

**Bank of Alexandria**  
**“Egyptian Joint Stock Company”**

**Interim Financial Statements**  
**for The Period Ended June 30, 2024**  
**Limited Review Report**

**Bank of Alexandria**  
**“Egyptian Joint Stock Company”**

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EY Allied for Accounting & Auditing  
Public Accountants & Consultants



MOSTAFA SHAWKI  
Public Accountants & Consultants

*Translation of Auditor's Report  
Originally issued in Arabic.*

## REVIEW REPORT OF THE INTERIM FINANCIAL STATEMENTS

TO: THE BOARD OF DIRECTORS OF BANK OF ALEXANDRIA "S.A.E."

### Introduction

We have performed a review for the accompanying interim financial statements of Bank of Alexandria (S.A.E), which comprise the interim statement of financial position as at 30 June 2024, and the related interim statements of income, comprehensive income for the three months and six months periods then ended, and interim statements of changes in shareholders' equity and cash flows for the six months then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim financial statements in accordance with the rules of preparation and presentation of the banks' financial statements and basis of recognition and measurement issued by the Central bank of Egypt on 16 December 2008 as amended by the regulations issued on 26 February 2019 and with the related requirements of the applicable Egyptian laws and regulations to prepare these interim financial statements, our responsibility is to express a conclusion on these interim financial statements based on our review.

### Scope of review

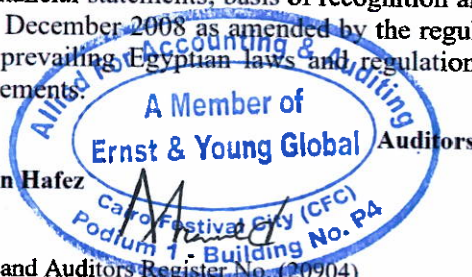
We conducted our review in accordance with the Egyptian Standard on Review Engagements 2410, "Review of Interim Financial Statements Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial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

### Conclusion

Based on our review, nothing has come to our attention which causes us to believe that the accompanying interim financial statements do not present fairly, in all material respects, the financial position of Bank of Alexandria (S.A.E) as of 30 June 2024, and its financial performance, and cash flows for the six months then ended in accordance with the rules of preparation and presentation of the banks' financial statements, basis of recognition and measurement issued by the Central bank of Egypt on 16 December 2008 as amended by the regulations issued on 26 February 2019 and in the light of the prevailing Egyptian laws and regulations related to the preparation of these interim financial statements.

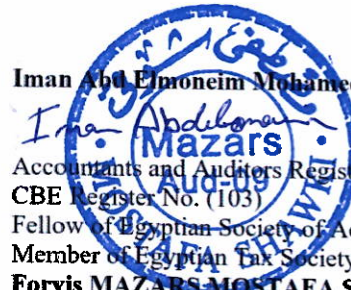
Ahmed Amin Hafez

Accountants and Auditors Register No. (20904)  
CBE Register No. (565)  
Member of Egyptian Society of Accountants and Auditors  
EY Allied for Accounting & Auditing



Iman Abu Elmonem Mohamed

Accountants and Auditors Register No. (4973)  
CBE Register No. (103)  
Fellow of Egyptian Society of Accountants and Auditors  
Member of Egyptian Tax Society  
Forvis MAZARS MOSTAFA SHAWKI



Cairo: 1 August 2024

**Bank of Alexandria (Egyptian Joint Stock Company)**  
**Statement of financial position**  
**As at 30 June 2024**

	Note	30 June 2024 EGP 000	31 December 2023 EGP 000
<b><u>Assets</u></b>			
Cash and balances at Central Bank of Egypt	(16)	15 700 474	13 049 714
Due from banks	(17)	71 903 837	44 145 286
Loans and advances to banks	(18)	-	438 767
Loans and advances to customers	(18)	64 855 127	58 398 465
Financial assets classified at fair value through profit and loss	(19)	9 248	13 309
<b><u>Financial investments</u></b>			
-Fair value through other comprehensive income	(20)	20 261 358	36 937 640
-Fair value through profit and loss	(20)	15 421	13 966
-Amortized cost	(20)	4 464 363	4 471 345
Investments in associates	(21)	77 204	68 620
Intangible assets	(22)	355 248	296 405
Other assets	(23)	3 825 873	3 176 647
Deferred tax assets	(30)	453 377	359 530
Fixed assets	(24)	656 511	593 241
<b>Total assets</b>		<b>182 578 041</b>	<b>161 962 935</b>
<b><u>Liabilities and shareholders' equity</u></b>			
<b><u>Liabilities</u></b>			
Due to banks	(25)	801 684	371 898
Customers' deposits	(26)	148 579 761	133 339 950
Other loans	(27)	646 710	569 789
Other liabilities	(28)	6 252 411	4 469 798
Other provisions	(29)	481 598	406 590
Current income tax liabilities		1 281 046	1 465 092
Retirement benefits obligations	(31)	1 759 784	1 569 590
<b>Total Liabilities</b>		<b>159 802 994</b>	<b>142 192 707</b>
<b><u>Shareholders' equity</u></b>			
Share capital	(32)	5 000 000	5 000 000
Reserves	(33)	2 483 789	2 503 855
Profit for the period / year retained earnings	(33)	15 291 258	12 266 373
<b>Total Shareholders' equity</b>		<b>22 775 047</b>	<b>19 770 228</b>
<b>Total liabilities and Shareholders' equity</b>		<b>182 578 041</b>	<b>161 962 935</b>

Limited Review, Report "attached"

The accompanying notes from page (6) to page (60) are an integral part of these interim financial statements and are to be read therewith.

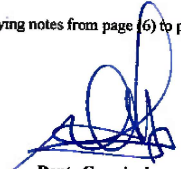
  
**Dante Campioni**  
 CEO and Managing Director

  
**Michele Formenti**  
 Chief Financial Officer

**Bank of Alexandria (Egyptian Joint Stock Company)**  
**Statement of income**  
**For the Period ended 30 June 2024**

	Note	For the period From April 01, 2024 To June 30, 2024	For the period From January 01, 2024 To June 30, 2024	For the period From April 01, 2023 To June 30, 2023	EGP 000 For the period From January 01, 2023 To June 30, 2023
Interest and similar income	(6)	8 950 170	16 528 612	5 237 982	9 716 632
Interest and similar expense	(6)	(4 187 454)	(7 650 334)	(2 370 015)	(4 375 216)
<b>Net interest income</b>		<b>4 762 716</b>	<b>8 878 278</b>	<b>2 867 967</b>	<b>5 341 416</b>
Fee and commission income	(7)	753 257	1 321 962	501 209	989 538
Fee and commission expense	(7)	(233 671)	(440 571)	(185 173)	(378 649)
<b>Net fee and commission income</b>		<b>519 586</b>	<b>881 391</b>	<b>316 036</b>	<b>610 889</b>
<b>Net income</b>		<b>5 282 302</b>	<b>9 759 669</b>	<b>3 184 003</b>	<b>5 952 305</b>
Dividend income	(8)	748	748	2 804	2 804
Net income from financial instruments classified at fair value through profit and loss	(9)	1 483	13 492	77	4 301
Change in financial assets classified at fair value through profit and loss		721	1 465	444	887
Net trading income	(10)	21 941	(18 149)	12 475	11 981
Gains from financial investments	(20)	826	5 486	679	3 214
Share of results of associates		7 964	11 370	3 935	5 683
Impairment Release (Charges) for credit losses	(13)	(157 511)	(297 832)	(456 807)	(698 327)
Administrative expenses	(11)	(1 156 907)	(2 237 048)	(899 713)	(1 814 458)
Other operating (expenses)	(12)	(9 670)	(438 254)	(72 863)	(54 766)
<b>Net profit before income tax</b>		<b>3 991 897</b>	<b>6 800 947</b>	<b>1 775 034</b>	<b>3 413 624</b>
Income tax expense	(14)	(1 006 894)	(1 716 022)	(588 432)	(1 048 498)
<b>Net profit for the period</b>		<b>2 985 003</b>	<b>5 084 924</b>	<b>1 186 602</b>	<b>2 365 126</b>
Earnings per share (EGP/share) - Basic	(15)	<b>1.06</b>	<b>1.81</b>	<b>0.42</b>	<b>0.84</b>

The accompanying notes from page (6) to page (60) are an integral part of these interim financial statements and are to be read therewith.

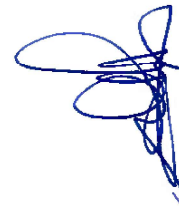
  
**Dante Campioni**  
CEO and Managing Director

  
**Michele Formenti**  
Chief Financial Officer

Bank of Alexandria (Egyptian Joint Stock Company)  
Statement of other comprehensive income  
For the Period ended 30 June 2024

	EGP 000			
	For the period From April 01, 2024 To June 30, 2024	For the period From January 01, 2024 To June 30, 2024	For the period From April 01, 2023 To June 30, 2023	For the period From January 01, 2023 To June 30, 2023
Net profit for the period	2 985 003	5 084 924	1 186 602	2 365 126
<b>Other Comprehensive income that will not be reclassified to the Profit or Loss:</b>				
Net change in fair value of investments in equity instruments measured at fair value through other comprehensive income	13	628	964	1 167
<b>Other comprehensive income items that is or may be reclassified to the Profit or Loss:</b>				
Net change in fair value of debt instruments measured at fair value through other comprehensive income	( 57 472)	( 13 719)	110 817	( 129 602)
Expected credit loss for fair value of debt instruments measured at fair value through other comprehensive income	10 666	( 9 186)	( 5 158)	( 5 133)
<b>Total other comprehensive income for the period net of tax</b>	<b>( 46 806)</b>	<b>( 22 905)</b>	<b>105 659</b>	<b>( 134 735)</b>
<b>Total comprehensive income attributable to shareholders' for the period, net of tax</b>	<b>( 46 793)</b>	<b>( 22 277)</b>	<b>106 623</b>	<b>( 133 568)</b>
	<b>2 938 210</b>	<b>5 062 647</b>	<b>1 293 225</b>	<b>2 231 558</b>

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Dante Campioni  
CEO and Managing Director

  
Michele Formenti  
Chief Financial Officer

Bank of Alexandria (Egyptian Joint Stock Company)  
Statement of cash flow  
For the Period ended 30 June 2024

	Note	For the period	For the period
		From January 01, 2024 To June 30, 2024	From January 01, 2023 To June 30, 2023
		EGP 000	EGP 000
<b>Cash flows from operating activities</b>			
Net profit before tax		6 800 947	3 413 624
<b>Adjustments to reconcile net profit to cash flows from operating activities</b>			
Depreciation and amortization	(22,24)	135 676	135 642
Impairment charge on credit losses (loans and advances to customers)	(13)	282 892	671 621
Net formed / (reversed) Other provisions	(29)	52 387	(14 853)
Impairment charge on credit losses (Treasury bills)		-	4 074
Impairment charge on credit losses (Due from banks)		-	(146)
Impairment charge on credit losses (Due from banks)		14 939	22 778
Net income from financial assets classified at fair value through profit and loss		(13 492)	(4 301)
Utilized provisions (other than loans provision)	(29)	(27 784)	(1 474)
Collections from previously written-off		(85 784)	-
Translation differences of other provisions in Foreign currencies	(29)	(13 753)	(25 621)
Translation differences of other Loans in Foreign currencies		156 954	105 382
Change in financial assets by fair value through profit and loss		(1 465)	(887)
Translation differences of Financial Investments in Foreign currencies		(178 946)	126 673
Translation differences of Fair value reserves in Foreign currencies	(33 C)	(9 856)	5 109
Gain from treasury bonds and bills		-	(3 050)
(Gains) from selling fixed assets	(12)	(2 716)	-
Dividend income	(8)	(748)	(2 804)
Gains from selling financial investments		(5 486)	(3 214)
Amortization of discount for bonds		9 894	1 001 773
Change in fair value of investments through other comprehensive income		31 982	(133 568)
Bank's share in undistributed profit of associates		(11 370)	(5 683)
<b>Operating profits before changes in assets and liabilities provided from operating activities</b>		<b>7 134 271</b>	<b>5 291 075</b>
<b>Net decrease/(increase) in assets and (decrease)/increase in liabilities</b>			
Balances with CBE within the mandatory reserve requirements		(2 742 380)	3 389 099
Due from banks		(2 428 326)	(2 028 422)
Treasury bills and other governmental notes		450 134	8 008 730
Loans and advances to banks		438 767	(223 193)
Loans and advances to customers		(6 759 374)	18 008
Financial instruments at fair value through profit and loss since inception		17 554	7 498
Financial assets classified at fair value through profit and loss		(1 455)	(887)
Other assets		(662 756)	(1 215 427)
Due to banks		429 786	223 193
Customers' deposits		15 239 811	8 645 965
Other liabilities		1 782 613	2 382 288
Retirement benefits obligations		190 194	101 472
Taxes paid		(1 076 811)	(1 067 134)
<b>Net cash flows provided operating activities</b>		<b>12 012 028</b>	<b>23 532 265</b>
<b>Cash flows from investing activities</b>			
Payments of purchase of fixed assets and branches constructions		(143 505)	(810)
Proceeds from selling fixed assets		(2 716)	82
Proceeds from selling financial investments other than Trading		46 031 678	40 031 116
Payments to purchase of financial investments		(44 725 648)	(49 032 326)
Payments to purchase of intangible assets		(127 926)	(329 146)
Dividends received (Including dividends from Associates)		748	1 411
<b>Net cash flows (used in) investing activities</b>		<b>1 032 631</b>	<b>(9 329 673)</b>
<b>Cash flows from financing activities</b>			
Proceeds from other loans		-	2 833
Payments of other loans		(20 387)	(153 376)
Dividends paid		(976 464)	(348 063)
<b>Net cash flows (used in) financing activities</b>		<b>(996 851)</b>	<b>(498 606)</b>
Net change in cash and cash equivalents during the period		12 047 807	13 703 986
Cash and cash equivalents at the beginning of the year		73 623 738	33 022 049
<b>Cash and cash equivalents at the end of the period</b>		<b>85 671 545</b>	<b>46 726 035</b>
<b>Cash and cash equivalents are represented in the following (note no. 35):</b>			
Cash and balances at Central Bank of Egypt	(16)	15 700 474	5 447 702
Due from banks	(17)	71 903 837	41 307 981
Treasury bills and other governmental notes	(20)	19 561 538	29 207 403
Balances at CBE within the mandatory reserve percentage		(12 518 557)	(3 128 884)
Deposits at banks with maturity more than three months *		(2 737 257)	(11 357 049)
Treasury bills and other governmental notes (with maturity more than 3 months)*		(6 238 490)	(14 751 118)
<b>Cash and cash equivalents</b>		<b>85 671 545</b>	<b>46 726 035</b>
<b>Non-Cash transactions</b>			
For the purpose of preparing the statement of cash flows, the following non - cash transactions were eliminated:			
EGP 13 530 thousand from both payments for acquiring intangible assets (amounts transferred from assets under construction)			
EGP 31 982 thousand from both changes in fair value reserve and financial investments (investments valuation differences).			
* From the date of acquisition.			

