	-	1,199
Financial assets have been matured or derecognized	(10,026)	-	-	(10,026)
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Foreign exchange translation differences	5,338	-	-	5,338
Balance at the end of the financial year	**13,915**	**-**	**-**	**13,915**

Provision for contingent liabilities (Corporate)	**Stage1 12 Months**	**Stage 2 Lifetime**	**Stage 3 Lifetime**	**Total**
Provision for impairment losses from 1 January 2022	39,598	57,973	22,697	120,268
New financial assets purchased or issued	96,763	52,119	6,762	155,644
Financial assets have been matured or derecognized	(13,088)	(54,936)	(2,408)	(70,432)
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Foreign exchange translation differences	10,029	7,327	272	17,628
Balance at the end of the financial year	**133,302**	**62,483**	**27,323**	**223,108**

Off balance sheet items exposed to credit risks:

	31 December 2023	**31 December 2022**
Loans commitments non-cancellable	720,236	673,579
Letters of acceptance	1,492,549	1,971,057
Letters of credit	1,747,489	1,284,853
Letters of guarantees	14,062,727	10,273,264
Total	**18,023,001**	**14,202,753**

(In the notes all amounts are presented in thousand Egyptian pound unless otherwise stated)

Bank's risk management objectives and measurement

The Bank established a complete comprehensive system to control and report on risk management. That system covers all activities of the Bank, and used to insure that loan agreements are properly implemented (in terms approved and used limits) and related acceptable risks are effectively controlled.

For corporate credit, the following reports are issued and reviewed prior to loan approvals:

- Appropriate credit approval level.
- Validity/Periodical of the agreements signed by the borrower.
- Level and validity /periodical of securities.
- Data recorded in the system are in line with approved limit.

Impairment and provisioning policies

Risk Management reviews all corporate and retail loans on monthly basis in order to determine provisions required according to CBE rules and internal bank rating which were previously approved by the CBE. The major balance of provision is related to last two rating levels. The table below shows balance sheet items related to loans and facilities based on CBE ratings as follows:

Bank Rating	**31-December-23**		**31-December-22**	
	Loans and facilities %	**Impairment loss %**	**Loans and facilities %**	**Impairment loss %**
Performing loans	92%	54%	88%	19%
Regular watch list	4%	0%	6%	18%
special watch list	0%	0%	1%	0%
Non-performing loans	4%	46%	5%	63%
	100%	**100%**	**100%**	**100%**

The criteria adopted by the Bank help to determine that there is objective evidence of an impairment loss include:

- Significant financial difficulties of the issuer or obligor.
- Breach of contract such as default in interest or principal payment.
- It becomes probable that the borrower will enter bankruptcy or other financial reorganization.
- Deterioration of the borrower's competitive position.
- The bank, for economic or legal reasons relating to the borrower's financial difficulties, granting to the borrower a concession that the bank would not otherwise consider.
- Deterioration in the value of collateral.
- Downgrading the credit status.

Collective impairment is made for groups of assets having similar credit characteristics using the statistical techniques and management judgement and experience.

The bank's policies for avoiding excessive risk concentration.

In addition to carefully selecting and evaluating individual risks, the diversity of the Bank's credit portfolio is an essential element in managing its risks. Same as the geographic importance, the sector-related component represents an essential element in risk analysis, its follow-up and the portfolio management. The Bank must maintain a precise knowledge of industrial sectors through the evolution of their major companies, of macro-economic data, as well as technical and regulatory evolutions.

The Bank adheres to avoid excessive concentrations of risks over countries where the political and economic infrastructures are known to be weak. In this concept, envelopes of country risks are fixed by the CCDG.

The Risk Department should verify regularly the dispersion of risk and should establish, if necessary, conduct rules in this matter. An analysis showing excessive concentration, or a negative economic evolution of a particular sector is the opportunity for making decisions that aim at reducing or containing the Bank's exposure to a particular sector, or to redefine its credit policy regarding the sector.

All the standard short-term facilities for financing the working investment and medium-term loans for financing the assets are proposed. Emirates NBD Egypt complies with the following CBE rules:

- Any Single obligor exposure should not exceed 15% of the Bank's capital base.
- Exposure with a business group should not exceed 20% of the Bank's capital base.
- The total exposure with the clients of which each individual exposure totalizes more than 10% of the Bank's capital base should not exceed 8 times the Bank's capital base.
- The total amount of the loans granted by the Bank to corporate for financing acquisition is limited to 5% maximum of the total amount of the outstanding when such loan is requested.

Following is a summery for the Banks' exposure at balance sheet date:

As of 31 December 2023, the loans portfolio consists of

As per CBE rating (in Millions)

CBE Rating	Utilization for corporate	
	Cash	Non-Cash
1	-	-
2	-	1
3	9,578	4,328
4	23,996	8,303
5	7,388	3,375
6	2,519	543
7	219	42
8	38	-
9	5	3
10	2,236	58
Total	**45,979**	**16,653**

The above do not include non-funded utilization of EGP 3,642M representing letters of guarantees requested by banks. Values of collaterals are not excluded from the above information.

(In the notes all amounts are presented in thousand Egyptian pound unless otherwise stated)

CBE Rating	Utilization for retail	
	Cash	Non-Cash
Stage 1	13,601	-
Stage 2	385	2
Stage 3	101	-
Total	**14,087**	**2**

The quality of the portfolio is good as non-performing loans represent 3.18 % of the total portfolio. Assets that require full cover are decreased to reach (104%). Therefore, the net exposure to the doubtful clients remains very low.

Following is the position of loans and advances in terms of delinquency:

	31 December 2023	31 December 2022
Neither past due nor impaired	34,566,381	38,295,215
Past due but not impaired	23,120,556	5,594,157
Individually impaired	2,379,109	2,514,296
Gross	**60,066,046**	**46,403,668**
Less: unamortized commission related to loan issuance	(387,054)	(152,323)
Less: impairment loss provision	(3,962,229)	(3,347,751)
Net	**55,716,763**	**42,903,594**

- As of December 31, 2023, total balance of loan impairment loss amounted to EGP 3,962,229K which includes EGP 1,839,088K for individually impaired loans EGP 2,123,141K represents collective impairment, (EGP 3,347,751K as of 31 December, 2022 includes EGP 2,118,600K for individually impaired loan and EGP 1,229,151K represents collective impairment). Note (17) includes more information about loan and facilities to customer impairment losses.

Loans and facilities neither past due nor impaired

Credit quality of the loan portfolio that is neither past due nor impaired is assessed by reference to Bank's internal rating.

31 December 2023

	Loans and facilities to customers							
	Retail				Corporate			
Rating	Auto Loans	Credit Cards	Personal Loans	Mortgage Loans	Overdraft	Direct Loans	Syndicated loans	Total
Performing loans	1,252,244	803,505	10,463,145	-	7,227,598	8,908,024	3,174,816	31,829,332
Regular watch list		-	-	-	1,130,867	277,033	1,110,517	2518417
Special watch list	-	-	-	-	78,533	140,099	-	218,632
Total	**1,252,244**	**803,505**	**10,463,145**	**-**	**8,436,998**	**9,325,156**	**4,285,333**	**34,566,381**

(In the notes all amounts are presented in thousand Egyptian pound unless otherwise stated)

31 December 2022

	Loans and facilities to customers							
	Retail				Corporate			
Rating	Auto Loans	Credit Cards	Personal Loans	Mortgage Loans	Overdraft	Direct Loans	Syndicated loans	Total
Performing loans	978,965	437,787	9,903,897	-	11,206,376	9,775,245	2,977,962	35,280,232
Regular watch list		-	-	-	1,430,577	403,867	926,431	2,760,875
Special watch list	-	-	-	-	109,365	144,743	-	254,108
Total	**978,965**	**437,787**	**9,903,897**	**-**	**12,746,318**	**10,323,855**	**3,904,393**	**38,295,215**

Loans and facilities past due but not impaired

This represents loans and facilities which have past due up till 90 days but not impaired unless other information available that proves the opposite.

Retail

31 December 2023	**Auto Loans**	**Credit cards**	**Personal loans**	**Mortgage loans**	**Total**
Past due but not impaired up to 30 days	50,313	114,731	905,053	-	1,070,097
Past due but not impaired more than 30 days up to 60 days	16,749	15,001	238,477	-	270,227
Past due but not impaired more than 60 up to till 90 days	7,258	6,032	113,822	-	127,112
Total	**74,320**	**135,764**	**1,257,352**	**-**	**1,467,436**

Corporate

31 December 2023	**Overdrafts**	**Direct loans**	**Syndicated loans**	**Total**
Past due but not impaired up to 30 days	17,263,173	2,909,715	454,003	20,626,891
Past due but not impaired more than 30 days up to 60 days	801,520	70,089	-	871,609
Past due but not impaired more than 60 days up to 90 days	95,376	59,244	-	154,620
Total	**18,160,069**	**3,039,048**	**454,003**	**21,653,120**

On initial recognition for loans and facilities, fair value of collateral is assessed based on the valuation techniques used for similar assets, On subsequent years fair value is updated to reflect the market price or market price of similar assets. And this collateral and not recognized until it's acquired by the bank to settle doubtful debts.

Retail

31 December 2022	**Auto Loans**	**Credit cards**	**Personal loans**	**Mortgage loans**	**Total**
Past due but not impaired up to 30 days	39,434	97,398	486,763	-	623,595
Past due but not impaired more than 30 days up to 60 days	29,637	12,230	251,982	-	293,849
Past due but not impaired more than 60 up to till 90 days	8,601	4,124	139,015	-	151,740
Total	**77,672**	**113,752**	**877,760**	**-**	**1,069,184**

(In the notes all amounts are presented in thousand Egyptian pound unless otherwise stated)

Corporate

31 December 2022	Overdrafts	Direct loans	Syndicated loans	Total
Past due but not impaired up to 30 days	2,232,853	355,627	586,257	3,174,737
Past due but not impaired more than 30 days up to 60 days	515,440	86,316	-	601,756
Past due but not impaired more than 60 days up to 90 days	575,584	172,896	-	748,480
Total	**3,323,877**	**614,839**	**586,257**	**4,524,973**

Loans and facilities to customers

Loans and advances individually impaired amounted to EGP 2,379,109K at 31 December 2023 compared to EGP 2,514,296K at 31 December 2022.