The accompanying notes from page (6) to page (60) are an integral part of these interim financial statements and are to be read therewith.

  
Dante Campioni  
CEO and Managing Director

  
Michele Formenti  
Chief Financial Officer

**Bank of Alexandria (Egyptian Joint Stock Company)**  
**Statement of changes in shareholders' equity**  
**For the period ended 30 June 2024**

	Share Capital	Legal Reserve	Special Reserve	Fair Value Reserve	General Banking Risks Reserve-Credit	General Risk Reserve	Retained Earnings	Total
<b>Balance at 1 January 2023</b>	5 000 000	2 500 000	36	( 198 349)	49 816	35 135	7 561 585	14 948 223
Dividends distributions	-	-	-	-	-	-	( 348 063)	( 348 063)
Net change in other comprehensive income	-	-	-	( 133 568)	-	-	-	( 133 568)
Transferred to Special Reserve from Retained Earnings	-	-	3 394	-	-	-	( 3 395)	( 1)
Net profit for the period ended 30 June 2023	-	-	-	-	-	-	2 365 126	2 365 126
Transferred from Banking Risks Reserve to Retained earnings	-	-	-	-	( 49 816)	-	49 816	-
<b>Balance at 30 June 2023</b>	5 000 000	2 500 000	3 430	( 331 917)	-	35 135	9 625 069	16 831 717
<b>Balance at 1 January 2024</b>	5 000 000	2 500 000	3 430	( 34 710)	-	35 135	12 266 373	19 770 228
Dividends distributions	-	-	-	-	-	-	(2 057 829)	(2 057 829)
Net change in other comprehensive income	-	-	-	( 22 277)	-	-	-	( 22 277)
Transferred to Special Reserve from Retained Earnings	-	-	2 211	-	-	-	( 2 211)	-
Net profit for the period ended 30 June 2024	-	-	-	-	-	-	5 084 924	5 084 924
<b>Balance at 30 June 2024</b>	5 000 000	2 500 000	5 641	( 56 987)	-	35 135	15 291 258	22 775 047

The accompanying notes from page (6) to page (60) are an integral part of these interim financial statements and are to be read

  
**Dante Campioni**  
 CEO and Managing Director

  
**Michele Formenti**  
 Chief Financial Officer

## **1- General information**

Bank of Alexandria provides retail, corporate and investment banking services in Arab Republic of Egypt through its Head Office located in (49, Kasr El Nile street) Cairo and its 182 branches and banking units employing 4 293 staff members on the statement of financial position date.

Bank of Alexandria (S.A.E) was established on 17 April 1957, as a State wholly owned commercial bank, until 31 October 2006. SanPaolo I.M.I (Italian Bank) acquired 80% of its issued capital. On 1 January 2007, a merger was announced between SanPaolo I.M.I and Banca Intesa S.P.A., and the name of shareholder SanPaolo I.M.I has been amended to be Intesa SanPaolo S.P.A.

Bank of Alexandria currently performs its activities under the provisions of the Central Bank of Egypt, Banking Sector, according to the Monetary Law No. 88/2003 and the Law No. 194/2020.

On September 14th 2020, International Finance Corporation (IFC) sold its participation of 9.75% (with the exception of one share) in Bank of Alexandria to Intesa Sanpaolo S.P.A. The share of Intesa SanPaolo S.P.A became 80% (approximately). IFC in 2021 sold the remaining one share to Mr. Ahmed Saeed Al-Falal who has a share of 0.00000025% in the Bank capital.

These Financial statements were approved by the Board of Directors on July 29, 2024.

## **2- Summary of Accounting Policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied for all periods presented, unless otherwise stated.

### **2-A. Basis of the Preparation of the Financial Statements**

The financial statements have been prepared in accordance with the Egyptian Accounting Standards (EAS) issued in 2006 and their amendments, and in accordance with the instructions of the Central Bank of Egypt (CBE), approved by its Board of Directors on 16<sup>th</sup> December 2008. Moreover, starting from January 2019 IFRS 9 "Financial Instruments" has been applied in accordance with the instructions of the Central Bank of Egypt (CBE) dated February 26, 2019. The financial statements were prepared under the historical cost convention, modified by the revaluation of the following balance sheet items: financial assets, liabilities held for trading, financial assets and liabilities classified at inception at fair value through profit and loss, financial investments at Fair Value through Other Comprehensive Income (FVOCI), and all financial derivatives contracts. The financial statements of the Bank have been prepared in accordance with the provisions of the relevant local laws.

### **2-B. Associates' Companies**

Associates' companies are entities over which the bank exercises a direct or indirect significant influence without reaching the extent of control where the Bank holds ownership equities ranging between 20% and 50% of the voting rights.

Purchase method of accounting has been applied for the companies in which the Bank acquired a stake. The acquisition cost is measured through the fair value or the equivalent value offered by the Bank for the acquired assets and/or issued shareholders' equity instruments and/or obligations the Bank incurred and/or obligations the Bank accepted on behalf of the acquired company, to complete the acquisition process at the date of the exchange process, plus any costs that can be directly attributed to the acquisition process. Net assets, including acquired defined potential obligations, are measured at fair value at the acquisition date regardless of the minority's rights existence. The excess of the acquisition cost over the fair value of the Bank's share in the net assets is considered goodwill. Moreover, if there is a decrease in the acquisition cost below the net fair value referred to, the difference shall be recorded directly in the income statement under the account "Other operating income (expenses)".

The associates' companies in the Bank's financial statements are accounted for by the equity method. In addition, dividend pay-outs are deducted in the carrying value of the investment when approved.

### **2-C. Segment Reporting**

A business segment is a group of assets and operations related to providing products or services subject to risk and returns, different from those that are related to other business segments. A geographical segment is related to providing products and services within the same economic environment subject to risk and returns, different from those that are related to other geographical segments that operate in a different economic environment.

### **2-D. Foreign Currencies Translation**

#### **2-D.1. Functional and Presentation Currency:**

The Bank's financial statements is presented to the nearest thousand Egyptian pounds, which represents the Bank's functional and presentation currency.

## **2-D.2. Transactions and Balances in Foreign Currencies**

The bank holds its accounting records in the Egyptian pound. Transactions in foreign currencies during the fiscal period are recorded using the prevailing exchange rates at the date of the transaction. Monetary assets and liabilities in foreign currency are re-evaluated at the end of the reporting period using the prevailing exchange rates at that date. The gains and losses resulting from settlement of such transactions, as well as the differences resulting from the re-evaluation, are recognized in the income statement among the following items:

-Net trading income for financial instruments classified since inception at fair value through profit and loss or assets/liabilities held for trading.

-Shareholders' equity for financial derivatives that are eligible for cash flow qualified hedge or eligible for net investment qualified hedge.

-Other operating income (expenses) for the remaining items.

-Changes in the fair value of the financial instruments with monetary nature in foreign currencies and classified as investments at Fair Value through Other Comprehensive Income (debt instruments), are differentiated into revaluation differences resulting from changes in the amortized cost of the instruments, revaluation differences resulting from changes in the prevailing exchange rates and, revaluation differences resulting from the changes in the instrument's fair value. The revaluation differences resulting from the changes in the amortized cost are recognized in the income statement within "Interest and Similar Income". The differences related to exchange rate changes are recognized in "Other Operating Income (expenses)", whereas the change in the fair value (fair value reserve/financial investments at Fair Value through Other Comprehensive Income (FVOCI) are recognized within shareholders' equity.

-The revaluation differences resulting from items other than those with monetary nature include the gains and losses resulting from the change of the fair value such as the equity instruments held at fair value through profit and loss. The revaluation differences resulting from equity instruments classified as financial investments at Fair Value through Other Comprehensive Income (FVOCI) are recognized within the fair value reserve in the shareholders' equity.

## **2-E. Financial Assets**

The bank classifies financial assets among the following categories:

- Financial Assets classified at Fair Value Through Profit and Loss (FVTPL).
- Financial Assets at amortized cost (Loans and Receivables).
- Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI).

The management determines the classification of its investments at initial recognition.

### **2-E.1. Financial Assets classified at Fair Value Through Profit and Loss:**

This category includes:

- Financial assets held for trading.
- Assets classified at inception at fair value through profit and loss.

A financial instrument is classified as an instrument held for trading if it is primarily acquired for the purpose of the sale in the short term, or if it represents a part of a portfolio of specific financial instruments that are managed together and there is evidence of recent actual transactions that resulted in short-term profit taking. Further, derivatives are classified as held for trading (Unless hedge accounting is applied).

Financial assets are classified at inception at the fair value through profit and loss in the following cases:

- When such classification reduces the measurement inconsistency that could arise from handling the related derivative as held for trading at the time of the valuation of the financial instrument, in the place of the derivative at amortized cost for loans and facilities to banks and customers and issued debt instruments.

- When managing some investments, such as investments in equity instruments, if valued at fair value according to the investment strategy or risk management and reports are prepared for the top management on this basis.

- Financial instruments such as held debt instruments, which contain one or more embedded derivatives that strongly affect cash flows.

- Gains and Losses resulting from changes in the fair value of financial derivatives that are managed in conjunction with assets and liabilities classified at inception at fair value through profit and loss and are recorded in the income statement under "Net income from financial instruments classified at inception at fair value through profit and loss".

- Reclassification of any financial derivative related to a group of financial instruments evaluated at fair value through profit and loss is not possible during the period in which it is held or during its validity period. In addition, any financial instrument from the group of financial instruments evaluated at fair value through profit and loss cannot be reclassified if it has been classified by the Bank at its initial recognition as an instrument evaluated at fair value through profit and loss.

## **2-E.2. Loans and Receivables**

Loans and Receivables represent non-derivative financial assets with fixed or determinable payment that are not quoted in an active market, with the exception of :

- Assets which the bank intends to sell immediately or in the short term. In which case, they are classified as assets held for trading or assets classified at inception at Fair Value Through Profit and Loss.
- Assets classified by the bank at Fair Value through Other Comprehensive Income (FVOCI) at initial recognition.
- Assets for which the bank will not be able to substantially recover the value of its initial investment for reasons other than creditworthiness deterioration.

## **2-E.3. Assets at Fair Value Through Other Comprehensive Income (FVOCI)**

Investments classified at Fair Value through Other Comprehensive Income (FVOCI) are non-derivative financial assets held within the Bank model whose objective is to hold cash flows, including principal and interest, or may be sold in response to needs for liquidity or to decrease in instrument creditworthiness or to changes in interest rates, exchange rates, or equity prices (Liquidity Management portfolio).

### **The following is applied to financial assets:**

Purchase and sale transactions of the financial assets classified at Fair Value Through Profit and Loss (FVTPL), and financial investments classified at Fair Value Through Other Comprehensive Income (FVOCI) shall be recognized in the ordinary way on the trade date on which the Bank is committed to purchase or sell the asset.

The financial assets, which are not classified at inception at fair value through profit and loss, shall be recognized at fair value plus the transaction costs, whereas financial assets classified at inception at fair value through profit and loss are recognized only at fair value with the transaction' costs associated to those assets being reported in the income statement under the "Net Trading Income" item.

Financial assets shall be derecognized when the contractual right validity to receive cash flows from the financial asset expires or when the bank transfers most of the risk and returns associated with the ownership to a third party. Financial liabilities are derecognized when they expire by either discharging, cancellation, or the expiration of the contractual period.

Financial assets at Fair Value through Other Comprehensive Income (FVOCI) and financial assets classified at Fair Value Through Profit and Loss (FVTPL) shall be subsequently measured at fair value. Loans and receivables are subsequently measured at amortized cost.