Following is an analysis for individually impaired loans and advances including fair value of collaterals reverted to the bank in settlement of debts:

	Retail				Corporate		
31 December 2023	Auto Loans	Credit cards	Personal loans	Mortgage loans	Overdrafts	Direct loans	Total
Individually impaired	11,638	4,531	84,779	-	1,313,785	964,376	2,379,109
31 December 2022							
Individually impaired	10,123	4,950	90,284	-	1,766,757	642,182	2,514,296

All collateral kept with the Bank related to impaired assets are represented in cheques and promissory note in the name of the Bank at the value of related loans.

Loans and advances restructured.

Restructuring activities include extended payment arrangements; execute obligatory management programs, modification and deferral of payments. Restructured policies and practices are based on indicators or criteria which, in the judgment of local management, indicate that payment will most likely continue. These policies are kept under continuous review. Restructuring is most commonly applied to long term loans; in particular customer finance loans.

(In the notes all amounts are presented in thousand Egyptian pound unless otherwise stated)

	31 December 2023	31 December 2022
Loans and facilities:	-	-
Retail:	-	-
Personal loans	716	-
Total	**716**	**-**

Customers' loans distributed in industry sectors are as follows:

	31 December 2023	31 December 2022
Agriculture sector	97,487	49,933
Industrial sector	19,126,066	14,009,072
Commercial sector	5,146,602	4,909,734
Household sector	14,087,371	12,495,263
Service sector	21,608,520	14,939,666
Total	**60,066,046**	**46,403,668**

Concentration of financial assets exposed to credit risk

Geographical sectors

The following table breaks down the bank's main credit exposure at their book values categorized by geographical region at the end of the current financial year. For this table, the bank has allocated exposures on geographic sector.

	Cairo	Alexandria, Delta and Sinai	Upper Egypt	Outside Egypt	Total
Central Bank of Egypt Reserve	10,457,578	-	-	-	**10,457,578**
Due from banks	11,213,095	-	-	3,591,998	**14,805,093**
Treasury bills	33,385,608	-	-	-	**33,385,608**
Loans and facilities to customers:	-	-	-	-	
Retail loans:	-	-	-	-	
Auto loans	1,151,996	153,280	32,926	-	**1,338,202**
Credit cards	653,974	243,041	46,785	-	**943,800**
Personal loans	8,265,625	2,635,640	904,011	-	**11,805,276**
Corporate loans:	-	-	-	-	
Overdrafts	23,367,103	4,382,763	160,986	-	**27,910,852**
Direct loans	11,159,399	1,982,817	186,364	-	**13,328,580**
Syndicated loans	4,640,509	98,827	-	-	**4,739,336**
Derivatives	55,519	-	-	-	**55,519**
Financial investments at fair value through profit and loss	4,854	-	-	-	**4,854**
Financial investments					
Financial investments at fair value through other comprehensive income	6,419,626	-	-	-	**6,419,626**
Financial investments at amortized cost	3,573,497	-	-	-	**3,573,497**
Other assets	876,643	-	-	-	**876,643**
Total as at 31 December 2023	**115,225,026**	**9,496,368**	**1,331,072**	**3,591,998**	**129,644,464**
Total as at 31 December 2022	**87,599,038**	**9,345,029**	**1,336,600**	**4,078,999**	**102,359,666**

(In the notes all amounts are presented in thousand Egyptian pound unless otherwise stated)

Industry sectors

The following table breaks down the main credit exposure at their book value categorized by the industry sectors of our counterparties.

	Financial Institutions	Manufacturing	Mortgage	Wholesale& retail trade	Government sector	Others	Retail	Total
Central Bank of Egypt Reserve	-	-	-	-	10,457,578	-	-	**10,457,578**
Due from banks	10,251,049	-	-	-	4,554,044	-	-	**14,805,093**
Treasury bills	-	-	-	-	33,385,608	-	-	**33,385,608**
Loans & facilities to customers:	-	-	-	-	-	-	-	
Retail Loans:	-	-	-	-	-	-	-	
Auto loans	-	-	-	-	-	-	1,338,202	**1,338,202**
Credit cards	-	-	-	-	-	-	943,800	**943,800**
Personal loans	-	-	-	-	-	-	11,805,276	**11,805,276**
Corporate loans:	-	-	-	-	-	-	-	
Overdrafts	299,602	12,010,648	8,649,740	3,657,908	1,009,082	2,283,872	-	**27,910,852**
Direct loans	4,440,061	5,235,359	490,726	1,934,962	945,081	282,391	-	**13,328,580**
Syndicated loans	-	1,416,293	1,120,957	16,103	1,875,287	310,696	-	**4,739,336**
Derivatives	-	-	-	-	-	55,519	-	**55,519**
Financial investments at fair value through profit and loss	-	-	-	-	4,854	-	-	**4,854**
Financial investments								
Financial investments at fair value through other comprehensive income	-	-	-	-	6,415,954	3,672	-	**6,419,626**
Financial investments at amortized cost	-	-	-	-	3,573,497	-	-	**3,573,497**
Other assets	-	-	-	-	-	876,643	-	**876,643**
Total as at 31 December 2023	**14,990,712**	**18,662,300**	**10,261,423**	**5,608,973**	**62,220,985**	**3,812,793**	**14,087,278**	**129,644,464**
Total as at 31 December 2022	**11,723,862**	**12,836,706**	**5,252,937**	**6,548,861**	**49,763,164**	**3,738,945**	**12,495,191**	**102,359,666**

Market Risk

The Bank is exposed to market risk represented by fluctuations in the fair value or future cash flows resulting from changes in market prices. Market risk results from open positions in rate of return, currency and equity products, each of which is exposed to general and specific market movements and changes in the level of sensitivity to market rates or prices such as rates of return, exchange rates and equity instrument prices. The bank separates the extent of its exposure to market risk into portfolios for trading or for non-trading purposes.

- **Interest rate risk**

The bank is exposed to the effects of fluctuations in the levels of return rates prevailing in the market, which is the risk that the value of a financial instrument with a fixed return rate may fluctuate, or the risk of the fair value of the return rate, which is the risk of fluctuations in the value of the financial instrument as a result of changes in return rates in the market, and the future cash flows of financial instruments with a return rate. Variable and the return margin may increase as a result of these changes, but profits may decrease in the event of unexpected movements.

- **Foreign currency volatility risk**:

The bank is exposed to the risk of fluctuations in foreign exchange rates affecting the financial position and cash flows. The management has set limits for foreign currencies based on the total value of each of the positions at the end of the day as well as during the day, which is monitored in real time.

- **Price risk**

They arise from changes in market prices and may relate, for example, to changes in the prices of stocks, stock market indices or commodities. Variable return securities, financial derivatives and commodity derivatives are exposed to market price risk.

Market risks arise mainly from the trading book transactions carried out by the investment team and supervised by the Market Risk Department.

The bank monitors these risks through market risk management, including the following:

- Defining and analyzing criteria and quantification of sensitivities that reflect underlying market risks.
- Work with business units to set limits on sensitivities and other comprehensive key indicators such as (VAR) Value at Risk.
- Issuing reports to executive management and senior heads of business lines.
- Setting limits for various market risks.

Confirming with exceed the granted limits: Special approvals may be granted on a case-by-case basis to change the limits temporarily or permanently. The amount exceeding the limit will be disclosed in accordance with the procedures followed, and the necessary measures will be taken based on the level of delegated authority in that regard.

Measurement of market risk on trading activities

Overview

Market risk on trading activities is measured using two different methods (VAR and sensitivity tests) designed to aggregate all risk probabilities, including potential changes resulting from a sudden and sharp decline in market conditions, in addition to the following limits:

Stop Loss & NOP (Net open position)

Measurement of market risk under normal market conditions as follows:

(VAR) – Value at Risk: This statistical indicator is calculated using the model approved by Emirates NBD - Headquarters and Emirates NBD Egypt as well. It estimates the potential loss on the trading portfolio under normal market conditions in one trading day, and the model is based on changes in the market over the past two years with a confidence level of 99%.

Global risk tracking systems (Fin-Mechanics and ERS) calculate the sensitivity of a portfolio position to various market determinants. It complements a series of market risk indicators used by the Bank to continuously adapt to the increasing complexity of particular markets.

Global Risk Tracking System

The VAR indicator is calculated for the trading portfolio of the Bank because this portfolio can generate volatilities in the PNL due to market movements.

(In thousand)

	31 December 2023	31 December 2022
Foreign currency risk	4,701	167
Interest rate risk	14,299	48

Portfolio valuation controls

The Bank enhanced its portfolio valuation in terms of financial instrument valuations, gains or losses on capital market activities, and control processes.
The main areas of valuation control are:

- Transaction recording.
- Market Parameter (MAP) Reviews (monthly reviews of book valuations).
- Model reviews

The procedures for these controls are discussed below.

Transaction recording controls

Operations (middle-office) are responsible for controlling the transaction recording process, although RCM checks the process for more structured transactions requiring special Treatment.

Market Parameter (MAP) Review

RCM is responsible for MAP Review. This review entail a formal verification of all market parameters and are generally performed monthly; the more liquid parameters are reviewed daily. The information used for MAP Reviews is obtained from brokers and suppliers of consensus market prices.
The MAP Review methodology is outlined in separate procedure. All MAP Review conclusions are documented, and the corresponding adjustments are made in the middle-office books. MAP Review results are presented to business managers.

Regular risk reports

The following risk reports are generated on a regular basis:
Daily Market risk report for Treasury activity
Monthly Market Risk report to summarize the key event impacted ALM/Treasury activity
ALCO reports to follow the risk of the total Bank

Market Risk related to banking activities

The market risk related to banking activities encompasses equity holding risk on the one hand, and the interest rate and currency risks stemming from banking intermediation activities on the other hand.

Interest rate and currency risks related to banking intermediation activities and investments mainly concern retail banking activities. These risks are managed by the ALM-Treasury Department.

Strategic decisions are made by the Asset and Liability Committee (ALCO), which oversees ALM -Treasury’s activities.

Equity risk

Equity interests held by the Group outside the trading book are securities that convey a residual, subordinated claim on the assets or income of the issuer or have a similar economic substance. The Bank does not have Equity positions on December 31, 2023.

Methods of measuring Currency risk

The Bank calculates the net spot equivalent currency position in each currency. The net position is equal to the sum of all asset items less all liability items plus off-balance sheet items (including the forward currency position) These positions are translated into EGP at the exchange rate prevailing on the reporting date and aggregated to give the Bank's overall net open position in each currency. The net spot equivalent position in a given currency is long when assets exceed liabilities and (deficit) when liabilities exceed assets.

Currency concentration risk on financial assets

(Amount in thousands EGP)

As of 31 December 2023	EGP	USD	GBP	EUR	Others	Total
Assets						
Cash and due from CBE	11,043,695	741,600	13,038	303,603	22,216	**12,124,152**
Due From Banks	1,658,817	9,751,105	159,292	2,568,389	595,144	**14,732,747**
Treasury Bills	27,794,000	5,201,125	-	284,542	-	**33,279,667**
Loans and advances to customers:	46,873,490	8,291,838	3,842	547,224	369	**55,716,763**
Derivatives	36,533	816	-	-	18,170	**55,519**
Trading Investments	-	-	-	-	-	**-**
Financial Investments:	-	-	-	-	-	**-**
fair value through profit and loss	4,854	-	-	-	-	**4,854**
fair value through other comprehensive income	5,105,675	234,689	-	1,079,262	-	**6,419,626**
Amortized cost	3,573,497	-	-	-	-	**3,573,497**
Financial assets	879,033	67,551	115	48,791	645	**996,135**
Total Assets	**96,969,594**	**24,288,724**	**176,287**	**4,831,811**	**636,544**	**126,902,960**
Liabilities						
Due to bank	6,508,686	142,765	-	1,022,900	-	**7,674,351**
Deposits	75,568,535	22,734,160	174,073	3,907,250	271,811	**102,655,829**
Derivatives	48,330	816	-	-	18,170	**67,316**
Other Loans	-	2,227,555	-	-	-	**2,227,555**
Financial liabilities	2,100,060	64,108	1,157	4,493	315,475	**2,485,293**
Total Liabilities	**84,225,611**	**25,169,404**	**175,230**	**4,934,643**	**605,456**	**115,110,344**
Net position	**12,743,983**	**(880,680)**	**1,057**	**(102,832)**	**31,088**	**11,792,616**
Credit commitments	**(516,124)**	**504,423**	**669**	**(25,163)**	**-**	**(36,195)**
As at 31 December 2023						
Total Financial Assets	77,234,994	18,317,324	155,013	3,573,086	751,224	**100,031,641**
Total Financial Liabilities	68,838,469	18,151,479	155,260	3,666,740	724,862	**91,536,810**
Net position	**8,396,525**	**165,845**	**(247)**	**(93,654)**	**26,362**	**8,494,831**
Credit commitments	**-**	**(94,925)**	**447**	**95,209**	**(328)**	**403**

Currencies risk and coverage for revenue of foreign currencies

The risk of foreign currencies that the bank deal with related to the foreign currencies the ALM is responsible for coverage of the change in bank revenue due to currencies movement including the position that resulted from change in revenues.

(In the notes all amounts are presented in thousand Egyptian pound unless otherwise stated)

Interest rate risk

Interest rate risk management framework

Interest rate risks on the commercial transactions are managed centrally by ALM-Treasury through the “commercial book”. Interest rate risk on the Bank's equity and investments is also managed by ALM-Treasury, in the “equity book”.

The main decisions concerning positions arising from retail banking activities are taken at ALCO committee meetings.

Measurement of interest rate risk

Maturities of outstanding assets are determined based on the contractual characteristics of the transactions and historical customer behavior. For retail banking products, behavioral models are based on historical data and econometric studies. The models deal with early repayments, current accounts in credit and debit and savings accounts. Theoretical maturities of equity capital are determined according to internal assumptions.

Risk limits

For the “commercial book”, overall interest rate risk is subject to a primary limit. The limit is an interest rate gap limit, expressed as a percentage of customer deposits. This percentage is a declining function of the management year. This limit is used to manage long-term interest rate risk.

Sensitivity of the value of banking Portfolios

Since the books of financial instruments resulting from the Bank's retail banking activities are not intended to be sold, they are not managed on the basis of their value. To comply with the financial reporting rules prescribed by Central Bank of Egypt (CBE) , Emirates NBD Egypt determines the value of the financial instruments that make up these portfolios and the sensitivity of that value to interest rate fluctuations.

The table below shows the sensitivity of the value of consolidated banking portfolios, by currency and by maturity band, to an instantaneous movement of one basis point across the entire yield curve. The sensitivity data shown take account of the replication portfolios used to model theoretical maturities, especially on the Bank's equity.

The sensitivity of the value of banking intermediation books to an instantaneous change of one basis point in interest rates was an increase in value in the event of a fall and a decrease in value in the event of a rise in interest rates on 31 December 2023 EGP 1,073K compared by EGP 1,739K on 31 December 2022.

	Less than 1 Year	1-2 Years	2-3 Years	3-4 Years	4-5 Years	5-6 Years	6-7 Years	7-8 Years	8-9 years	9-10 Years	more than 10 years	Total
EGP	210	80	809	232	105	90	138	50	46	46	49	1,855
USD (Equv.EGP)	74	163	11	106	81	173	81	94	-	-	-	782

Hedging of interest rate and currency risks

Hedging relationships initiated by the Bank mainly consist of interest rate or currency hedges in the form of swaps or forwards.

Depending on the hedging objective, derivative financial instruments used for hedging purposes are qualified as either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. Each hedging relationship is formally documented at inception. The documentation describes the hedging strategy; identifies the hedged item and the hedging instrument, and the nature of the hedged risk; and describes the methodology used to test the expected (prospective) and actual (retrospective) effectiveness of the hedge.

Interest rate risk in the banking Portfolio

The Bank's strategy for managing global interest rate risk is based on closely monitoring the sensitivity of the Bank's earnings to changes in interest rates. In this way, it can determine how to achieve an optimum level of offset between different risks. This procedure requires an extremely accurate assessment of the risks incurred so that the Bank can determine the most appropriate hedging strategy, after considering the effects of netting the different types of risk.

No hedging strategies were in the Bank’s books in 2023.

C) Liquidity and refinancing risk

Liquidity and refinancing risk are the risk of the Bank being unable to fulfill current or future foreseen or unforeseen cash or collateral requirements without affecting routine transactions or its financial position.

Liquidity and refinancing risk are managed through a global liquidity policy approved by ALCO and Board of Directors. This policy is based on management principles designed to apply both in normal conditions and in a liquidity crisis. The Bank's liquidity position is assessed on the basis of internal standards, warning flags and regulatory ratios.

Liquidity Risk Management Policy

Policy objectives

The objectives of the Bank's liquidity management policy are to:
1. secure a balanced financing mix to support Emirates NBD Egypt's development strategy.
2. ensure that the Bank is always in a position to discharge its obligations to its customers.
3. ensure that it does not trigger a systemic crisis solely by its own actions.
4. comply with the standards set by the local banking supervisor.
5. Dealing with any liquidity crisis.

Responsibilities liquidity risk management

The Bank's Board of Directors sets the general liquidity risk management policy, including risk measurement principles, acceptable risk levels and the internal billing system. R-IRB MLR reports regularly to the ALCO on liquidity policy principles and the Bank's position.

ALM-Treasury proposes procedures for implementing the liquidity policy set by the Board of Directors. These proposals are then reviewed and approved by the ALCO. It is also informed of any crisis situation and is responsible for deciding on the allocation of crisis management roles and approving emergency plans.

After validation by the ALCO, ALM-Treasury is responsible for implementing the policy. It is also owner of the systems used to manage liquidity risk.

R-IRB MLR contributes to defining liquidity policy principles. It also provides second-line control by validating the models, risk indicators, limits and market parameters used.

Centralized liquidity risk management

Liquidity risk is managed centrally by ALM-Treasury across all maturities. The Treasury unit is responsible for refinancing and for short-term issues, while the ALM unit is responsible for medium/long-term. ALM-Treasury is also tasked with providing financing to the Bank's core businesses and business lines, and investing their surplus cash.

Liquidity risk management and supervision

Day-to-day liquidity management is based on a full range of internal standards and warning flags at various maturities.

An overnight target is set for Treasury unit, limiting the amount raised on interbank overnight markets. This applies to the major currencies in which the Bank does business.

The refinancing capacity needed to cope with an unexpected surge in liquidity needs is regularly measured at Bank level. It mainly comprises available securities and loans eligible for central bank refinancing, available ineligible securities that can be sold under repurchase agreements or immediately on the market, and overnight loans not liable to be renewed.

Medium- and long-term liquidity management is based mainly on an analysis of the medium- and long-term sources of funds available to finance assets with the same maturity.

These liquidity gaps are based on maturity schedules of balance sheet and off-balance sheet items whether contractual or theoretical, i.e., based on customer behavior (prepayment in the case of loans, modeling customer behavior in the case of regulated savings accounts, etc.).
Regulatory ratios represent the final plank in the liquidity risk management system.

Risk Mitigation Techniques

As part of the day-to-day management of liquidity, in the event of a temporary liquidity crisis, the Bank's most liquid assets constitute a financing reserve enabling the Bank to adjust its Treasury position by selling them on the Repo market or discounting them with the central bank. If there is a prolonged liquidity crisis, the Bank may have to gradually reduce its total balance sheet position by selling assets outright.

Less liquid assets may be converted into liquid assets or collateralized as part of the day-to-day management of liquidity.

Liquidity risk is also reduced by the diversification of financing sources in terms of structure, investors, and secured/unsecured financing.