Gains and losses resulting from changes in the fair value of assets classified at fair value through profit and loss shall be recognized in the income statement in the period in which they are made, while the gains and losses arising from changes in the fair value of the investments at Fair Value Through Other Comprehensive Income (FVOCI) shall be directly recognized in shareholders' equity statement, until the asset is derecognized or impaired. In which case, the cumulative profit and losses previously recognized in shareholders' equity statement shall be recognized in the income statement.

Income calculated with the amortized cost method and gains and losses on foreign currencies related to the assets with monetary nature classified at fair value through Other Comprehensive Income Assets shall be recognized in the income statement. Dividends resulting from equity instruments classified at fair value through Other Comprehensive Income shall be recognized in the income statement when the right of the bank to receive payment is established.

Fair value of the investments listed in active markets shall be defined pursuant to the current Bid Prices. In case there is no active market for the financial assets, or the current Bid Prices are unavailable, the bank shall define the fair value by using one of the valuation methods. This includes either using arm's length transactions, discounted cash flow analysis, options pricing models or other valuation methods commonly used by market traders. In case the Bank is unable to estimate the fair value of equity instruments classified at Fair Value Through Other Comprehensive Income, their value shall be measured by cost after deducting any impairment in value.

If the Bank adjusts its estimates of payments or receivables, the book value of the financial asset (or the group of financial assets) shall be settled in a way that reflects the actual cash flows and the adjusted estimates, provided that the book value is determined by calculating the present value of estimated future cash flows by the actual return rate of the financial instrument. The result of the settlement shall be recognized as revenue or expenses in the profit and loss.

In all cases it shall not be permissible to reclassify the financial (Debt Instruments) assets between different classifications (classified at amortized cost, classified at Fair Value Through Other Comprehensive Income, and classified at fair value through profit and loss) except if the bank changes the business model(s), which procedures takes place infrequently and rarely, other than the first classification change when implementing the impact of IFRS 9 first time adoption for financial instruments.

## **2-F. Accounting Standards applied starting from January 1st 2019:**

Starting from December 31, 2018, the financial statements have been prepared in accordance with the instructions of the Central Bank of Egypt (CBE) rules, approved by its Board of Directors, except the effect of the instructions of the Central Bank of Egypt dated February 26, 2019 to prepare financial statements according to IFRS 9 "Financial Instruments: classification and measurements".

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:

**Stage 1:** Includes financial assets on initial recognition and that do not have a significant increase in credit risk since the initial recognition or that have low credit risk. For these assets, expected credit loss are recognized on the gross carrying amount of the asset based on the expected credit losses that result from default events that are possible within 12 months after the reporting date.

**Stage 2:** Includes financial assets that have had a significant increase in credit risk since initial recognition, but that do not have objective evidence of impairment. For these assets, lifetime expected credit loss are recognized, but interest is still calculated on the gross carrying amount of asset. Lifetime expected credit loss are the expected credit losses that result from all possible default events over the expected life of the financial instrument.

**Stage 3:** Includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime expected credit loss are recognized.

### **2-F.1. Definition of default:**

The Bank applies a single definition of default for classifying assets and determining the probability of default of its obligors for risk modelling purpose.

The definition of default is based on quantitative and qualitative criteria. A counterparty is classified as default at the latest when material payments of interest, principal or fees are overdue for more than 90 days.

### **2-F.2. Significant Increase in Credit Risk:**

IFRS 9 does not provide a specific definition for significant increase in credit risk. The bank's assessment of the credit risk is based on forward-looking analysis based on management assessment, quantitative analysis (predictive model) and qualitative information. An estimate of whether there is a significant increase in credit risk includes comparing the current default risk at financial reporting date, with the initial default risk at inception lending date, during that the bank took into account all quantitative and qualitative information including historical data and prospective outlook, which are available without effort and cost is not required, which depends on the ability of the bank to provide data objectively.

The Bank considers different economic scenarios in estimating the probability of default at the initial lending date and successively in each financial reporting date, each scenario outcome has different results, and the Bank adjust weighted factor for each of the different scenarios.

The Bank calculates the expected credit loss for the entire life of the instrument when there is a significant decrease in the creditworthiness that reflects the cash flow deficit resulting from all the events and factors affecting the creditworthiness weighted by the risk of default.

The Bank monitors all financial assets that are subject to impairment requirements to assess whether there has been a significant decrease in credit risk and to measure the loss allowance based on lifetime rather than 12-months ECL.

### **2-F.3. Write-Off:**

Debt is written off when all or part of the debt is uncollectible or agreed to be exempt from it. Loans, credit facilities and debt instruments are considered to be impaired when the Bank has no reasonable expectation of collection of these financial assets (in whole or in part), this scenario occurs when the Bank determines that the borrower has no other assets or resources from the cash flows to repay the loan. The Bank may continue to take legal actions to collect all or part of the debt after the debt is executed, which may lead to the collection of certain amounts granted to the borrower.

Written-off loans reduce the principal amount granted, and when collection of debts has been written off, these amounts are recognized on collection.

#### **2-F.4. Market Risk:**

Market risk represents the expected loss resulting from the negative effects of market variables. Market variables represent several factors such as interest rate, currency risk, exchange rate, equity prices, credit risk margin and commodity prices. These variables may be not reliably measurable, such as volatility and bonding factors with each other.

Market risk includes risks related to the source of the financial instrument and investment risk.

- **Financial instrument risk:** The possibility of loss arising from changes in fair value due to events related to the credit loss affecting the issuer and which the Bank is exposed to through investments and derivatives derived from the source of the financial instrument.

- **Investment risk:** Risks related to the volume of held financial investments.

**Market Risk Management:** The Bank's objective of managing market risk is to control and manage exposure to market variables in order to maximize returns while ensuring adequate solvency.

With regard to liquidity risk, the task of the concerned committees is to ensure effective market risk management across the Bank's various sectors. The main activities for managing these risks are as follows:

- Identification of the main types of risks and their causes.
- Neutral independent measurement and evaluation of these risks and their effects.
- Use evaluation results as a basis for managing return / risk ratios.
- Risk control and reporting.

#### **2-F.5. Changes in accounting policies and significant professional estimates and assumptions:**

##### **Main Changes in Bank Accounting policies upon adopting IFRS 9**

The following is a summary of the major changes in the Bank's accounting policies resulting from the adoption of IFRS 9.

##### **Classification of Financial Assets and Financial Liabilities**

IFRS 9 includes three major asset classes:

- Amortized Cost
- Fair Value Through Comprehensive Income
- Fair Value Through Profit and Loss.

The classification of financial assets in accordance with IFRS 9 is generally based on the business model in which the financial assets and contractual cash flow characteristics are managed. The standard eliminates the previous classes in accordance with IAS 39: held to maturity, loans and receivables, and available for sale investments.

##### **Impairment of Financial Assets**

IFRS 9 replaces the "recognized losses" model in IAS 39 with the "expected credit loss" future model. The new impairment model also applies to certain loan commitments and financial guarantees contracts, but does not apply to equity investments. In accordance with IFRS 9, credit losses are recognized earlier in relation to IAS 39.

##### **Classification of Financial Assets and Liabilities (SPPI test)**

The SPPI test evaluates the contractual terms of the financial assets (as a whole) that give rise to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

##### **Impairment of financial instruments**

The Bank assesses whether credit risk on financial assets has increased significantly since initial recognition and includes future information in measuring expected credit losses.

## **2-G. Offsetting of financial instruments**

Financial assets and liabilities are offset in case the Bank has a legal right in force to undertake the offsetting of the recognized amounts, and it intends to settle the amounts on a net basis or to receive the asset and settle the liability simultaneously.

The items of the agreements for purchasing treasury bills with commitment to resell, and the agreements for selling treasury bills with commitment to repurchase shall be presented based on the net basis in the financial position within the item of treasury bills and other governmental notes.

## **2-H. Financial Derivatives**

Derivatives shall be recognized at fair value at the date of the entering into its contract and subsequently be re-measured at fair value. The fair value is defined either from the quoted market prices in the active markets, recent market transactions, or valuation techniques such as discounted cash flow models and options pricing models, as appropriate. All derivatives shall be recognized within the assets if their fair value is positive or within the liabilities if their fair value is negative.

## **2-I. Interest Income and Expense**

Interest income and expense of all interest-bearing financial instruments, except those classified as held-for-trading or which have been classified at inception at fair value through profit and loss, shall be recognized in the income statement under "Interest income on loans and similar income" item or "Interest expenses on deposits and similar charges" by using the effective interest rate method.

The effective interest rate is the method to calculate the amortized cost of a financial asset or liability and to distribute the interest income or expenses over the related instruments' lifetime. The actual rate of return is the rate used to discount the estimated future cash flows of expected payments or receivables during the expected lifetime of the financial instrument or shorter period of time when appropriate, in order to reach accurately the book value of a financial asset or liability. When the effective rate of return is calculated, the Bank estimates the cash flows by considering all the contractual terms and conditions of the financial instrument's contract (for example accelerated repayment options) and does not consider the future credit losses. The method of calculation includes all fees paid or received by and between the contract's parties, which are considered part of the effective interest rate. The cost of the transaction includes any premiums or discounts.

When loans or receivables are classified as non-performing or impaired ones as the case may be, the related interest income shall not be recognized nor recorded as off-balance sheet items out of financial statements. However, such interest income shall be recognized under the revenue item pursuant to the cash basis according to the following:

**2-I.1** As for consumer loans, mortgage loans for personal housing and small loans for economic activities, when the interest income is collected and after arrears are fully recovered.

**2-I.2** As for corporate loans, interest income is recognized as revenue only after the payment of 25% of the amount rescheduled and with a minimum of one year of regular payments. In case of the customer keeps repaying regularly, then the calculated interest will be capitalized to the loan balance and to be recorded as revenues (return on the rescheduled loan balance), without considering the marginal interest before reschedule, which will not be recorded in the revenues until the full payment of loan balance before scheduling as recorded in the financial position.

## **2-J. Fee and commission income**

Due fees from servicing the loan or facility shall be recognized in the income when performing the service, while the fee and commission income related to non-performing or impaired loans or receivables shall not be recognized, as it shall be on off-balance sheet of the financial statements. Then, it shall be recognized within the income pursuant to the cash basis when the interest income is recognized according to item (2.I.2). As for the fees, which represent an integral part of the actual return of the financial assets in general, they shall be treated as an amendment to the effective rate of return.

Commitment fees on loans shall be postponed, if there is a probability that these loans will be withdrawn, taking into account that these fees that the bank receives are a compensation for the constant intervention to acquire the financial instrument. Then they shall be recognized by amending the effective rate of return on the loan. When the period of commitment expires without the loan being issued by the bank, these fees shall be recognized within the income at the expiry of the commitment's validity.

Fees on debt instruments measured at fair value shall be recognized within revenue at the initial recognition. Fees on the promotion of the syndicated loans shall be recognized within revenue when the promotion process is completed, and the bank does not retain any portion of the loan, or if the bank retains a portion for itself earning of the actual rate return which is available to other participants as well.

Fees and commission resulting from negotiations or the participation in negotiations on a transaction in favour of a third party, shall be recognized within the income statement - such as the arrangement of the acquisition of shares or other financial instruments, or the acquisition or selling of premises - when the specific transaction is completed. The administrative consultations fees and other services are normally recognized based on the distribution over time relative to the service performance period. However, the financial planning management fees and conservation services fees, which are provided for long periods of time, are recognized over the period during which the service is performed.

## **2-K. Dividend Income**

Dividend income shall be recognized when the right to receive such income is established.

## **2-L. Purchase and Resale Agreements and Sale and Repurchase Agreements**

Financial instruments sold under repurchase agreements "REPO's" are presented within the assets added to the balances of treasury bills and other government notes in the financial position, while the liability (purchase and resale agreements) is deducted from the treasury bills and other governmental notes in the financial position. The difference between the selling price and repurchase price is recognized as a return over the period of the agreement by applying the effective interest rate method.

## **2-M. Impairment of Financial Assets**

### **2-M.1. Financial Assets Recorded at Amortized Cost**

At reporting dates, the Bank assesses whether there is an objective evidence on the impairment of a financial asset or a group of financial assets. The financial asset or the group of financial assets shall be considered impaired, and impairment losses shall be recognized when there is objective evidence on the impairment as a consequence of an event or more events that occurred after the initial recognition of the asset, and such (Loss Event) affects the reliability of the estimated future cash flow of the financial asset or the group of financial assets which can be reliably estimated.

The indicators that the bank considers determining the existence of objective evidence on impairment losses include the following:

- Significant financial difficulties that face the borrower / debtor;
- Breach of the terms of the loan facility, such as the stopping of repayments;
- Expectation of the declaration of the borrower's bankruptcy, the entering into the liquidation lawsuit or the restructuring of the granted finance;
- Deterioration of the competitive position of the borrower;
- Granting privileges or concessions by the Bank to the borrower for legal or economic reasons related to the latter's financial difficulties, which the Bank may not accept granting the same in ordinary circumstances;
- The impairment of the collateral's value;
- The deterioration of the credit situation and positions.

Objective evidence of the impairment losses of a group of financial assets, includes the existence of observable data indicating a decrease in the measurement in the future's cash flows of the group since the initial recognition. Though it is not possible to determine the decline of each individual asset, such as the increase of default cases in regards with a Bank product.

The Bank estimates the period between the loss event and its identification for each specific portfolio. This period normally ranges between three and twelve months.

Further, the bank first assesses whether there is objective evidence of impairment exists for each individual financial asset if it represents significance. The assessment is made individually or collectively for the financial assets that are not significant on an individual basis. In this regard, the following shall be taken into account:

If the Bank identifies there is no objective evidence on the impairment of a financial asset assessed separately whether it has a significance of its own or not, then this asset shall be added to the group of financial assets with similar credit risk features for assessment together to estimate impairment pursuant to historic default ratios.

If the Bank identifies the existence of objective evidence of impairment of a financial asset assessed separately, then this asset shall not be included in the group of assets for which impairment losses are assessed on a collective basis.

If the aforementioned assessment resulted in the non-existence of impairment losses, then the asset is included in the group of financial assets shall be considered impaired.

The amount of impairment loss provision shall be measured by the difference between the asset's book value and the present value of expected future cash flows, discounted by applying the original effective interest rate of the asset; future credit losses not incurred should not be included in the above. The book value of the asset shall be reduced by using the impairment losses provision's account, and the impairment charge on credit losses shall be recognized in the income statement.

If the loan or investment held to maturity date bears a variable interest rate, then the discount rate applied to measure any impairment losses, shall be the effective interest rate pursuant to the contract on determining the existence of objective evidence of the impairment of the asset. For practical purposes, the Bank may measure the impairment loss value based on the instrument's fair value by applying the quoted market rates. As for collateralized financial assets, the present value of the future cash flows expected from the financial asset shall be capitalized. Besides, the flows that result from the implementation and selling of the collateral after deducting the expenses related thereto shall be also credited.

For the purposes of the estimation of impairment on group basis, the financial assets are pooled in groups of similar characteristics in terms of credit risk, based on classification process conducted by the Bank, taking into consideration the type of asset, the industry, the geographical location, the collateral type, the position of arrears, and the other related factors. These characteristics are related to the assessment of future cash flows of the groups of these assets, as they are deemed an indicator of the debtors' ability to repay the amounts due pursuant to the contractual conditions of the assets under consideration.

Upon estimating the impairment of a group of the financial assets based on historical default ratios, the future cash flows of the group shall be estimated based on the contractual cash flows of the banks' assets, and the amount of historical losses of these assets with similar credit risk characteristics of these assets held by the Bank. The amount of historical losses shall be adjusted based on the current disclosed data in a way that reflects the impact of the current conditions that did not occur in the period over which the amount of historical losses has been identified. Besides, this will cause that the effects of the conditions that existed in the historical periods, but no longer exist, are cancelled.

The Bank takes into account when forecasting the changes in cash flows of a group of assets the changes in relevant reliable data which occur from time to time; for example, changes in Macro-Economic factors like changes in unemployment rates, and changes in Micro-Economic factors like real estate prices, the position of repayments and any other factors indicating changes in the likelihood of loss in the group and its amount. The Bank conducts a periodic review of the method and assumptions used to estimate future cash flows.

## **2-M.2. Financial Investments at Fair Value Through Other Comprehensive Income**

On each reporting date, the bank estimates whether there is objective evidence on the impairment of a financial asset, or a group of financial assets classified within financial investments at Fair Value Through Other Comprehensive Income.

In the case of the existence of investments in equity instruments classified as investments at Fair Value Through Other Comprehensive Income, the significant or prolonged decline in the fair value of the instrument below its book value shall be taken into account upon the estimation of whether there is impairment in the asset or not.

## **2-N. Investments' Property**

Investments' property represents lands and buildings the bank owns in order to obtain rental revenues or capital appreciation. Consequently, these investments do not include the real estate assets where the bank practices its business and activities or the assets reverted to the bank in settlement of debts. The same accounting method applied for fixed assets, shall be applied for investments property.

## **2-O. Intangible Assets**

### **2-O.1. Computer Software**

Expenditure on the development or maintenance of the computer software shall be recognized when being incurred in the income statement. Expenditures associated directly with specific software under the bank's control that are expected to generate economic benefits exceeding their cost for more than a year, shall be recognized as intangible asset. The direct expenses include the cost of the staff involved in the software development, in addition to an adequate share of related overheads.

Expenditure that leads to the increase or expansion in the performance of computer software beyond their original specifications, shall be recognized as a development cost and shall be added to the cost of the original software.

The cost of the computer software shall be amortized over their expected useful life with a maximum of three years starting from the year 2010.

## **2-O.2. Other Intangible Assets**

Other intangible assets represent intangible assets other than goodwill and computer software (for example but not limited to trademark, licenses, and benefits of rental contracts).

The recognition of other intangible assets, at their acquisition cost, shall be recognized and amortized on the straight-line method or based on the economic benefits expected from these assets over their estimated useful life. Concerning the assets which do not have a finite useful life, they shall not be subject to amortization; however, they shall be annually assessed for impairment and the value of impairment, (if any), shall be charged to the income statement.

## **2-P. Fixed Assets**

Lands and buildings are mainly represented in head office premises, branches, and offices. All fixed assets shall be disclosed at historical cost minus accumulated depreciation and impairment losses. The historical cost includes expenses directly attributable to the acquisition of the fixed assets items.

Subsequent expenditures shall be recognized within the book value of the outstanding asset or as an independent asset, as appropriate, when the generation of future economic benefits to the bank from the concerned asset and the reliable determination of its cost become possible. Any maintenance and fixing expenses, during the period in which they are incurred, shall be carried to other operating expenses.

Land shall not be subject to depreciation, while depreciation of other fixed assets shall be calculated using the straight-line method to allocate the cost over the useful life of the asset in a way that the remaining carrying value would equal to its residual value as follows:

Buildings and constructions	20 years
Elevators	10 years
Leased real estate improvements	4 years or leasing period, whichever is less
Office furniture	10 years
Machinery	10 years
Means of transport	5 years
Computers and core systems *	5 years-10 years
Fittings and fixtures	10 years

The residual value and useful life of the fixed assets shall be reviewed on each reporting date and shall be adjusted whenever required. Depreciated assets shall be reviewed for purposes of determining the extent of impairment when an event or a change in conditions suggesting that the book value may not be redeemable occurs. Consequently, the book value of the asset shall be reduced immediately to the asset net realizable value in case of the increase of the book value over the net realizable value.

The net realizable value represents the net selling value of the asset or its utilization value whichever is greater. Gains and Losses from the disposal of fixed assets shall be determined by comparing the net proceeds at book value. Gains (losses) shall be included within other operating income (expenses) in the income statement.

\* Core banking system will depreciated over 10 years.

## **2-Q. Impairment of Non-Financial Assets**

Assets other than goodwill, which do not have a finite useful life, shall not be subject to amortization and shall be reviewed annually to determine whether there is any indication of impairment. Impairment of depreciable assets shall be assessed, whenever there are events or changes in conditions suggesting that the book value may not be redeemable.

The impairment loss shall be recognized, and the asset value shall be reduced by the increase in the asset book value over its net realizable value. The net realizable value represents the net selling value of the asset or its utilization value whichever is greater. For purposes of the estimation of impairment, the asset shall be linked to the smallest available cash-generating unit. On the date of the preparing the financial statements, the non-financial assets that have been impaired shall be reviewed to assess a reversal of the impairment to the income statement.

## **2-R. Finance Lease**

The finance lease is accounted in accordance with the instructions of the Central Bank. An agreement is recognized as financial lease when the following conditions are fulfilled: (1) the contract gives the right to the lessee to purchase the asset on a specified date; (2) the contract specifies the agreed value for re-purchase; (3) the contract period represents at least 75% of the expected useful life of the asset, or the present value of the total payments represents at least 90% of the asset's value.

Other leasing contracts shall be considered as operating leasing.

### **2-R.1. Lease**

With regard to financial leasing contracts, the lease cost including the maintenance cost of leased assets shall be recognized within the expenses in the income statement for the period in which it has been incurred. If the bank decides to exercise the right of the purchase of leased assets, then the cost of the purchasing right shall be capitalized as fixed assets and amortized over the expected remaining useful life of the asset in the same way applied to similar assets.

Payments under the operational leasing minus any discounts granted by the lessor shall be recognized within expenses in the income statement by applying the straight-line method over the period of contract.

## **2-S. Cash and Cash Equivalents**

For the purpose of presentation of the statement of cash flows, cash and cash equivalents shall include the balances with maturity not exceeding three months from the date of the acquisition, and cash and balances at the Central Bank of Egypt, other than those that are deemed within the compulsory reserve, due from banks, treasury bills and other governmental notes.

## **2-T. Other Provisions**

The restructuring costs and legal claims' provision shall be recognized when there is a legal or a present indicative obligation due to previous events, and it is also likely that the situation shall require the utilization of the bank's resources to settle the mentioned obligations with the provision of a reliable estimation of the obligation's value being possible.

When there are similar obligations, the cash outflow that can be used in settlement shall be identified, taking into consideration this set of liabilities. The related provision shall be recognized even if there is a little possibility that an outflow with respect to any one item is included in the same class of obligations.

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

## **2-U. Employees' Benefits**

### **2-U.1. Retirement Benefits Obligations**

The Bank manages a variety of retirement benefit plans that are often funded through payments that are defined based on periodical actuarial calculations and are made to insurance companies and other specialized funds. The bank has defined benefits and defined contribution plans.

**Defined benefit plans:** these are retirement rules, which specify the amount of the retirement benefits that the employee will be granted by the end of the period of service. This benefit normally depends on one factor or more such as age, years of services and income.

The recognized liability in the financial position with regards to defined benefit plans is represented in the present value of the defined benefit liabilities at the reporting date, after deducting the fair value of the retirement plans' assets and debiting (crediting) unrealized actuarial reconciliations of profits (losses), as well as the cost of additional benefits related to prior service terms.

An independent actuary who applies the Projected Unit Credit Method calculates the liability of the defined benefit plans (future cash flows expected to be paid) annually. The present value of the identified plans liability is determined through deducting these expected future cash flows to be paid by using the rate of return of high-quality corporate bonds or the rate of return of the government bonds in the same currency to be used in payment of the benefits and which have almost the same maturity period of the related obligations of the retirement benefits.

Gains (losses) resulting from changes and adjustments in actuarial estimates and assumptions shall be calculated, and such gains shall be deducted from (the losses shall be added to) the income statement, if they do not exceed 10% of the plan assets' value or 10% of the defined benefits' liability whichever is higher. In case gains (losses) rise above the mentioned percentage, then the increase shall be deducted (added) in the income statements over the average of the remaining years of service.

**Bank of Alexandria (Egyptian joint stock company)**  
**Notes to the Financial Statements**  
**For the Period ended 30 June 2024**

Translated from Arabic Version

Regarding the defined contribution plans, the bank pays contributions according to the retirement's insurance regulations in the public and private sectors on either mandatory or voluntary contractual basis, and the bank has no further obligations following the payment of contributions. These contributions shall be recognized within the employees' benefit expenses when maturing (vesting). Paid contributions paid in advance shall be recognized within assets to the extent where the advance payment reduces future payments or cash refund.

**2-U.2. Liabilities of Other Post-Service's Benefits**

The bank provides health care benefits to retirees, after the end of service term. Usually, such benefits are given provided that the employee remains in the employ of the bank's service until the retirement age and completes a minimum period of service. The expected costs of these benefits are accrued (vested) over the period of employment by adopting an accounting method similar to the method adopted in the defined benefit plans previously explained in the item 2-T.1

**2-V. Income Tax**

The income tax on the year's profit or loss includes the tax of the current year and the deferred tax and shall be recognized in the income statement, with the exception of the income tax on the items of shareholder's equity, which is directly recognized within shareholders' equity.

The income tax shall be recognized based on the net profit subject to tax through the application of the applicable tax rates at the date of preparing the financial position, in addition to the tax adjustments related to previous years.

Deferred tax arising from temporary timing differences between the book value of assets and liabilities calculated according to the accounting principles, as well as its values shall be recognized according to the tax principles. Deferred tax assets and liabilities are measured at the tax rates expected to apply in the period in which the liability is settled or the asset is realized, based on tax rates enacted or substantively enacted by the end of the reporting year.

The deferred tax assets shall be recognized when profits to be subject to tax in the future are likely to be generated, through which this asset can be utilized. The deferred tax shall be decreased with the portion from which the expected taxable benefit will not be achieved over the coming years. In case of the increase of the expected taxable benefits, the deferred tax assets shall be increased within the limit of previous reduction in the value of deferred tax assets.

**2-W. Borrowing**

Loans obtained by the bank shall be recognized at inception at fair value minus the cost of the loan obtaining. Subsequently, the loans shall be measured by amortized cost. The difference between net proceeds and the amount to be paid over the borrowing period using the effective interest rate shall be recognized to the income statement.

The fair value of the portion that represents a liability regarding bonds convertible into shares, shall be defined by applying the market equivalent rate of return of non-convertible bonds. This liability shall be recognized by the amortized cost method until conversion or maturity of bonds. The remaining proceeds shall be charged to the conversion option included within shareholders' equity in net value after deduction of the income tax effect.

The preferred shares that either carry mandatory coupons or are redeemed at a defined date or according to the shareholders' option, shall be included within the financial liabilities and be presented in the item of "Other loans". The dividends of these preferred shares shall be recognized in the income statement under "Interest expense on deposits and similar charges" item based on the amortized cost method and by using the effective rate of return.