During the current financial year, the Bank continued its policy of diversifying its sources of financing in terms of structures, investors and collateralized financing. The certificate of deposit program offers clients the opportunity to increase their investment in Emirates NBD - Egypt, thereby improving its liquidity.

As at 31 December 2023 (thousands EGP)	Less than one month	From 1-3 months	From 3 -6 months	From 6-12 months	From 1 -3 years	More than 3 years	Total
Liabilities:							
Due to Banks	6,508,686	-	-	-	-	-	**6,508,686**
Customers' deposits	12,877,060	15,654,076	2,126,050	1,223,500	39,897,257	3,790,592	**75,568,535**

As at 31 December 2022 (thousands EGP)	Less than one month	From 1-3 months	From 3 -6 months	From 6-12 months	From 1 -3 years	More than 3 years	Total
Liabilities:							
Due to Banks	35,802	-	-	-	-	-	**35,802**
Customers' deposits	9,308,994	15,503,064	1,222,547	6,841,130	27,579,638	6,615,637	**67,071,010**

As at 31 December 2023 (Amounts in USD equivalent in thousands EGP)	Less than one month	From 1-3 months	From 3 -6 months	From 6-12 months	From 1 -3 years	More than 3 years	Total
Liabilities:							
Due to Banks	142,765	-	-	-	-	-	**142,765**
Customers' deposits	11,972,068	1,045,366	644,064	435,752	7,846,505	790,405	**22,734,160**

As at 31 December 2022 (Amounts in USD equivalent in thousands EGP)	Less than one month	From 1-3 months	From 3 -6 months	From 6-12 months	From 1 -3 years	More than 3 years	Total
Liabilities:							
Due to Banks	610,254	-	-	-	-	-	**610,254**
Customers' deposits	1,570,921	2,266,006	649,075	437,815	9,596,490	641,874	**15,162,181**

As at 31 December 2023 (Amounts in EUR equivalent in thousands EGP)	Less than one month	From 1-3 months	From 3 -6 months	From 6-12 months	From 1 -3 years	More than 3 years	Total
Liabilities:							
Due to Banks	1,022,900	-	-	-	-	-	**1,022,900**
Customers' deposits	358,135	374,520	166,326	110,953	2,400,457	496,859	**3,907,250**

As at 31 December 2022 (Amounts in EUR equivalent in thousands EGP)	Less than one month	From 1-3 months	From 3 -6 months	From 6-12 months	From 1 -3 years	More than 3 years	Total
Liabilities:							
Due to Banks	217,234	1,063,966	-	-	-	-	**1,281,200**
Customers' deposits	170,147	157,322	42,290	52,113	1,459,543	649,864	**2,531,279**

As at 31 December 2023 (Amounts in other currencies equivalent in thousands EGP)	Less than one month	From 1-3 months	From 3 -6 months	From 6-12 months	From 1 -3 years	More than 3 years	Total
Liabilities:							
Due to Banks	-	-	-	-	-	-	-
Customers' deposits	88,613	6,312	6,312	6,312	157,796	6,466	**271,811**

As at 31 December 2022 (Amounts in other currencies equivalent in thousands EGP)	Less than one month	From 1-3 months	From 3 -6 months	From 6-12 months	From 1 -3 years	More than 3 years	Total
Liabilities:							
Due to Banks	-	-	-	-	-	-	-
Customers' deposits	19,010	6,312	6,312	6,312	256,900	6,386	**301,232**

D) Capital Management

The Bank's objectives behind managing capital include elements in addition to equity shown in the balance sheet are represented in the following:

- Compliance with capital legal requirements in Egypt in accordance with CBE
- Protecting the Bank's ability to continue as a going concern and enabling it to generate yield for shareholders and other parties dealing with the Bank.
- Maintaining a strong capital base to enhance growth in its activity.

Capital adequacy and the use of regulatory capital are monitored daily by the Bank's management, employing techniques based on the guidelines developed by the Basel Committee, as implemented by the Central Bank of Egypt (CBE), the required information is filed with the Authority on a quarterly basis.

The CBE requires the Bank to:

1) Retain the amount of EGP 5000 million as minimum for the authorized and issued paid up capital, the bank issued and paid-up capital reached EGP 5000 million at the year end.

2) The Bank maintains a ratio of 12.50% or more of total regulatory capital to its risk-weighted assets and liabilities, the bank capital adequacy ratio reached 17.43% based on Statement of proposed dividends distribution at the year end 2023 opposite 18.91% at year end 2022.

The capital adequacy ratio numerator comprises two tiers:

Tier 1 capital:
Consists of two parts, Going concern capital and additional going concern capital.

Tier 2 capital:
Going concern capital consists of the following:

1. 45% of the value of positive foreign currency translation differences reserve.
2. 45% of the value of the special reserve.
3. 45% of the increase in fair values the carrying value of financial investments (if positive).
4. 45% of reserve fair value of available-for-sale financial investments.
5. 45% of the increase in fair value the carrying value of financial investments held to maturity.
6. 45% of the increase in the fair value of the book value of financial investments in subsidiaries and affiliates.
7. Other financial convoluted instruments.
8. Subordinated loans after amortizing 20% of its value in each of the last 5 years.
9. Loan loss provision “for performing loan “by not more than 1.25% of total assets and contingent liabilities weighted credit risk weights.

The capital adequacy ratio denominator comprises of

Type of risk:

1. Credit risk.
2. Market risk.
3. Operations risk.

The risk weighted assets is between zero and 150% classified according to the nature of the counter party for each asset which reflect the assets related credit risk taking into consideration the cash guarantees. The same treatment is used for the off-balance sheet amounts after making the adjustments to reflect the contingent nature and the expected losses for these amounts.

The following is a summary to calculate the capital adequacy according to Basel II as per year end, compared to the year.

(In the notes all amounts are presented in thousand Egyptian pound unless otherwise stated)

The following is a summary to calculate the capital adequacy according to Basel II as per year end, compared to the previous year.

Capital	31 December 2023	31 December 2022
Basic going concern capital) 1 Tier)		
Share Capital (Net)	5,000,000	5,000,000
Good will	-	-
General reserve	578,637	515,784
IFRS 9 Risk Reserve	117,695	117,695
Retained Earnings*	6,570,295	3,496,802
Total other comprehensive income that is accumulated in the balance sheet	(663,730)	(636,354)
Total disposal from basic going concern capital	(61,420)	(94,897)
Total going concern capital	**11,541,477**	**8,399,030**
Gone-Concern Capital		
45% of special reserve	86	86
Subordinated Loans (deposits) within the prescribed rate (50% of the first tier after exclusions)	1,544,655	1,583,577
Impairment losses for loans, facilities and regular Contingent liabilities (Stage1)**	846,822	621,900
Total (Gone- Concern Capital)	**2,391,563**	**2,205,563**
Assets and Liabilities weighted risk		
Assets and Contingent liabilities weighted by credit risk	67,745,780	51,438,360
Capital requirements for counterparty risk	53,000	30,143
Top 50 customers exceed the limits determined by risk weights ***	6,159,742	-
Capital requirements for operational risk	5,268,385	4,609,309
Capital requirements for market risk	701,646	1,392
Total credit, market and operating risks	**79,928,553**	**56,079,204**
Capital Adequacy Ratio(%)	**17.43%**	**18.91%**

* Including the Profit of the year before dividends contribution.
** A maximum of 1.25% of the total assets and contingent liabilities weighted for credit risk.
*** The excess in the loans of the largest 50 customers has been temporarily exempted in calculating the total credit, market and operational risks in accordance with the CBE instructions until 12/31/2022, then the exemption was cancelled starting from 01-01-2023 . the excess in loan balance of Largest 50 Clients amounted to EGP 1,828,118 thousand on 31.12.2022 and was not included in the CAR as result of Central Bank Of Egypt’s exemption.

(In the notes all amounts are presented in thousand Egyptian pound unless otherwise stated)

- **Leverage Ratio:**

The CBE issued on 7 July 2015 the below decision:
-Approving the regulatory instructions for leveraged with bank's commitment to the minimum due to the proportion (3%) on a quarterly basis and in the following manner.
- As a guidance proportion from September 2015 till 2017.
- As obligatory ratio starting from 2018.

Ratio elements

Numerator elements
It is composed of tier1 of the capital (after deductions) utilized in the numerator of the currently applied capital adequacy ratio as per CBE instructions.

Denominator elements
It is composed of all the bank assets on and off - balance sheet – as per the financial statements- called the "bank exposures" including the total of:

1- On-balance sheet exposures net of some deductions of tier 1 of the capitalistic base.
2- Derivatives contract exposures.
3- Financing financial paper operations exposure
4- Off-balance sheet items exposures.

The following is a summary to calculate the leverage ratio.

	December 2023 31	December 2022 31
Tier 1 from capital after deductions	**11,541,477**	**8,399,030**
Total on-balance sheet exposures and financial	129,368,818	101,443,165
Off-balance sheet exposures	14,282,636	12,677,979
Total exposures on & off-balance sheet	**143,651,454**	**114,121,144**
Leverage Ratio	**8.03%**	**7.36%**

4 Significant accounting estimates and assumptions

In the application of the bank's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are reviewed on an ongoing basis, based on historical experience and other factors that are considered to be relevant. The following are the key items for which accounting estimates and assumptions have been used.

(a) Impairment losses on loans and advances (Expected credit loss)

The Bank reviews its loan and advances portfolios to assess impairment at least on a quarterly basis. In determining whether an impairment loss should be recorded in the income statement, the Bank makes
judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of loans before the decrease can be identified with an individual loan in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in a Bank, or national or local Economic conditions that correlate with defaults on assets in the Bank. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective
Evidence of impairment similar to those in the portfolio when scheduling its future cash flows.

(b) Impairment of fair value through other comprehensive income

The Bank determines that available-for-sale equity investments are impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant,

Or prolonged requires judgment. In making this judgment, the Bank evaluates among other factors, the normal volatility in share price. In addition, impairment may be appropriate when there is evidence

Of a deterioration in the financial health of the investee, industry and sector performance, changes in technology, and operational and financing cash flows.