**2-X. Share Capital**

**2-X.1. Cost of Capital**

The issuance expenses, directly attributable to the issuance of new shares or shares against the acquisition of an entity, or the issuance of options shall be presented as a deduction from the shareholders' equity in net proceeds after taxes.

**2-X.2. Dividends**

Dividends shall be recognized through deducting from shareholders' equity in the period where the General Assembly meeting of shareholder approves these dividends. These include the employees' share in profits and the remuneration of the board of directors prescribed by the article of association of the bank and the law.

**2-Y. Custody Activities**

The bank practices custody services, which leads to owning or managing private assets of individuals, trust funds, or post service benefits funds. These resulting assets and profits shall be excluded from the financial statements, as they are not considered among the bank's assets.

## **2-Z. Comparative Figures**

Comparative figures shall be reclassified whenever it is necessary to conform to the changes in the adopted presentation of the current year.

## **3- Financial Risk Management**

The Bank is exposed to a variety of financial risks, while it practices its business and activities, and the acceptance of risk is considered the basis of financial business. Some risk aspects or a combination of risk are analysed, assessed, and managed. The Bank targets to achieve adequate balance between the risk and return, and to minimize likely adverse impacts on its financial performance. The most important types of risk are credit risk, market risk, liquidity risk and other operating risks. Market risk includes the risk of foreign exchange rates, interest rates and the other pricing risks.

The bank has developed risk management policies to define, analyse and control risk, and set, control and comply with its limits through a variety of reliable methods and up to date information systems. The bank conducts regular reviews and amendments of the risk management policies in order to reflect changes in the markets, products, and services, as well as the best up to date applications.

Risk Management Division carries out risk management in the light of the policies approved by the Board of Directors. Risk division identifies, assesses, and hedges against the financial risk in close collaboration with the different operating units of the bank. The board of directors provides written principles for risk management as a whole, in addition to written policies, which cover defined risk areas such as credit risk, foreign exchange risk, interest-rate risk, and the use of derivatives and non-derivatives financial instruments. In addition, Risk division is responsible for the periodic review of risk management and control environment independently.

### **3-A. Credit Risk**

The bank is exposed to credit risk, which is the risk of default of one party on its obligations. Credit risk is considered as the most important risk the Bank faces. Thus, the top management carefully manages risk exposure. Credit risk is mainly represented in lending business from which loans and facilities arise, and in investment activities which include debt instruments. Credit risk is also found in the financial instruments off-balance sheet, such as loan commitments. The credit risk management team in the division conducts all operations related to the management and control of the credit risk.

#### **3-A.1. Measurement of Credit Risk**

##### **Loans and Facilities to Banks and Customers**

To measure credit risk related to loans and facilities extended to banks and customers, the Bank examines the following three components:

- Probability of default of the customer or a third party on their contractual obligations.
- The current position and the likely expected future development from which the bank can conclude the balance exposed to default (Exposure at default).
- Loss given default.

The daily activities of the bank's business involve the measurement of credit risk which reflects the expected loss (The Expected Loss Model) required by the Basel Committee on Banking Supervision. The operating measures may contradict with the impairment charge according to IFRS 9, which depends on losses realized at the reporting date (realized losses model) and not on expected losses (Note 3.a).

The bank estimates the probability of default at the level of every customer by applying internal rating methods to rate the creditworthiness of the different categories of customers in detail. These methods have been developed for internal rating and statistical analyses are taken into account together with the personal reasoning of credit officials to reach the adequate rating. The bank's customers have been divided into three categories of creditworthiness rating. The structure of creditworthiness adopted by the bank as illustrated in the following table reflects how probable default of each category is, which mainly means that credit positions move among mentioned categories pursuant to the change in the assessment of the extent of default probability.

The assessment methods are reviewed and developed whenever required. Further, the Bank periodically assesses the performance of the creditworthiness rating methods and how they are able to predict default cases.

<b>Classification</b>	<b>The classification Category</b>
<b>1</b>	Stage 1 (Performing loans)
<b>2</b>	Stage 2 (Watch list)
<b>3</b>	Stage 3 (Non-performing loans)

The position exposed to default depends on the amounts the Bank expects to be outstanding when the default takes place; for example, as for a loan, the position is the nominal value while for commitments, the Bank enlists all already withdrawn amounts in addition to these amounts expected to be withdrawn until the date of default, if it happens.

Loss given default or loss severity represents the Bank's expectations of the loss when claiming repayment of debt, if the default occurs. Expressed by the percentage of loss to the debt, it certainly differs in accordance with category of the debtor, the claim's seniority and availability of guarantees or other credit mitigation.

#### **Debt Instruments, Treasury Bills and Other Bills**

Concerning debt instruments and bills, the Bank uses the external foreign rating such as the rating of "Standard and Poor's" or of similar agencies to manage credit risk. If such ratings are not available, then the Bank applies similar methods to those applied to credit customers. Investment in securities, financial papers, and bonds shall be considered as a way to gain a better credit quality and maintain a readily available source to meet funding requirements at the same time.

#### **3-A.2. Risk Mitigation Policies**

The bank manages, mitigates, and controls credit risk concentration at the level of debtor, groups, industries, and countries.

The bank structures the levels of credit risk tolerance by placing limits for the risk tolerance in relation to each borrower or a class of borrowers, and at the level of economic activities and geographical sectors. Such risk shall be constantly monitored, controlled and shall be subjected to reviews on an annual basis or more frequently if necessary. Limits of credit risk at the level of borrower/ the group / producer, the sector and the country shall be quarterly approved by the Board of Directors.

Lines of credit for any borrower including banks, shall be divided into sub-lines which include in- and off- the balance sheet amounts, and the daily risk limit related to trading items such as: forward foreign exchange contracts. Actual amounts shall be compared daily with the mentioned limits. Credit risk exposure is also managed by the regular analysis of the present and the potential borrowers' ability to fulfil their obligations and by amendment of the lending lines when appropriate.

#### **Following are some methods to mitigate risk:**

##### **- Collaterals**

The Bank designs several policies and controls for credit risk mitigation such as collaterals for funds provided. The Bank lays down guidelines for specific categories of the accepted collaterals.

The main types of collaterals for Loans and credit facilities to customers are:

- Cash or equivalent;
- Mortgage;
- Pledge on business assets like machinery and merchandise;
- Pledge in financial instruments like debt and equity instruments.

Longer term finance and lending to corporate are often secured, while for credit facilities granted to retail customers, the main collateral is cash or equivalent (i.e. Term and Certificate of deposit). The Bank attempts to mitigate the credit risk through additional collaterals from the concerned parties immediately on arising of impairment indicators for any of the loans or facilities.

Collateral are held as a security against assets other than loans and facilities; debt instruments and treasury bills are normally unsecured with the exception of asset-backed securities and the similar instruments backed by a securities' portfolio.

##### **-Derivatives**

The Bank maintains control procedures over the net open positions for derivatives i.e. the difference between purchase and sale contracts at the level of value and period. The amount exposed to credit risk is at any time defined at the fair value of the instrument that achieves benefit to the bank i.e. an asset that has a positive fair value and represents a small portion of the contractual (nominal) value adopted to express the volume of the outstanding instrument. This credit risk is managed as a part of the aggregate lending line granted to the customer together with the expected risk due to market changes.

Collateral or other security is not usually obtained against credit risk exposures in these instruments, except where the bank requires that collateral shall be taken as margin deposit from the counterparties.

Settlement risk arises in any situation where a payment is made through cash, securities, or equities, or in return for the expectation of a corresponding receipt in cash, securities, or equities. Daily settlement limits are defined for each counterparty to cover the aggregate settlement risk arising from the Bank market transactions on any single day.

### Master Netting Arrangements

The Bank mitigates the credit risk by entering into Master Netting Arrangements with counterparties that represent a significant volume of transaction. In general, these arrangements do not result in conducting offset between balance sheet assets and liabilities at financial position, because these settlements are always conducted on a gross basis. However, the credit risk associated to the contracts that serve the bank's interest is reduced through master netting arrangements, as in case of default, all amounts with the counterparty are settled by clearance.

The bank's overall exposure to credit risk resulting derivative instruments that subject to master netting arrangements, can be substantially changed within a short period, as it is affected by each transaction subject to these arrangements.

### Credit Related Commitments

The primary purpose of credit related commitments is to ensure the availability of funds to the customer at demand. Guarantees and standby letters of credit also carry the same credit risk related to loans. Documentary and commercial letters of credit which are issued by the bank on behalf of its customer - to grant a third party the right of withdrawal from the bank within the limit of certain amounts and under predefined conditions - are collateralized by the underlying shipments of goods and consequently carry a lesser degree of risk, compared to direct loans.

The commitments for granting credit represent the unutilized part of the authorized limit to grant loans, guarantees, or documentary letters of credit. The bank is exposed to a potential loss that represents the amount equal to the total of the unutilized commitments in relation to credit risk arising from credit granting commitments. Nevertheless, the amount of loss that is likely to occur is below the unutilized commitments, as most credit granting commitments represents potential liabilities of customers who have defined credit specifications. The bank monitors the duration until maturity date of the credit commitments, as long-term commitments have a high degree of credit risk, compared to short-term commitments.

### 3-A.3. Impairment Policies and Provisions

The internal systems of aforementioned assessments (note no. 3.A.1) focus to a great extent on the planning of the credit quality, from the starting point of the recognition of lending and investment activities. However, the impairment losses incurred at the reporting date are only recognized for purpose of the preparation of financial statements based on objective evidence, which refers to impairment pursuant to the disclosure below in light of the implementation of different methods.

The impairment loss provision included in the financial position at the end of the fiscal year is derived from the three internal categories. The following table shows the percentage for the items within the financial position relate to loans and facilities and the relevant impairment for each of the Bank's internal categories:

Bank's Assessment	30 June 2024		31 December 2023	
	Loans and advances %	Impairment loss provision %	Loans and advances %	Impairment loss provision %
1- Stage 1 (Performing loans)	80.06%	23.24%	81.72%	22.22%
2- Stage 2 (Regular watching)	12.55%	4.31%	11.76%	8.68%
3- Stage 3 (Non-performing loans)	7.39%	72.44%	6.52%	69.10%
	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

The Bank's policies require the review of all financial assets, which exceed defined relative importance at least annually or more if necessary. The impairment charge is to be defined to the accounts that have been assessed on an individual basis, by assessing the realized loss at the reporting date on each individual case and is to be applied individually to all accounts that have relative importance. The assessment usually includes the outstanding collateral with a reconfirmation of the possibility to realize the collateral as well as the expected collections from these identified accounts.

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The impairment loss provision shall be made on the basis of a group of homogeneous assets by using the available historical experience, personal judgment, and statistical methods.

The following table shows the financial assets quality based on the credit-worthiness stages during the period:

<b>(A) Due from banks:</b>				EGP 000
<b>30 June 2024</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
1-Performing loans	9 542 149	2 481 951	-	<b>12 024 100</b>
2-Regular watching	58 006 512	2 010 000	-	<b>60 016 512</b>
3-Non-performing loans	-	-	-	-
	<b>67 548 661</b>	<b>4 491 951</b>	-	<b>72 040 612</b>
Allowances for impairment losses	( 136 510)	( 265)	-	<b>( 136 775)</b>
<b>Carrying amount</b>	<b>67 412 151</b>	<b>4 491 686</b>	-	<b>71 903 837</b>
<b>31 December 2023</b>				
1-Performing loans	-	-	-	-
2-Regular watching	42 252 283	1 983 732	-	<b>44 236 015</b>
3-Non-performing loans	-	-	-	-
	<b>42 252 283</b>	<b>1 983 732</b>	-	<b>44 236 015</b>
Allowances for impairment losses	( 90 640)	( 89)	-	<b>( 90 729)</b>
<b>Carrying amount</b>	<b>42 161 643</b>	<b>1 983 643</b>	-	<b>44 145 286</b>
<b>(B) Debt Instruments at Fair Value Through Other Comprehensive Income – Treasury bills:</b>				EGP 000
<b>30 June 2024</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
1-Performing loans	-	-	-	-
2-Regular watching	19 561 538	-	-	<b>19 561 538</b>
3-Non-performing loans	-	-	-	-
	<b>19 561 538</b>	-	-	<b>19 561 538</b>
Allowances for impairment losses	( 25 747)	-	-	<b>( 25 747)</b>
<b>Carrying amount</b>	<b>19 535 791</b>	-	-	<b>19 535 791</b>
<b>31 December 2023</b>				
1-Performing loans	-	-	-	-
2-Regular watching	33 614 654	-	-	<b>33 614 654</b>
3-Non-performing loans	-	-	-	-
	<b>33 614 654</b>	-	-	<b>33 614 654</b>
Allowances for impairment losses	( 16 561)	-	-	<b>( 16 561)</b>
<b>Carrying amount</b>	<b>33 598 093</b>	-	-	<b>33 598 093</b>