The Bank also determines the impairment of investments in debt instruments classified as financial assets at fair value through comprehensive income, guided by the fair value of those instruments, where there is a decline in the fair value of debt instruments at fair value through comprehensive income and an objective evidence that the decline is a The value of a financial asset or a group of financial assets at fair value through comprehensive income is recognized immediately in profit or loss. In the case of impairment of the value of financial assets at fair value through comprehensive income, whether in the form of equity instruments of those instruments, to the profits or losses even if the asset is not excluded from the books after

(c) Fair value of derivatives

The fair values of financial instruments that are not quoted in active markets are determined by using valuation techniques. Where valuation techniques (for example, models) are used to determine fair

Values, they are validated and periodically reviewed by qualified personnel independent of the area that created them. All models are certified before they are used, and models are calibrated to ensure

That outputs reflect actual data and comparative market prices. To the extent practical, models use only observable data; however, areas such as credit risk (both own and counterparty), volatilities

And correlations require management to make estimates. Changes in assumptions about these factors could affect reported fair value of financial instruments. For example, to the extent that management

(d) Income taxes

Since the final outcome of income taxes on certain transactions are difficult to determine on an accurate basis, the bank recognizes a liability for the expected results of tax inspection based on its estimate of the likelihood of the additional tax that may arise. When differences arise between the final outcome of income taxes and the amounts previously recognized in the books, such differences will affect current and deferred tax in the year in which those differences has been identified.

5 Segment analysis

(a) By business segment

Business segments include operational transaction & assets used to provide Banking service & to manage their related risks & interests which may differ from other segments.

The Bank is divided into main business segments on a worldwide basis:

Corporate banking – incorporating direct debit facilities, current accounts, deposits, overdrafts, loan and other credit facilities, foreign currency, and derivative products which transactions volume more than EGP 100 M.

Small and Medium Enterprises SME – incorporating direct debit facilities, current accounts, deposits, overdrafts, loan and other credit facilities, foreign currency, and derivative products which transactions volume from EGP 10 M to EGP 100 M.
Retail banking – incorporating private banking services, private customer current accounts, savings, deposits, investment savings products, custody, credit.
And debit cards, consumer loans and mortgages.

Others – other Bank operations comprise fund management, institutional finance and providing computer services, none of which constitutes a separately reportable segment.

(In the notes all amounts are presented in thousand Egyptian pound unless otherwise stated)

31 December 2023	Corporate	SME	Retail	Others	Total
Revenues & expenses according to the sector activity					
Revenues of the sector activity	3,685,250	694,867	1,536,656	2,763,772	8,680,545
Expenses of the sector activity	(652,083)	(67,457)	(973,712)	(559,343)	(2,252,595)
Result of the sector operation	**3,033,167**	**627,410**	**562,944**	**2,204,429**	**6,427,950**
Non classified expense					(1,541,717)
Profit before tax					**4,886,233**
income Tax expense					(1,651,331)
Profit of the year					**3,234,902**
Assets & liabilities according to the sector activity					
Assets of the sector activity	42,532,067	2,326,559	14,078,598	65,303,027	124,240,251
Non classified assets					3,878,410
Total assets					**128,118,661**
Liabilities of the sector activity	61,904,881	5,604,244	30,332,585	14,783,341	112,625,051
Non classified liabilities					3,889,709
Total liabilities					**116,514,760**
Other items related to sector activity					
Depreciation as of 31 December 2023					150,935

31 December 2022	Corporate	SME	Retail	Others	Total
Revenues & expenses according to the sector activity					
Revenues of the sector activity	1,670,423	978,815	1,108,750	1,360,815	5,118,803
Expenses of the sector activity	(269,073)	(640,538)	(675,794)	(751,030)	(2,336,435)
Result of the sector operation	**1,401,350**	**338,277**	**432,956**	**609,785**	**2,782,368**
Non classified expense					(756,860)
Profit before tax					**2,025,508**
income Tax expense					(844,763)
Profit of the year					**1,180,745**
Assets & liabilities according to the sector activity					
Assets of the sector activity	76,499,846	8,304,781	12,562,850	430,049	97,797,526
Non classified assets	-	-	-	-	3,140,602
Total assets					**100,938,128**
Liabilities of the sector activity	48,045,140	10,115,418	27,055,500	4,210,323	89,426,381
Non classified liabilities	-	-	-	-	3,002,901
Total liabilities					**92,429,282**
Other items related to sector activity					
Depreciation as of 31 December 2022					138,837

(In the notes all amounts are presented in thousand Egyptian pound unless otherwise stated)

B) Geographical sector analysis

31 December 2023	Cairo	Alexandria, Delta and Sinai	Upper Egypt	Total	Other countries	Total
Revenues & expenses according to the geographical sector						
Revenues of the geographical sector	7,071,322	1,358,831	250,392	8,680,545	-	8,680,545
Expenses of the geographical sector	(1,884,120)	(154,668)	(65,820)	(2,104,608)	(147,987)	(2,252,595)
Result of the sector operation	**5,187,202**	**1,204,163**	**184,572**	**6,575,937**	**(147,987)**	**6,427,950**
Non classified expense				(1,541,717)		-
Profit before tax				**5,034,220**	**(147,987)**	**4,886,233**
income Tax expense				(1,651,331)		**(1,651,331)**
Profit of the year				**3,382,889**	**(147,987)**	**3,234,902**
Assets & liabilities according to the geographical sector						
Assets of the geographical sector	93,523,917	7,803,286	1,433,768	102,760,971	21,479,280	**124,240,251**
Non classified assets				3,878,410	-	**3,878,410**
Total assets				**106,639,381**	**21,479,280**	**128,118,661**
Liabilities of the geographical sector	90,115,289	9,944,470	2,590,187	102,649,946	9,975,105	**112,625,051**
Non classified liabilities				3,889,709	-	**3,889,709**
Total liabilities				**106,539,655**	**9,975,105**	**116,514,760**
Other items related to geographical sector						
Depreciation as of 31 December 2023				150,935		**150,935**

31 December 2022	Cairo	Alexandria, Delta and Sinai	Upper Egypt	Total	Other countries	Total
Revenues & expenses according to the geographical sector						
Revenues of the geographical sector	4,234,786	634,493	132,201	5,001,480	117,323	5,118,803
Expenses of the geographical sector	(2,011,946)	(138,308)	(55,161)	(2,205,415)	(131,020)	(2,336,435)
Result of the sector operation	**2,222,840**	**496,185**	**77,040**	**2,796,065**	**(13,697)**	**2,782,368**
Non classified expense				(756,860)		(756,860)
Profit before tax				**2,039,205**	**(13,697)**	**2,025,508**
income Tax expense				(844,763)		(844,763)
Profit of the year				**1,194,442**	**(13,697)**	**1,180,745**
Assets & liabilities according to the geographical sector						
Assets of the geographical sector	85,702,023	6,636,054	1,380,450	93,718,527	4,078,999	97,797,526
Non classified assets				3,140,602	-	3,140,602
Total assets				**96,859,129**	**4,078,999**	**100,938,128**
Liabilities of the geographical sector	75,038,042	10,514,826	1,946,256	87,499,124	1,927,257	89,426,381
Non classified liabilities				3,002,901	-	3,002,901
Total liabilities				**90,502,025**	**1,927,257**	**92,429,282**
Other items related to geographical sector						
Depreciation as of 31 December 2022				138,837	-	138,837

(In the notes all amounts are presented in thousand Egyptian pound unless otherwise stated)

6 Net interest income

	31 December 2023	31 December 2022
Interest from loans and similar income :		
Deposits and current accounts to banks	2,063,454	389,909
Loans and advances to customers	8,444,374	5,414,588
Treasury bills and treasury bonds	5,194,976	3,698,391
Total	**15,702,804**	**9,502,888**
cost of deposit and similar expenses :		
Deposits and current accounts		
Banks	(344,719)	(326,691)
Customers	(7,818,630)	(4,751,544)
Other loans	(275,690)	(133,568)
Total	**(8,439,039)**	**(5,211,803)**
Net interest income	**7,263,765**	**4,291,085**

7 Net fees and commission income

	31 December 2023	31 December 2022
Fees and commissions income		
Fees and commissions related to Credit	22,455	9,933
Trade finance fees	714,344	356,769
Custody fees	14,691	7,878
Other fees	772,127	444,137
	1,523,617	**818,717**
Fees and commission expense		
Brokerage fees	(1,705)	(860)
Other fees	(402,879)	(283,716)
Total	**(404,584)**	**(284,576)**
Net fees and commissions income	**1,119,033**	**534,141**

8 Net trading income

	31 December 2023	31 December 2022
Gain from foreign currencies transactions	296,511	246,178
(Losses) Gain on revaluation of forward deals	(33,645)	6,903
(Losses) on revaluation of investment held for trading	32	(387)
Total	**262,898**	**252,694**

(In the notes all amounts are presented in thousand Egyptian pound unless otherwise stated)

9 Administrative expenses

	31 December 2023	31 December 2022
Staff costs	(907,953)	(707,851)
Social insurance expenses	(44,076)	(33,678)
Other administrative expenses	(999,614)	(975,721)
Total	**(1,951,643)**	**(1,717,250)**

10 Other operating (expenses) income

	31 December 2023	31 December 2022
(Losses) Evaluation of assets and liabilities denominated in monetary foreign currencies	17,918	(38,041)
IT and software expenses	(637,270)	(364,728)
Operating lease rentals expenses	(166,060)	(127,783)
Impairment of other provision	(135,853)	(82,829)
release of treasury bills provision	-	4,017
Other	620,313	(9,821)
Total	**(300,952)**	**(619,185)**

11 Expected credit loss

	31 December 2023	31 December 2022
Loans and advances to customers	(1,292,981)	(764,438)
Impairment of Treasury bills	(104,776)	1,394
Impairment of due from banks provision	(67,188)	(2,643)
Impairment of investment through OCI	(76,772)	8,827
Total	**(1,541,717)**	**(756,860)**

(In the notes all amounts are presented in thousand Egyptian pound unless otherwise stated)

12 Income tax expense

	31 December 2023	31 December 2022
Current taxes	(1,656,570)	(844,802)
Deferred tax (disclosure 28)	5,239	39
Total	**(1,651,331)**	**(844,763)**

Additional information about deferred and income taxes is presented in disclosure (28). The effective tax that has been charged to the income statement differs from the amount that would arise using the tax rate applied on the Bank's net income according to the income statement as follows:

	31 December 2023	31 December 2022
Profits before tax	4,886,233	2,025,508
Average tax rate	22.50%	22.50%
Tax calculated based on tax rate	**1,099,402**	**455,739**
Nov Taxable income	258,596	152,887
Non deductible expense	(27,905)	(29,343)
Tax related to treasury bills at maturity date and others	321,238	265,480
Effective tax	1,651,331	844,763
Effective tax rate	**%33.80**	**%41.71**

13 Earning per share

A. Basic

Basic earnings per share are calculated by dividing the net profit attributable to equity holders of the Bank by the weighted average number of ordinary shares in issue during the year.

	31 December 2023	31 December 2022
Net profit for the year	3,234,902	1,180,745
Employee's share in dividends *	(282,316)	(86,789)
Profit applicable to distributed after deducting employee's share	**2,952,586**	**1,093,956**
Weighted average number of ordinary shares in issued	50,000	50,000
Basic earning per share (Egyptian pound) after deducting employee's share	**59.05**	**21.88**

* For the purposes of presenting the share per share in the net profits for the year, the employees' share of the profits in the distribution list represents the amounts proposed to the General Assembly for approval.

B. Diluted

There are no instruments that would dilute the earnings per share, thus the diluted earnings per share equal to the basic earnings per share.

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14 Cash and balances at Central Bank

	31 December 2023	31 December 2022
Cash	1,666,574	1,006,017
Balances with the Central Bank of Egypt (within the mandatory statutory reserve)	10,457,578	8,654,038
Total	**12,124,152**	**9,660,055**
Non interest bearing balances	12,124,152	9,660,055
Total	**12,124,152**	**9,660,055**

15 Due from banks

	31 December 2023	31 December 2022
Current accounts	1,405,273	401,465
Deposits	13,399,820	17,592,780
Total	**14,805,093**	**17,994,245**
less : provision for impairment losses (ECL)	(72,346)	(4,060)
Net	**14,732,747**	**17,990,185**
Central banks	4,481,698	9,327,573
Local banks	6,731,397	4,587,673
Foreign banks	3,591,998	4,078,999
Total	**14,805,093**	**17,994,245**
less : provision for impairment losses (ECL)	**(72,346)**	**(4,060)**
Net	**14,732,747**	**17,990,185**
Non interest bearing balances	1,405,273	401,465
Fixed interest bearing balances	13,399,820	17,592,780
Total	**14,805,093**	**17,994,245**
less : provision for impairment losses (ECL)	**(72,346)**	**(4,060)**
Net	**14,732,747**	**17,990,185**

ECL- Due from banks

	31 December 2023	31 December 2022
Beginning of the year	(4,060)	(266)
Net ECL during the year	(67,188)	(2,643)
Revaluation differences	(1,098)	(1,151)
balance at end of year	**(72,346)**	**(4,060)**

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16 Treasury bills

	31 December 2023	31 December 2022
Represent in treasury bills issued by Egypt:		
Treasury bills, maturity 91 days	21,947,950	4,970,725
Treasury bills, maturity 182 days	6,600,000	2,250,100
Treasury bills, maturity 364 days	5,638,724	7,234,531
	34,186,674	**14,455,356**
sold treasury bills with commitment to repurchase	(31,725)	(52,500)
Less Unearned interest	(769,341)	(450,590)
total	**33,385,608**	**13,952,266**
less : ECL	(105,941)	(926)
Net treasury bills	**33,279,667**	**13,951,340**

ECL- investment in treasury bills-

	31 December 2023	31 December 2022
Beginning of the year	(926)	(1,394)
Net ECL during the year	(104,776)	1,394
Revaluation differences	(239)	(926)
balance at end of year	**(105,941)**	**(926)**

Selling treasury bills with a commitment to repurchase:
The treasury bills issued by The Arab Republic of Egypt:

Treasury Bills	31 December 2023	31 December 2022
They are represented in the treasury bills issued by the Arab Republic of Egypt:		
Sold treasury bills with commitment to repurchase	31,725	52,500
Total sold treasury bills with commitment to repurchase	31725	52500

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17 Loans and advances to customers (net)

	31 December 2023	31 December 2022
Discounted bills	1,381,510	79,978
Loans to customers	58,684,536	46,323,690
Total	**60,066,046**	**46,403,668**
Deducted: The unconsumed portion of loan issuance commissions	**(387,054)**	**(152,323)**
Deduct: provision for impairment losses	(3,962,229)	(3,347,751)
Net loans to customers	**55 716 763**	**42 903 594**

	31 December 2023	31 December 2022
Retail		
Auto loans	1,338,202	1,066,760
Credit cards	943,800	556,489
Personal loans	11,805,276	10,871,941
Total	**14,087,278**	**12,495,190**
Corporate including small loans		
Overdrafts	27,910,852	17,836,953
Direct loans	13,328,580	11,580,875
Syndicated loans	4,739,336	4,490,650
Total	**45,978,768**	**33,908,478**
Total Loans to customers	**60,066,046**	**46,403,668**
Less: Unamortized commission related to loan issuance	(387,054)	(152,323)
Less: provision for impairment losses	(3,962,229)	(3,347,751)
distributed to:	55 716 763	42 903 594
Current balances	26,140,548	22,545,990
Non-current balances	29,576,215	20,357,604
Net loans to customers	**55,716,763**	**42,903,594**

Movement on provision for impairment losses during the year was as follows:

As of 31 December 2023

Retail	Overdraft	Credit cards	Personal loans	Real estate loans	Total
Provision balance beginning of the year	12 808	13 435	177 829	-	204 072
Impairment losses	9 721	63 325	27 641	-	100 687
write off amounts	(11 129)	(9 223)	(101 270)	-	(121 622)
amounts released during the year	-	5 247	41 384	-	46 631
Differences in the valuation of foreign currencies					
Provisions balance at the end of the year	**11 400**	**72 784**	**145 584**	**-**	229 768

(In the notes all amounts are presented in thousand Egyptian pound unless otherwise stated)

	As of 31 December 2023			
Corporate	**Overdraft**	**Direct Loans**	**Syndicated loans**	**Total**
Provision balance beginning of the year	2 306 467	478 652	358 560	3 143 679
Impairment losses	474 002	295 177	423 115	1 192 294
write off amounts	(895 710)	(56 683)	-	(952 393)
amounts released during the year	132 603	-	-	132 603
Foreign currency revaluation	118 388	32 806	65 084	216 278
Provisions balance at the end of the year	**2 135 750**	**749 952**	**846 759**	**3 732 461**

	As of 31 December 2022				
Retail	**Overdraft**	**Credit cards**	**Personal loans**	**Real estate loans**	**Total**
Provision balance beginning of the year	21 093	11 847	198 020	292	231 252
Impairment losses	(8 338)	9 967	81 492	(292)	82 829
write off amounts	-	(11 954)	(129 712)	-	(141 666)
amounts released during the year	53	3 575	28 029	-	31 657
Differences in the valuation of foreign currencies					
Provisions balance at the end of the year	**12 808**	**13 435**	**177 829**	**-**	**204 072**

	As of 31 December 2022			
Corporate	**Overdraft**	**Direct Loans**	**Syndicated loans**	**Total**
Provision balance beginning of the year	1 735 267	227 900	212 439	2 175 606
Impairment losses	388 386	222 244	70 979	681 609
write off amounts	(2 905)	-	-	(2 905)
amounts released during the year	-	-	-	-
Foreign currency revaluation	185 719	28 508	75 142	289 369
Provisions balance at the end of the year	**2 306 467**	**478 652**	**358 560**	**3 143 679**

18 Financial Derivatives

The bank uses the following derivatives for hedging and non-hedging purposes:
Currency forwards contracts represent commitments to purchase/sell foreign and local currency's including uncompleted portion of the immediate transactions.

- Currency or/and interest swap contracts represent the commitments for to swap a group of cash flows to another. These contracts resulted is exchange of currencies or interest rates (for example fixed rate for floating rate) or both (i.e. cross-currency interest rate swaps). No exchange of principal takes place except for certain currency swaps. The Bank's credit risk represents the potential cost to replace the swap contracts if counterparties fail to fulfill their obligation. This risk is monitored on an ongoing basis by comparing it to it's the current fair value and to a percentage of the contract notional amount. To control an existing credit risk the Bank assesses counterparties using the same techniques as for its lending activities.

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- Option contracts in foreign currencies and/or interest rates represents contract agreements in which the buyer (issuer) give to seller (holders) a right not an obligation to buy (buy option) or to sell (sell option) at a certain date or within certain year of time by certain amount denominated in foreign currency or a financial instrument with prior agreed price. The buyer receives in return commission against burden of risk he took option contracts are either traded in the market or negotiable between the bank and one of its customers…… The bank exposed to credit risk for the purchased options contracts only and to the extent of its book value which represent its fair value.

- The notional amounts of certain types of financial instrument is used as a basis for comparison purpose with financial instruments recognized on the balance sheet but do not necessarily indicate the amounts of future cash flows or the current fair value of the instruments and therefore does not indicate the Bank’s exposure to credit or price risks.

- The derivative instruments become favorable (assets) or unfavorable (liabilities) as a result of fluctuations in market interest rates or foreign exchange rates related to them. The aggregate contractual or notional amount of the existing financial derivative instruments, the duration to which instruments are favorable or unfavorable, and the aggregate fair value of financial assets and liabilities derivatives.

- The bank in general enters into derivatives contracts to cover the foreign currencies positions or the bank interest rates or to fulfill the customers’ demands and to cover the risks associated.

  Although the bank is not involved in these activities for trade purposes and to generate profits in the short term from the price change, however, all these derivatives are classified as investment held for trading or financial liabilities derivatives, by applying the hedging accounting will not significantly result in enhancing the bank financial performance and its results.