(C) Debt Instruments at Fair Value Through Other Comprehensive Income – Treasury bonds:				EGP 000
30 June 2024	Stage 1	Stage 2	Stage 3	Total
1-Performing loans	-	-	-	-
2-Regular watching	614 562	-	-	614 562
3-Non-performing loans	-	-	-	-
	<b>614 562</b>	<b>-</b>	<b>-</b>	<b>614 562</b>
Allowances for impairment losses	-	-	-	-
<b>Carrying amount</b>	<b>614 562</b>	<b>-</b>	<b>-</b>	<b>614 562</b>
31 December 2023				
1-Performing loans	-	-	-	-
2-Regular watching	3 238 397	-	-	3 238 397
3-Non-performing loans	-	-	-	-
	<b>3 238 397</b>	<b>-</b>	<b>-</b>	<b>3 238 397</b>
Allowances for impairment losses	-	-	-	-
<b>Carrying amount</b>	<b>3 238 397</b>	<b>-</b>	<b>-</b>	<b>3 238 397</b>

(D) Debt Instruments at Amortized Cost – Treasury bonds:				EGP 000
30 June 2024	Stage 1	Stage 2	Stage 3	Total
1-Performing loans	-	-	-	-
2-Regular watching	4 464 363	-	-	4 464 363
3-Non-performing loans	-	-	-	-
	<b>4 464 363</b>	<b>-</b>	<b>-</b>	<b>4 464 363</b>
Allowances for impairment losses	-	-	-	-
<b>Carrying amount</b>	<b>4 464 363</b>	<b>-</b>	<b>-</b>	<b>4 464 363</b>
31 December 2023				
1-Performing loans	-	-	-	-
2-Regular watching	4 471 345	-	-	4 471 345
3-Non-performing loans	-	-	-	-
	<b>4 471 345</b>	<b>-</b>	<b>-</b>	<b>4 471 345</b>
Allowances for impairment losses	-	-	-	-
<b>Carrying amount</b>	<b>4 471 345</b>	<b>-</b>	<b>-</b>	<b>4 471 345</b>

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**(E) Loans and Advances to Customers:**

EGP 000

<b>30 June 2024</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
1- Corporate Loans	23 412 735	5 401 943	3 553 105	32 367 783
2- Medium Enterprise	1 377 471	356 459	559 267	2 293 197
3- Small & Micro Enterprise	5 271 270	1 280 434	607 198	7 158 902
4- Retail Loans	27 465 761	1 981 111	587 466	30 034 338
<b>Total Loans and Advances to Customers</b>	<b>57 527 237</b>	<b>9 019 947</b>	<b>5 307 036</b>	<b>71 854 220</b>
Impairment loss provision	( 917 600)	(1 312 104)	(4 285 013)	(6 514 717)
Unearned discount	( 33 979)	-	-	( 33 979)
Interest under settlement from customer loans	-	( 2 012)	( 446 274)	( 448 286)
Suspended interest	-	-	( 2 111)	( 2 111)
<b>Net balance as of 30 June 2024</b>	<b>56 575 658</b>	<b>7 705 831</b>	<b>573 638</b>	<b>64 855 127</b>
<b>31 December 2023</b>				<b>Total</b>
1- Corporate Loans	19 459 666	3 809 557	2 371 055	25 640 278
2- Medium Enterprise	1 497 816	540 028	553 390	2 591 234
3- Small & Micro Enterprise	5 186 193	1 162 384	589 086	6 937 663
4- Retail Loans	26 102 449	2 007 114	654 723	28 764 286
<b>Total Loans and Advances to Customers</b>	<b>52 246 124</b>	<b>7 519 083</b>	<b>4 168 254</b>	<b>63 933 461</b>
Impairment loss provision	( 935 166)	(1 047 361)	(3 202 992)	(5 185 519)
Unearned discount	( 37 405)	-	-	( 37 405)
Interest under settlement from customer loans	-	( 746)	( 309 156)	( 309 902)
Suspended interest	-	-	( 2 170)	( 2 170)
<b>Net balance as of 31 December 2023</b>	<b>51 273 553</b>	<b>6 470 976</b>	<b>653 936</b>	<b>58 398 465</b>

The following table shows changes in impairment credit losses between the beginning and ending of the period because of these factors:

**30 June 2024**

<b>Corporate Loans</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Allowance for impairment losses (Opening balance)	836 739	869 748	2 837 144	<b>4 543 631</b>
New financial assets acquired or issued	78 268	57 164	15 494	<b>150 926</b>
Financial assets matured or derecognized	( 136 141)	( 71 013)	( 107 903)	<b>( 315 057)</b>
Transfer to stage 1	18 598	( 18 598)	-	-
Transfer to stage 2	( 117 799)	118 460	( 661)	-
Transfer to stage 3	( 26 174)	( 210 039)	236 213	-
Of failure and balance exposed to failure	127 230	272 776	93 817	<b>493 823</b>
Loans written-off during current period	-	-	( 39 734)	<b>( 39 734)</b>
Collections of loans previously written-off	-	-	51 386	<b>51 386</b>
Foreign exchange translation differences	57 668	136 224	824 581	<b>1 018 473</b>
<b>Balance as of 30 June 2024</b>	<b>838 389</b>	<b>1 154 722</b>	<b>3 910 337</b>	<b>5 903 448</b>

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	EGP 000			
<b>Retail Loans</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Allowance for impairment losses (Opening balance)	98 427	177 613	365 848	<b>641 888</b>
New financial assets acquired or issued	47 661	8 086	3 321	<b>59 068</b>
Financial assets matured or derecognized	-	-	-	-
Transfer to stage 1	2 437	(2 366)	(71)	-
Transfer to stage 2	(137 642)	143 242	(5 600)	-
Transfer to stage 3	(26 687)	(48 716)	75 403	-
Of failure and balance exposed to failure	95 366	(120 206)	(81 028)	<b>(105 868)</b>
Loans written-off during current period	-	-	(17 597)	<b>(17 597)</b>
Collections of loans previously written-off	-	-	34 398	<b>34 398</b>
Foreign exchange translation differences	(351)	(271)	2	<b>(620)</b>
<b>Balance as of 30 June 2024</b>	<b>79 211</b>	<b>157 382</b>	<b>374 676</b>	<b>611 269</b>
				EGP 000
<b>Total Loans</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Allowance for impairment losses (Opening balance)	935 166	1 047 361	3 202 992	<b>5 185 519</b>
New financial assets acquired or issued	125 929	65 250	18 815	<b>209 994</b>
Financial assets matured or derecognized	(136 141)	(71 013)	(107 903)	<b>(315 057)</b>
Transfer to stage 1	21 035	(20 964)	(71)	-
Transfer to stage 2	(255 441)	261 702	(6 261)	-
Transfer to stage 3	(52 861)	(258 755)	311 616	-
Of failure and balance exposed to failure	222 596	152 570	12 789	<b>387 955</b>
Loans written-off during current period	-	-	(57 331)	<b>(57 331)</b>
Collections of loans previously written-off	-	-	85 784	<b>85 784</b>
Foreign exchange translation differences	57 317	135 953	824 583	<b>1 017 853</b>
<b>Balance as of 30 June 2024</b>	<b>917 600</b>	<b>1 312 104</b>	<b>4 285 013</b>	<b>6 514 717</b>
				EGP 000
<b>Treasury bills</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Allowance for impairment losses (Opening balance)	16 561	-	-	<b>16 561</b>
New financial assets acquired or issued	-	-	-	-
Financial assets matured or derecognized	-	-	-	-
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Of failure and balance exposed to failure	-	-	-	-
Foreign exchange translation differences	9 186	-	-	<b>9 186</b>
<b>Balance as of 30 June 2024</b>	<b>25 747</b>	<b>-</b>	<b>-</b>	<b>25 747</b>
				EGP 000
<b>Due from banks</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Allowance for impairment losses (Opening balance)	90 640	89	-	<b>90 729</b>
New financial assets acquired or issued	-	-	-	-
Financial assets matured or derecognized	-	-	-	-
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Of failure and balance exposed to failure	14 951	(12)	-	<b>14 939</b>
Foreign exchange translation differences	30 920	187	-	<b>31 107</b>
<b>Balance as of 30 June 2024</b>	<b>136 511</b>	<b>264</b>	<b>-</b>	<b>136 775</b>

**3-A.5. The Maximum Limit for Credit Risk before Collateral**

Credit Risk exposures in the statement of financial position:

	<b>30 June 2024</b>	<b>31 December 2023</b>
	EGP 000	EGP 000
Treasury bills and other governmental notes	19 561 538	33 614 654
Loans and advances to banks	-	438 767
<b>Loans to individuals (Retail):</b>		
Overdraft accounts	207 891	147 281
Credit cards	845 270	667 931
Personal loans	28 981 044	27 946 276
Mortgage	133	2 798
<b>Corporate loans:</b>		
Overdraft accounts	9 983 078	11 659 084
Direct loans	30 599 938	22 306 001
Syndicated loans	1 236 866	1 204 090
Unearned Discount	( 33 979)	( 37 405)
Interest under settlement from customer loan	( 448 286)	( 309 902)
Suspended interest	( 2 111)	( 2 170)
<b>Financial investments:</b>		
Debt instruments	5 094 346	7 723 708
Other assets	1 728 604	1 197 408
<b>Total</b>	<b>97 754 332</b>	<b>106 558 521</b>
<b>Off balance sheet items exposed to credit risk:</b>		
Financial guarantees	8 074 433	4 804 807
Non-revocable credit-related commitments for loans and other liabilit	931 955	901 036
Revocable credit-related commitments for loans and other liabilities	7 476 783	8 575 074
Letters of credit	4 978 702	4 451 621
Letters of guarantee (incentive)	9 592 123	8 107 607
<b>Total</b>	<b>31 053 996</b>	<b>26 840 145</b>

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The previous table represents the maximum limit of exposure as of 30 June 2024 and as of 31 December 2023, without taking into consideration any financial guarantees. As for the financial position items, the enlisted amounts depend on the net book value presented in the statement of financial position.

As illustrated in the previous table 73.01 % of the maximum limit exposed to credit risk on 30 June 2024 arises from loans and advances to banks and customers versus 58.03 % as of 31 December 2023, whereas investments in the debt instruments represent 5.2 % on 30 June 2024 versus 9.7 % as of 31 December 2023.

The management has confidence in its abilities to continue controlling and maintaining the minimum limit of credit risk resulted from loans, facilities, and debt instruments portfolios based on the following:

- 6.68% of the loans and advances' portfolio is classified in the two higher categories of the internal assessment (low/average risks) as of 30 June 2024, versus 0.2% on 31 December 2023.

- 78.21% of the loans and advances' portfolio is free from any delays or impairment indicators on 30 June 2024 versus 75.08 % as of 31 December 2023.

- The loans and facilities covered by collaterals represent an important group in the portfolio.

- Loans and facilities that have been assessed on an individual basis reach EGP 5 307 036 thousand as of 30 June 2024 versus EGP 4 168 254 thousand as of 31 December 2023. From the individual assessment, 80.74 % of the provision are formed on 30 June 2024 versus 76.84 % as of 31 December 2023.

- More than 99.9% as of 30 June 2024 and as of 31 December 2023, of the investments in debt instruments and treasury bills represents debt instruments issued by the Egyptian government.

### 3-A.6. Loans and Advances

The following is the position of loans and advances' balances as regarding creditworthiness:

	<b>30 June 2024</b>	<b>31 December 2023</b>
	EGP 000	EGP 000
	<b>Loans and advances to customers</b>	<b>Loans and advances to customers</b>
With no past dues or impairment	56 197 359	48 004 231
With past dues but not subject to impairment	10 349 825	11 760 976
Subject to impairment	5 307 036	4 168 254
<b>Total Gross Loans</b>	<b>71 854 220</b>	<b>63 933 461</b>
<b>Less:</b>		
Impairment loss provision	(6 514 717)	(5 185 519)
Unearned discount	( 33 979)	( 37 405)
Interest under settlement from customer loans	( 448 286)	( 309 902)
Suspended interest	( 2 111)	( 2 170)
<b>Total Net Loans</b>	<b>64 855 127</b>	<b>58 398 465</b>

The total impairment charges on loans and advances facilities reached EGP 6 514 717 thousand as of 30 June 2024, versus EGP 5 185 519 thousand as of 31 December 2023, including EGP 4 285 013 thousand as of 30 June 2024, versus EGP 3 202 992 thousand as of 31 December 2023, of impairment on individual basis, while on the remaining loans the impairment amounts to EGP 2 229 704 thousand versus EGP 1 982 527 thousand as of 31 December 2023 are impairment charges on a collective basis (Note no. 18).

**Loans and facilities with no past dues or impairment:**

The creditworthiness of the loans and facilities portfolio with no past dues or impairment is assessed with reference to the internal assessment adopted by the bank.

<b>30 June 2024</b>									<b>EGP 000</b>
<b>Assessment</b>	<b>Retail</b>				<b>Corporate</b>			<b>Net exposure of loans and facilities to customers</b>	
	<b>Overdraft accounts</b>	<b>Credit Cards</b>	<b>Personal Loans</b>	<b>Mortgage</b>	<b>Overdraft accounts</b>	<b>Direct Loans</b>	<b>Syndicated Loans</b>		
1- Performing	-	-	-	-	6 459 292	18 378 293	383 852	25 221 437	
2- Regular Watching	95 125	767 223	22 486 171	131	1 026 124	5 040 948	-	29 415 722	
3- Watch List					96	52 113	-	52 209	
<b>Total</b>	<b>95 125</b>	<b>767 223</b>	<b>22 486 171</b>	<b>131</b>	<b>7 485 512</b>	<b>23 471 354</b>	<b>383 852</b>	<b>54 689 368</b>	

The guaranteed loans were subjected to impairment as for the non-performing loans category after taking into consideration the collectability of these guarantees.