- The table below represent the fair value of financial derivatives existing at the balance sheet date:

	31 December 2023			**31 December 2022**		
	Contractual /notional amount	**Fair Value**		**Contractual /notional amount**	**Fair Value**	
		Assets	**liabilities**		**Assets**	**liabilities**
Derivatives held for trading						
Foreign currency derivatives						
Currency forward contracts	1,925,101	4,486	17,133	226,677	4,236	3,858
		4,486	**17,133**		**4,236**	**3,858**
Derivatives yield rates						
Currency forward contracts	647836	**32,046**	**31,196**			
Interest rate swap	753,792	18,987	18,987	1,870,601	48,285	48,285
		51 033	**50 183**		48,285	48,285
Total assets (liabilities) Held for trading derivatives		**55,519**	**67,316**		**52,521**	**52,143**

(In the notes all amounts are presented in thousand Egyptian pound unless otherwise stated)

19 Financial investments

19.1. Financial investments at fair value through profit or loss:

	31 December 2023	31 December 2022
Debt instruments		
Governmental bonds	4,854	4,822
financial investment at fair value through profit and loss	**4,854**	**4,822**

19.2. Financial investment at fair value through other comprehensive income:

Debt instruments	31 December 2023	31 December 2022
Debt instruments -Quoted	6,386,201	8,839,352
Equity instrument		
equity instrument- Unquoted	3,672	3,672
Investment Certificates	29,753	18,999
financial investment at fair value through OCI	**6,419,626**	**8,862,023**

The movement of financial investments at fair value through other comprehensive income during the current year compared to the previous year is shown below:

	31 December 2023	31 December 2022
Balance at the beginning of the year	8,862,023	10,641,201
Additions	800,000	336,426
Amortization of premium	87,913	139,684
disposals (sell)	(3 489 958)	(1 997 529)
Change in fair value	(141 823)	(651 346)
Differences on translation of investments through other comprehensive income	301 471	393 587
Balance at the end of the year	**6,419,626**	**8,862,023**

Financial investments held at amortized cost:

	31 December 2023	31 December 2022
Debt instruments		
Debt instruments included in the market at cost	3,573,497	5,379,003
Total	**3 573 497**	**5 379 003**

(In the notes all amounts are presented in thousand Egyptian pound unless otherwise stated)

	31 December 2023	31 December 2022
Current	2,388,118	2,012,370
Non-Current	1,185,379	3,366,633
	3,573,497	5,379,003
Fixed debt instruments	3,573,497	5,379,003
	3,573,497	5,379,003

The movement of financial investments at cost less during the current year compared to the previous year is shown below:

	31 December 2023	31 December 2022
Balance at the beginning of the Year	5 379 003	5,089,133
Additions	200 000	420,500
Amortization of premium	31 920	5,370
Disposals (Maturities)	(2 037 426)	(136,000)
Balance at the End of the year	**3 573 497**	**5 379 003**

	31 December 2023	31 December 2022
Profit on sale of financial investments	24,135	31,020
profit on selling Treasury Bills	8,410	8,373
Total	32,545	39,393

20 Intangible assets

	31 December 2023	31 December 2022
Beginning of the year		
Cost	135 742	111 194
Accumulated amortization	(75,678)	(54,015)
Net book value at the beginning of the year	**60,064**	**57,179**
Additions	15,791	24,548
Cost adjustments	1 279	
Accumulated amortization adjustments	(1,702)	-
Amortization during the year	(24,679)	(21 663)
Net book value at the end of the year	**50 753**	**60 064**
Balance at the end of the year		
Cost	152 812	135 742
Accumulated Amortization	(102,059)	(75,678)
Net book value	**50 753**	**60 064**

(In the notes all amounts are presented in thousand Egyptian pound unless otherwise stated)

21 Other assets

	31 December 2023	31 December 2022
Accrued revenues	876,643	1,062,065
Prepaid expenses	396,933	146,576
Advances to purchase of fixed assets*	43,475	16,391
Assets reverted to the bank in settlement of debts	440	440
Insurance and impress	16,833	14,895
Other debit balances	102,659	134,306
Total	**1,436,983**	**1,374,673**

***Advances to purchase Property, plant, and equipment (Capital work in progress)**

	31 December 2023	31 December 2022
Balance in the beginning of the year	16,391	17,713
Additions	96,694	35,902
convert to fixed assets	(69,610)	(37,224)
Total	43,475	16,391

22 Property, plant, and equipment

	Land	Buildings under construction	Premises and buildings	Vehicles	Computer systems	Furniture	Total
Balance as of 31 December 2022							
Cost	77,436	780,632	167,303	11,634	306,046	63,067	**1,406,118**
Accumulated Depreciation	-	(337,172)	(138,489)	(11,126)	(196,844)	(46,050)	**(729,681)**
Net book value as of January 1, 2022	**77,436**	**443,460**	**28,814**	**508**	**109,202**	**17,017**	**676,437**
Additions	-	69,193	40,252	-	21,695	9,447	**140,587**
Disposals	-	-	(5,353)	(618)	(640)	(401)	**(7,012)**
Accumulated depreciation related to disposals	-	-	5,351	618	640	401	**7,010**
Depreciation cost	-	(48,649)	(17,785)	(508)	(42,666)	(7,566)	**(117,174)**
Net book value	**77,436**	**464,004**	**51,279**	**-**	**88 231**	**18 898**	**699,848**
Balance as of 31 December 2022							-
Cost	77,436	849,825	202,202	11,016	327,101	72,113	**1,539,693**
Accumulated Depreciation	-	(385,821)	(150,923)	(11,016)	(238,870)	(53,215)	**(839,845)**
Net book value as of January 1, 2022	**77,436**	**464,004**	**51,279**	**-**	**88,231**	**18,898**	**699,848**
Additions	-	90,223	8,497	11,817	27,351	12,197	**150,085**
Cost adjustments during the year	-	86	(955)	-	(486)	3	**(1,352)**
Depreciation cost	-	(58,290)	(20,387)	(1,351)	(37,371)	(8,857)	**(126,256)**
Accumulated depreciation adjustments during the year	**-**	**(103)**	**1,182**	**-**	**699**	**(3)**	**1,775**
Net book value	**77 436**	**495 920**	**39 616**	**10 466**	**78 424**	**22 238**	**724,100**
Balance as of 31 December 2023							-
Cost	77,436	940,134	209,744	22,833	353,966	84,313	**1,688,426**
Accumulated Depreciation	-	(444,214)	(170,128)	(12,367)	(275,542)	(62,075)	**(964,326)**
Net book value as of January 1, 2023	**77,436**	**495,920**	**39,616**	**10,466**	**78,424**	**22,238**	**724,100**

(In the notes all amounts are presented in thousand Egyptian pound unless otherwise stated)

23 Due to banks

	31 December 2023	31 December 2022
Current accounts	1,451,451	793,815
Deposits	6,222,900	1,133,442
Total	**7,674,351**	**1,927,257**
Local banks	5,200,050	-
Foreign banks	2,474,301	1,927,257
Total	**7,674,351**	**1,927,257**
Non bearing interest balances	1,451,451	793,815
Fixed interest bearing balances	6,222,900	1,133,442
Total	**7,674,351**	**1,927,257**
Current balances	7,674,351	1,927,257

24 Customers' deposits

	31 December 2023	31 December 2022
Demand deposits	44,600,804	37,412,578
Time deposits	39,015,084	28,704,687
Certificates of deposits	14,244,584	14,160,533
Saving accounts	2,987,567	3,176,034
Other deposits	1,807,790	1,766,243
Total	**102,655,829**	**85,220,075**
Corporate deposits	72,318,060	58,274,288
Retail deposits	30,337,769	26,945,787
Total	**102,655,829**	**85,220,075**
Non-bearing interest balances	19,345,954	19,848,387
Fixed bearing interest balances	83,309,875	65,371,688
Total	**102,655,829**	**85,220,075**
Current balances	88,411,245	71,059,542
Non-current balances	14,244,584	14,160,533
Total	**102,655,829**	**85,220,075**

25 Other Loans

	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	Amount in thousand EGP		Amount in thousand USD	
Subordinated loan with variable rate matured at 2026	926,793	989,736	30,000	40,000
Subordinated loan with variable rate matured at 2027	1,300,762	1,237,170	42,105	50,000
Total	**2,227,555**	**2,226,906**	**72,105**	**90,000**

The subordinated loan carries variable rate of return is determined in advance each month and the loans are not repaid before the due date.

The Bank has fulfilled all its obligations in the loan in terms of the principal amount, the proceeds, or any other terms during the year.

26 Other liabilities

	31 December 2023	31 December 2022
Accrued interest	346,492	297,628
Accrued expenses	708,491	1,156,477
Other credit balances	1,430,310	953,952
Total	**2,485,293**	**2,408,057**

27 Other provisions

31 December 2023	Beginning balance	Charged during the year	Foreign currencies translation differences	Net utilized during the year	Ending balance
provision for legal claims	1,528	674	-	-	2,202
Provision for contingent liabilities	223,108	138,906	11,251	-	373,265
operational Provision	5,448	(3,727)	785	-	2,506
Total	**230,084**	**135,853**	**12,036**	**-**	**377,973**

31 December 2022	Beginning balance	Charged during the year	Foreign currencies translation differences	Net utilized during the year	Ending balance
provision for legal claims	1,525	403	-	(400)	1,528
Provision for contingent liabilities	120,268	85,212	17,628	-	223,108
operational Provision	4,122	279	1,047	-	5,448
Total	**125,915**	**85,894**	**18,675**	**(400)**	**230,084**

(In the notes all amounts are presented in thousand Egyptian pound unless otherwise stated)

28 Deferred income tax liabilities

Deferred income tax is calculated on all temporary differences using the liability method at a tax rate of 22.5% of profits. for the current year

Offset between deferred tax assets and deferred tax liabilities if there is legal reason to set off current tax assets against current tax liabilities and also when the deferred income taxes belong to the same department of taxation. The deferred tax liability is analyzed as follows:

Deferred tax liability movements during the year:

	31 December 2023	31 December 2022
Balance at beginning of the year	(7,253)	(7,292)
Movement during the year	5,239	39
Balance at end of the year	**(2,014)**	**(7,253)**

Unrecognized deferred tax asset

The deferred tax assets for the following items were not recognized:

	31 December 2023	31 December 2022
Provisions for impairment loss for loans other than the qualifying 80% of formed provision during the year	792,446	669,550
Total	**792,446**	**669,550**

The deferred tax assets related to the above items were not recognized as no reasonable assurance is available that it may be utilized or there is no an appropriate level of assurance for the generation of future taxable profits sufficient to benefit from this asset.

29 Issued and paid up capital

The total authorized capital as at 31 December 2022 amounted to EGP 5,000 million and the issued and paid up capital amounted to EGP 1,700 million as at 31 December 2021 divided over 50 Million share of a par value of EGP 100 per share. All issued shares are fully paid.

December 31, 2023	Nationality	Ownership %	No. of shares	Amount in EGP
ENBD	U.A.E	99.998%	49,999,410	4,999,941,000
Emirates NBD Securities	U.A.E	0.001%	295	29500
Emirates for Financial Services	U.A.E	0.001%	295	29500
Total		100%	**50,000,000**	**5,000,000,000**

(In the notes all amounts are presented in thousand Egyptian pound unless otherwise stated)

30 Reserves and retained earnings

Reserves	31 December 2023	31 December 2022
Special reserve (A)	190	190
Legal reserve (B)	545,843	487,007
Fair value reserve – through other comprehensive income (C)	(663,356)	(622,065)
General reserve (D)	24,196	24,196
Capital reserve (E)	8,598	4,581
General banking risk reserve (F)	440	440
General risk reserve (G)	117,695	117,695
Total reserves at the end of the year	**33,606**	**12,044**

Movements on reserves are as follows:

A. Special reserve

	31 December 2023	31 December 2022
Balance at the beginning of the year	190	190
Transferred to general risk reserve	-	-
Balance at the end of the year	**190**	**190**

B. Legal reserve

	31 December 2023	31 December 2022
Balance at the beginning of the year	487,007	459,770
Transferred from profits of the year	58,836	27,237
Balance at the end of the year	**545,843**	**487,007**

According to bank statutes, 5% of the net profits for the year are transferred to legal reserve until the balance is equal to 100% of the capital. This reserve is not available for distribution.

C. Fair value reserve – through other comprehensive income

	31 December 2023	31 December 2022
Balance at the beginning of the year	(622,065)	35,024
Net change of fair value reserve - investment OCI	76,772	(8,827)
Income converter	75,387	2,471
Net change of fair value reserve - investment other than trading	(141,823)	(651,346)
Net change in exchange rates	(51 627)	613
Balance at the end of the year	**(663 356)**	**(622 065)**

(In the notes all amounts are presented in thousand Egyptian pound unless otherwise stated)

D. General reserve

	31 December 2023	31 December 2022
Balance at the beginning and the end of the year	24,196	24,196
Balance at the beginning and the end of the year	**24 196**	**24 196**

E. Capital reserve

	31 December 2023	31 December 2022
Balance at the beginning of the year	4,581	4,581
Transferred from the profit of the year	4,017	-
Balance at the end of the year	**8 598**	**4 581**

F. General banking reserve

	31 December 2023	31 December 2022
Balance at the beginning of the year	440	292457
Transferred from the retained earnings	-	(292,017)
Balance at the end of the year	**440**	**440**

G. General risk Reserve

	31 December 2023	31 December 2022
Balance at the beginning of the year	117,695	117,695
Balance at the end of the year	**117,695**	**117,695**

The instructions of the central bank stipulate that the balance of this account should not be affected without prior approval from central bank in accordance with circular No.42 dated February 26,2019.

Movements in retained earnings are as follows:

Retained earning

	31 December 2023	31 December 2022
Balance at the beginning of the year	3 496 802	5 402 894
Net profit for the financial year	3,234,902	1,180,745
Employees profit share	(86,789)	(43,249)
Transferred to legal reserve	(58,836)	(27,237)
Transferred to capital reserve	(4,017)	-
Transferred to general banking reserve	-	292,017
A percentage of the net profit for the year of the Banking System Strengthening and Development Fund	(11,767)	(8,368)
Transferred from the account of the capital increase to the capital account	-	(3,300,000)
Balance at the end of the year	**6,570,295**	**3,496,802**

(In the notes all amounts are presented in thousand Egyptian pound unless otherwise stated)

31 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents include the following balances of maturity dates less than three months from the date of acquisition.

	31 December 2023	31 December 2022
Cash and balances with Central Bank (Note 14)	1,666,574	1,006,017
Due from banks (Note 15)	14,805,093	17,994,245
Treasury bills (Note 16)	21,309,420	4,783,840
Total	**37,781,087**	**23,784,102**

32 Contingent Liabilities and commitments

A) Legal claims

There are a number of existing legal cases filed against the bank as of 31 December 2023, and the provision required amounted EGP 2,202 Thousands was formed for the legal cases compared to 31 December 2022 amounted EGP 1,528 Thousands.

B) capital engagements

The bank's contracts for capital commitments amounted to EGP 648,609 thousand s on December 31, 2023, compared to EGP 65,788 thousand on December 31, 2022, represented in the value of the receivable for work in progress and purchases of fixed assets.

c) Loans, facilities and guarantees commitments

Represent the following:

	31 December 2023	31 December 2022
Loans commitments	720,236	673,579
Letters of guarantee	14,062,727	10,273,264
Letters of credit (import)	1,494,074	1,242,046
Letters of credit (export)	253,415	42,807
Acceptance letters	1,492,549	1,971,057
Total	**18,023,001**	**14,202,753**

33 Custodial Activities

The balances of treasury bills and CBE instruments held for clients amounted to EGP 57,170,600 thousand as of 31 December 2023 compared to (31 December 2022 : EGP 15,061,300 Thousands).

(In the notes all amounts are presented in thousand Egyptian pound unless otherwise stated)

34 Transactions with related parties

The Bank's parent company is Emirates NBD (U.A.E) which holds 99.998% of the common stock and the remaining portion of 0.002% is held by other shareholders.

The nature of such transactions and related balances as presented at the balance sheet date are as follows:

A) Loans and advances to related parties

	Top Management	
Loans and advances	**31 December 2023**	**31 December 2022**
Beginning balance	264	1,630
Net loans granted (collected) during the year	10,977	(1,366)
Balance	**11,241**	**264**

- No provisions were formed for loans granted to related parties for the year ended 31 December 2023 and 31 December 2022.

B) Deposits from related parties

	Top Management	
Loans and advances	**31 December 2023**	**31 December 2022**
Beginning Balance	5,461	4,926
Net deposits during the year	(3,590)	535
Balance at end of year	**1,871**	**5,461**

According to the CBE corporate governance and internal control banks regulations dated 23 August 2011, the top twenty net aggregate remunerations to the directors of the bank amounted to EGP 7,589K as of 31 December 2023 compared to EGP 3,807K for the year ended 31 December 2022.

C) During the first quarter of 2023, the bank refunded an amount of 653 million Egyptian pounds, the value of the right to exploit the trademark owed to Emirates NBD (United Arab Emirates), the parent company, for the years from 2015 to 2021, after the approval of the parent company, Emirates NBD (United Arab Emirates). United Arab Emirates) in January 2023, and this amount will be subject to financial companies tax at a rate of 22.5% for the year 2023.

D- Other transactions with the parent bank through the statement of financial position:

	31 December 2023	**31 December 2022**
Deposits with the parent bank	134,592	-
Current accounts with the parent bank	47,293	197,531
Credit current accounts with the parent bank	187,657	176,252
Corresponding letters of guarantee with the parent bank	3,182,731	1,688,081
Total	**3,552,273**	**2,061,864**

(In the notes all amounts are presented in thousand Egyptian pound unless otherwise stated)

E-Other transactions with the parent bank through the income statement

	31 December 2023	31 December 2022
Return on loans and similar income from the parent bank	8,554	-
The cost of deposits and similar costs from the parent bank	(5,266)	(822)
Advisory expenses	(98,328)	(63,839)
Computer technical support expenses	(429,424)	(215,242)
Total	**(524,464)**	**(279,903)**

35 Tax position

Emirates NBD – Egypt bank tax position

Corporate tax and moving capital.

- A final settlement was made from the start of the activity until 2017 and payment was made.
- The years 2018/2019 have been completed and the settlement is underway with the Tax Authority.
- 2020/2021 screening documents have been submitted.
- The tax return for 2022 has been submitted and the bank has not yet been notified of the examination date.

Salaries tax

- A final salaries tax settlement has been made from the beginning of activity until 2020 and amounts due were paid.
- The tax inspection for the year 2021 has been finished and paid.
- The tax return for the year 2022 has been submitted, but the bank has not been notified of the examination date.

Stamp duty tax

Kasr El-Nil Branch ,Dokki Branch, Heliopolis Branch, Alexandria Branch (Bab Shark), Maadi Branch, Mohandeseen Branch, Nozha Branch, Al Mansoura Branch, Al Merghany Branch , Hurghada , 10th of Ramadan Branch, and Nile City Branch , Alexandria Branch (Gleam) and (Semouha)

- The Tax Authority inspected the years from inception until July 31, 2006 and the due tax were paid. (There are some points in the courts).

Stamp tax inspection according to law 143 for year 2006

- The stamp tax is inspected centrally through the head office for all branches.
- The years from 1 August 2006 until 31 Dec 2018 the amounts due were paid.
- The objection for the years 2019/2020 is being examined before the internal committee.
- The bank was not notified of the examination date for the years 2021 and 2022.

36 Significant events

On 3 August 2023, the Monetary Policy Committee of the Central Bank of Egypt decided, in its meeting, to raise the rates of the one-night deposit and lending return and the price of the main operation of the Central Bank by 100 points, to reach 19.25%, 20.25%, and 19.75%, respectively. The credit and discount rate were raised by 100 basis points to be 19.75%.

37 Comparative figuers

Comparative figures have been adjusted to conform with changes in the presentation of the current year.

38 Translation

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