<b>31 December 2023</b>									<b>EGP 000</b>
<b>Assessment</b>	<b>Retail</b>				<b>Corporate</b>			<b>Net exposure of loans and facilities to customers</b>	
	<b>Overdraft accounts</b>	<b>Credit Cards</b>	<b>Personal Loans</b>	<b>Mortgage</b>	<b>Overdraft accounts</b>	<b>Direct Loans</b>	<b>Syndicated Loans</b>		
1- Performing	-	-	-	-	5 285 019	10 234 373	682 624	16 202 016	
2- Regular Watching	106 244	609 172	22 870 717	285	1 281 928	5 577 022	255 518	30 700 886	
3- Watch List	-	-	-	-	6	1 418	-	1 424	
<b>Total</b>	<b>106 244</b>	<b>609 172</b>	<b>22 870 717</b>	<b>285</b>	<b>6 566 953</b>	<b>15 812 813</b>	<b>938 142</b>	<b>46 904 326</b>	

**Loans and facilities with past dues but are not subject to impairment**

These are loans and facilities with delays up to 90 days but are not subject to impairment, unless there is other information to the contrary, a loan and facilities to customers with past dues but not subject to impairment and the fair value of their collaterals are represented in the following:

<b>30 June 2024</b>									<b>EGP 000</b>
<b>Assessment</b>	<b>Retail</b>				<b>Corporate</b>			<b>Net exposure of loans and facilities to customers</b>	
	<b>Overdraft accounts</b>	<b>Credit Cards</b>	<b>Personal Loans</b>	<b>Mortgage</b>	<b>Overdraft accounts</b>	<b>Direct Loans</b>	<b>Syndicated Loans</b>		
Past dues up to 30 days	75 285	37 889	4 908 733	-	1 450 479	1 227 615	656 703	8 356 704	
Past dues more than 30 days to 60 days	5 380	19 303	704 491	-	116 601	186 820	-	1 032 595	
Past dues more than 60 days to 90 days	328	5 586	104 635	-	81 497	46 757	-	238 803	
<b>Total</b>	<b>80 993</b>	<b>62 778</b>	<b>5 717 859</b>	<b>-</b>	<b>1 648 577</b>	<b>1 461 192</b>	<b>656 703</b>	<b>9 628 102</b>	
<b>Fair value of Collaterals</b>	78 300	29 032	3 208 942	-	45 231	31 390	454 117	3 847 012	

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31 December 2023								EGP 000
Assessment	Retail				Corporate			Net exposure of loans and facilities to customers
	Overdraft accounts	Credit Cards	Personal Loans	Mortgage	Overdraft accounts	Direct Loans	Syndicated Loans	
Past dues up to 30 days	10 854	27 515	3 570 619	62	2 404 837	1 735 756	136 934	7 886 577
Past dues more than 30 days to 60 days	6 909	-	522 977	-	179 291	2 055 375	-	2 764 552
Past dues more than 60 days to 90 days	1 149	13 522	93 497	-	59 865	59 192	-	227 225
<b>Total</b>	<b>18 912</b>	<b>41 037</b>	<b>4 187 093</b>	<b>62</b>	<b>2 643 993</b>	<b>3 850 323</b>	<b>136 934</b>	<b>10 878 354</b>
<b>Fair value of Collaterals</b>	<b>16 265</b>	<b>14 370</b>	<b>2 935 292</b>	<b>-</b>	<b>79 764</b>	<b>25 126</b>	<b>37 093</b>	<b>3 107 910</b>

At the initial recognition of loans and facilities, the fair value of collaterals is evaluated based on the same financial assets' evaluation methods used, and in subsequent periods, the fair value is updated by the market prices or the similar assets' prices.

**Loans and facilities subject to impairment on an individual basis**

The balance of loans and facilities which are subject to impairment on an individual basis, before taking into account the cash flow from collaterals, amounted to EGP 5 307 036 thousand as of 30 June 2024 versus EGP 4 168 254 thousand as of 31 December 2023.

Herein below, is the analysis of the net value of loans and facilities subject to impairment on individual basis including the fair value of collaterals the bank has obtained against these loans:

30 June 2024								EGP 000
Assessment	Retail				Corporate			Net exposure of loans and facilities to customers
	Overdraft accounts	Credit Cards	Personal Loans	Mortgage	Overdraft accounts	Direct Loans		
Balance	30 998	7 584	548 875	-	479 213	4 240 366	5 307 036	
Provision	( 11 888)	( 6 036)	( 356 751)	-	( 395 069)	(3 515 269)	(4 285 013)	
<b>Net</b>	<b>19 110</b>	<b>1 548</b>	<b>192 124</b>	<b>-</b>	<b>84 144</b>	<b>725 097</b>	<b>1 022 023</b>	
<b>The fair value of collaterals</b>	<b>17 314</b>	<b>2 317</b>	<b>141 014</b>	<b>-</b>	<b>421</b>	<b>3</b>	<b>161 069</b>	

31 December 2023								EGP 000
Assessment	Retail				Corporate			Net exposure of loans and facilities to customers
	Overdraft accounts	Credit Cards	Personal Loans	Mortgage	Overdraft accounts	Direct Loans		
Balance	20 924	12 497	618 855	2 447	2 076 625	1 436 906	4 168 254	
Provision	( 15 231)	( 7 429)	( 340 750)	( 2 438)	(1 723 957)	(1 113 187)	(3 202 992)	
<b>Net</b>	<b>5 693</b>	<b>5 068</b>	<b>278 105</b>	<b>9</b>	<b>352 668</b>	<b>323 719</b>	<b>965 262</b>	
<b>The fair value of collaterals</b>	<b>7 903</b>	<b>2 317</b>	<b>211 957</b>	<b>-</b>	<b>3 000</b>	<b>1 181</b>	<b>226 358</b>	

**Restructured Loans and Facilities:**

The restructuring activities include extending of repayment's arrangements, implementation of obligatory management programs, amending and postponing repayment. The policies of restructuring application depend on the indicators or standards that refer to the high prospects of continuance repayment, based on the management's personal judgment. These policies are reviewed on regular basis. Restructuring is usually applied on long-term loans, especially customers financing loans. Loans which have been subject to renegotiations have reached EGP 149 334 thousand as of 30 June 2024 versus EGP 116 305 thousand as of 31 December 2023.

	30 June 2024	EGP 000 31 December 2023
<b>Loans and facilities to customers</b>		
Direct loans	149 334	116 305
<b>Total Corporate Loans</b>	<b>149 334</b>	<b>116 305</b>

**3-A.7. Debt instruments, treasury bills and other governmental notes**

The following table represents an analysis of debt instruments, treasury bills and other governmental notes at the end of the fiscal period based on the assessment of Standard & Poor's rating or its equivalent:

30 June 2024	EGP 000		
	Treasury bills and other governmental notes	Investments in Securities	Total
AAA	-	-	-
Less than -A	19 561 538	5 078 925	<b>24 640 463</b>
Unrated	-	15 421	<b>15 421</b>
<b>Total</b>	<b>19 561 538</b>	<b>5 094 346</b>	<b>24 655 884</b>

**3-A.8. Acquisition of collaterals**

During the present financial period, the Bank acquired foreclosed assets as acquisition of collaterals, as follows:

EGP 000	
Asset type	Book value
Buildings	19 820
<b>Total</b>	<b>19 820</b>

Acquired assets are sold or used for te purposes of the bank whenever practicable, and we are classified under "Other Assets" item in the balance sheet.

**3-A.9. The Concentration of Financial Assets' Risks Exposed to Credit Risk**

**- Geographical Segments**

The following table represents an analysis of the bank's most important boundaries of credit risk at book value, distributed in accordance with the geographical segment as of 30 June 2024.

<b>30 June 2024</b>				<b>EGP 000</b>
	<b>Cairo</b>	<b>Alex, Delta and Sinai</b>	<b>Upper Egypt</b>	<b>Total</b>
<b>Treasury bills and other governmental notes</b>	19 561 538	-	-	<b>19 561 538</b>
<b>Loans and facilities to customers:</b>				
<b>- Loans to individuals :</b>				
Overdraft accounts	133 438	58 020	16 433	<b>207 891</b>
Credit cards	845 270	-	-	<b>845 270</b>
Personal loans	8 967 732	12 910 608	7 102 704	<b>28 981 044</b>
Mortgage	100	-	33	<b>133</b>
<b>- Loans to corporate :</b>				
Debit current accounts	8 284 043	1 437 860	261 175	<b>9 983 078</b>
Direct loans	20 273 602	7 910 157	2 416 179	<b>30 599 938</b>
Syndicated loans	1 236 866	-	-	<b>1 236 866</b>
Unearned discount	( 33 979)	-	-	<b>( 33 979)</b>
Interest under settlement from customer loans	( 424 558)	( 23 727)	-	<b>( 448 285)</b>
Suspended interest	( 2 111)	-	-	<b>( 2 111)</b>
<b>Financial Investments</b>				
Debt instruments	5 094 346	-	-	<b>5 094 346</b>
Other assets	1 278 544	317 144	132 917	<b>1 728 605</b>
<b>Total as of 30 June 2024</b>	<b>65 214 831</b>	<b>22 610 062</b>	<b>9 929 441</b>	<b>97 754 334</b>
<b>Total as of 31 December 2023</b>	<b>76 705 352</b>	<b>20 322 934</b>	<b>9 530 235</b>	<b>106 558 521</b>

**- Business Segment**

The following represents an analysis of the most important boundaries of credit risk at book value, distributed according to the customers' business and activities.

30 June 2024	EGP 000							
	Financial Institutions	Industrial Institutions	Real estate Activity	Wholesale and retail trade	Governmental sector	Other activities	Individuals	Total
<b>Treasury bills and other governmental notes</b>	-	-	-	-	19 561 538	-	-	<b>19 561 538</b>
<b>Loans and facilities to banks</b>	-	-	-	-	-	-	-	-
<b>Loans and facilities to customers:</b>								
<b>- Loans to individuals (Retail):</b>								
Overdraft accounts	-	-	-	-	-	-	207 891	<b>207 891</b>
Credit cards	-	-	-	-	-	-	845 270	<b>845 270</b>
Personal loans	-	-	-	-	-	-	28 981 044	<b>28 981 044</b>
Mortgage	-	-	-	-	-	-	133	<b>133</b>
<b>- Loans to corporate</b>								
Debit current accounts	-	2 133 356	1 471 215	958 836	2 741 169	2 678 502	-	<b>9 983 078</b>
Direct loans	-	8 686 158	2 698 952	1 355 348	11 303 850	6 555 630	-	<b>30 599 938</b>
Syndicated loans	-	335 897	127 905	-	-	773 064	-	<b>1 236 866</b>
Unearned discount	( 33 979)	-	-	-	-	-	-	<b>( 33 979)</b>
Interest under settlement from customer loans	-	( 28 415)	( 387 723)	( 9 283)	( 20 472)	( 2 392)	-	<b>( 448 285)</b>
Suspended interest	-	( 2 111)	-	-	-	-	-	<b>( 2 111)</b>
<b>Financial Investments</b>								
Debt instruments	15 421	-	-	-	5 078 925	-	-	<b>5 094 346</b>
Other assets	743 416	-	-	-	378 349	195 921	410 918	<b>1 728 604</b>
<b>Total as of 30 June 2024</b>	<b>724 858</b>	<b>11 124 885</b>	<b>3 910 349</b>	<b>2 304 901</b>	<b>39 043 359</b>	<b>10 200 725</b>	<b>30 445 256</b>	<b>97 754 333</b>
<b>Total as of 31 December 2023</b>	<b>426 590</b>	<b>9 287 212</b>	<b>3 359 726</b>	<b>2 139 437</b>	<b>55 576 914</b>	<b>6 668 402</b>	<b>29 100 240</b>	<b>106 558 521</b>

**3-B. Market Risk**

**3-B.1. Methods of Measuring Market Risk**

As part of the market risk management, the Bank enters into interest rate swaps in order to balance the risk associated with the debt instruments and long-term loans with fixed interest rate in case the fair value option is applied. The following are the most important measurement methods applied to control the market risk.

**Value at Risk**

The bank applies "value at risk" method for trading and non-trading portfolios, in order to estimate the market risk of outstanding positions and the maximum limit of expected loss based on a number of assumptions for the various changes of market conditions. The Board of Directors sets limits for "Value at Risk" which the bank can accept for trading and non-trading separately and monitored daily by the Market Risk department in the bank.

Value at Risk is a statistical estimate of the potential movements of the present portfolio due to market's adverse moves. It is an expression of the maximum value the bank can lose using a defined confidence factor (99%), consequently there is a statistical probability of (1%) that the actual loss may be greater than the expected Value at Risk. The Value at Risk model assumes a defined retention period (ten days) before closing of the open positions. It also assumes that the market movement during the retention period will follow the same pattern of movement that occurred during the previous ten days. The Bank should assess these historical changes in rates, prices, and indicators directly on current positions, a method known as historical simulation. Actual outputs should be monitored and controlled on a regular basis to measure the integrity of the assumptions and factors applied to calculate value at risk.

The use of this method does not prevent the losses over these limits and within the limits of large movements in the market. Since the Value at Risk is an essential part of the banks' system in control of the market risk. The Board of Directors sets the Value at Risk limits annually for each of the trading and non-trading and split on units of activity. The actual Values at Risk are compared with limits set by the Bank and reviewed daily by the bank's risk management. The average daily Value at Risk during the financial period ended 30 June 2024 amounted to EGP 58 743 thousand, versus EGP 98 264 thousand during the comparative year.

The quality of Value at Risk model is continuously monitored by reinforcing testing to reinforce the results of Value at Risk of the trading portfolio and the results of such tests are usually reported to senior management and Board of Directors.

### Stress Testing

Stress testing gives an indicator of the potential size of losses, which may arise from extremely adverse conditions. Stress testing is designed in a way that suites business and activity by applying typical analysis of defined scenarios. The market risk department undertakes Stress Testing to include the stress testing of risk factors where a set of extreme movements is applied to each risk category. There is also stress testing applied to emerging markets, which are subject to extreme movements, and special stress testing that includes potential events, which may affect certain centres or regions such as what can happen in a region currency peg break. The senior management and Board of Director's monitor and review the results of stress testing.

### 3-B.2. Summary of Value at Risk

	EGP 000					
	30 June 2024			31 December 2023		
	Medium	Higher	Lower	Medium	Higher	Lower
Exchange rate risk	4 495	11 913	359	1 989	4 705	341
Interest rate risk	54 248	78 616	29 577	96 275	104 326	89 973
<b>Total value at risk</b>	<b>58 743</b>	<b>90 529</b>	<b>29 936</b>	<b>98 264</b>	<b>109 031</b>	<b>90 314</b>

The bank did not estimate equity instruments risk as the data is not available

	EGP 000					
	30 June 2024			31 December 2023		
	Medium	Higher	Lower	Medium	Higher	Lower
Exchange rate risk	-	-	-	-	-	-
Interest rate risk	-	-	-	-	-	-
<b>Total value at risk</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	EGP 000					
	30 June 2024			31 December 2023		
	Medium	Higher	Lower	Medium	Higher	Lower
Exchange rate risk	4 495	11 913	359	1 989	4 705	341
Interest rate risk	54 248	78 616	29 577	96 275	104 326	89 973
<b>Total value at risk</b>	<b>58 743</b>	<b>90 529</b>	<b>29 936</b>	<b>98 264</b>	<b>109 031</b>	<b>90 314</b>

The bank did not estimate equity instruments risk as the data is not available.

The increase in the Value at Risk, especially interest rate risk, is related to the increase in the sensitivity of interest rates in international financial markets.

The previous three results of the Value at Risk are calculated separately and independently from the concerned positions and historical movements of markets. Total Values at Risk for trading and non-trading do not form the bank's value at risk given the correlation between these types of risks and the types of portfolios and the subsequent diverse impacts.

### 3-B.3. The Risk of Fluctuations in Foreign exchange rates

The Bank is exposed to the risk of fluctuations in foreign exchange rates on its financial position and cash flows. The Board of Directors have set limits of foreign currencies in total value for each position at the end of the day and during the day, which are monitored on the spot. The following table summarizes the extent of the bank's exposure to fluctuations in foreign exchange rates risk on 30 June 2024. The following table includes the book value of financial instruments distributed into its component currencies:

#### The Concentration of Currency Risk of Financial Instruments

EGP 000

30 June 2024	EGP	USD	Euro	GBP	Other Currencies	Total
<b>Financial assets:</b>						
Cash and Balances with Central Bank of Egypt	14 881 296	509 755	131 029	6 191	172 203	15 700 474
Due from banks	55 964 059	12 171 573	3 340 377	319 830	107 998	71 903 837
Treasury bills and other governmental notes	19 046 169	515 369	-	-	-	19 561 538
Loans and facilities to banks	-	-	-	-	-	-
Loans and facilities to customers	52 681 898	11 143 151	1 030 072	6	-	64 855 127
Financial assets classified at fair value through profit and loss	-	-	9 248	-	-	9 248
<b>Financial Investments:</b>						
- Classified at FVOCI	697 828	-	1 992	-	-	699 820
- Classified at Fair Value through profit and loss	15 421	-	-	-	-	15 421
- Classified at Amortized cost	4 464 363	-	-	-	-	4 464 363
<b>Total financial assets</b>	<b>147 751 034</b>	<b>24 339 848</b>	<b>4 512 718</b>	<b>326 027</b>	<b>280 201</b>	<b>177 209 828</b>
<b>Financial liabilities:</b>						
Due to banks	94 280	390 373	316 565	72	394	801 684
Customers' deposits	121 318 009	23 148 264	3 657 088	297 591	158 809	148 579 761
Other loans	30 860	615 850	-	-	-	646 710
<b>Total financial liabilities</b>	<b>121 443 149</b>	<b>24 154 487</b>	<b>3 973 653</b>	<b>297 663</b>	<b>159 203</b>	<b>150 028 155</b>
<b>Net of financial position</b>	<b>26 307 885</b>	<b>185 361</b>	<b>539 065</b>	<b>28 364</b>	<b>120 998</b>	<b>27 181 673</b>
<b>Credit related commitments</b>	<b>6 909 684</b>	<b>8 357 924</b>	<b>6 566 919</b>	<b>355 625</b>	<b>455 105</b>	<b>22 645 257</b>
<b>31 December 2023</b>						
<b>Total financial assets</b>	<b>137 672 805</b>	<b>16 842 230</b>	<b>2 613 809</b>	<b>225 557</b>	<b>114 091</b>	<b>157 468 492</b>
<b>Total financial liabilities</b>	<b>114 590 412</b>	<b>16 998 217</b>	<b>2 343 763</b>	<b>218 984</b>	<b>130 261</b>	<b>134 281 637</b>
<b>Net of financial position</b>	<b>23 082 393</b>	<b>(155 987)</b>	<b>270 046</b>	<b>6 573</b>	<b>(16 170)</b>	<b>23 186 855</b>
<b>Credit related commitments</b>	<b>6 391 652</b>	<b>5 839 193</b>	<b>4 690 137</b>	<b>185 388</b>	<b>257 665</b>	<b>17 364 035</b>

### 3-B.4. Interest rate risk

The bank is exposed to the impact of the fluctuations in the levels of interest rates prevailing in the market. The impact refers to the cash flow risk caused by interest rate movements and is represented in the volatility of future cash flow of a financial instrument due to changes in the interest rate of the mentioned instrument. It also includes the interest rate Fair Value Risk, which is the risk of fluctuations in the value of the financial instrument due to changes in interest rates in the market. The interest margin may rise due to these changes but still the profits may decrease if unexpected movements occur. The Board of Directors of the bank set limits for the management of the interest rate risk at a level of the difference in the re-pricing of interest rate. The Bank maintains this level and treasury department monitors this level daily.

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The following table summarizes the extent of the Bank's exposure to the risk of fluctuations in interest rates that includes the book value of financial instruments distributed based on the price of re-pricing dates or maturity dates, whichever is sooner.

**The Concentration of interest rate risk of financial investments:**

							EGP 000
As of 30 June 2024	Up to 1 month	1 -3 months	More than 3 months-1 year	1- 5 years	More than 5 years	Interest free	Total
<b>Financial assets:</b>							
Cash and balance with Central Bank of Egypt	-	-	-	-	-	15 700 474	15 700 474
Due from banks	61 846 657	6 820 389	2 737 257	-	-	499 534	71 903 837
Treasury bills and other governmental notes	580 284	13 984 386	4 996 868	-	-	-	19 561 538
Loans and facilities to banks	-	-	-	-	-	-	-
Loans and facilities to customers	36 106 865	1 791 850	6 741 158	15 005 745	5 207 780	1 729	64 855 127
Financial assets classified at fair value through profit and loss	9 248	-	-	-	-	-	9 248
<b>Financial Investments:</b>							
- Classified at FVOCI	500 000	-	78 365	36 197	-	85 258	699 820
- Classified at Fair Value through profit and loss	-	-	-	15 421	-	-	15 421
- Classified at Amortized cost	1 250 000	2 000 000	1 214 363	-	-	-	4 464 363
Other financial Investments	-	-	-	-	-	1 728 605	1 728 605
<b>Total financial assets</b>	<b>100 293 054</b>	<b>24 596 625</b>	<b>15 768 011</b>	<b>15 057 363</b>	<b>5 207 780</b>	<b>18 015 600</b>	<b>178 938 433</b>
<b>Financial liabilities</b>							
Due to banks	-	-	-	-	-	801 684	801 684
Customers' deposits	69 052 698	10 922 895	9 357 160	36 669 415	3 311	22 574 282	148 579 761
Other loans	43 694	9 108	102 195	411 663	80 050	-	646 710
Other financial liabilities	-	-	-	-	-	593 244	593 244
<b>Total financial liabilities</b>	<b>69 096 392</b>	<b>10 932 003</b>	<b>9 459 355</b>	<b>37 081 078</b>	<b>83 362</b>	<b>23 969 210</b>	<b>150 621 399</b>
<b>The interest gap re-pricing</b>	<b>31 196 662</b>	<b>13 664 622</b>	<b>6 308 656</b>	<b>(22 023 715)</b>	<b>5 124 418</b>	<b>(5 953 610)</b>	<b>28 317 034</b>
<b>As of 31 December 2023</b>							
<b>Total financial assets</b>	<b>86 602 523</b>	<b>24 775 107</b>	<b>12 275 216</b>	<b>15 292 738</b>	<b>5 219 228</b>	<b>14 769 411</b>	<b>158 934 223</b>
<b>Total financial liabilities</b>	<b>58 628 615</b>	<b>10 723 822</b>	<b>11 685 962</b>	<b>31 894 858</b>	<b>55 272</b>	<b>21 789 399</b>	<b>134 777 928</b>
<b>Interest gap re-pricing</b>	<b>27 973 908</b>	<b>14 051 285</b>	<b>589 254</b>	<b>(16 602 120)</b>	<b>5 163 956</b>	<b>(7 019 988)</b>	<b>24 156 295</b>

**3-C. Liquidity Risk**

The liquidity risk is the risk based on which the bank is unable to meet its commitments associated with its financial obligations at maturity date and replacing the funds that are withdrawn, and that may result in the failure in meeting obligations related to repayment of the depositor's funds or meeting the borrowing commitments.

**- Liquidity Risk Management**

The processes of liquidity risk control carried by the Assets and Liabilities management department in the bank include the following:

- The daily funding is managed by monitoring and controlling the future cash flows to ensure the ability to fulfil all obligations and requirements. This includes replenishment of funds as they mature or is borrowed by customers. The bank maintains an active presence in the global money markets to ensure achievement of this target.
- Maintaining a portfolio of highly marketable assets, which can easily be liquidated to meet any unexpected interruption in cash flows.
- Monitoring liquidity ratios in relation to the internal requirements of the Bank and the Central Bank of Egypt's requirements.
- Management of concentration and list of the debt maturities.

For the purpose of monitoring, the reporting takes the form of cash flow measurements and projections for the next day, week, and month respectively, which are the main periods for managing liquidity. The starting point for these projections is represented by the analysis of the contractual maturities of financial liabilities and expected collection dates of financial assets.

Assets and Liabilities Management Department controls the unmatched medium-term assets, the level and type of the unutilized portion of loans' commitments, the extent of utilizing overdraft accounts advances and the impact of contingent liabilities such as letters of guarantees and letters of credit.

**- Financing Approach**

Liquidity resources are reviewed by a separate team in the Assets and Liabilities Management Department of the Bank in order to provide a wide variety of currencies, geographical regions, resources, products, and maturities.

**- Non-Derivative Cash Flows**

The following table represents the cash flows payable by non-derivative financial liabilities distributed based on the remaining periods from the contractual maturities on the financial position date, according to original amount in addition to Interest. The amounts presented in the table represent the undiscounted contractual cash flows, while the Bank manages the liquidity risk based on "expected" instead of contractual undiscounted cash flows.

	EGP 000					
30 June 2024	Up to 1 month	1 -3 months	More than 3 months - 1 year	1- 5 years	More than 5 years	Total
<b>Financial liabilities (According to original amount + Interest)</b>						
Due to banks	818 718	-	-	-	-	818 718
Customers' deposits	85 719 865	6 600 960	11 987 365	67 257 174	4 487	171 569 851
Other loans	84 481	51 359	49 435	417 026	80 050	682 351
Other financial liabilities	593 244	-	-	-	-	593 244
<b>Total financial liabilities according to contractual maturity date</b>	<b>87 216 308</b>	<b>6 652 319</b>	<b>12 036 800</b>	<b>67 674 200</b>	<b>84 537</b>	<b>173 664 164</b>
<b>Total financial assets according to contractual maturity date</b>	<b>101 317 406</b>	<b>28 726 115</b>	<b>30 470 178</b>	<b>33 079 779</b>	<b>9 824 581</b>	<b>203 418 059</b>
<hr/>						
31 December 2023	Up to 1 month	1 -3 months	More than 3 months - 1 year	1- 5 years	More than 5 years	Total
<b>Financial liabilities (According to original amount + Interest)</b>						
Due to banks	378 598	-	-	-	-	378 598
Customers' deposits	75 064 903	6 038 615	14 466 729	53 070 499	5 308	148 646 054
Other loans	149 400	34 374	62 077	298 720	51 488	596 059
Other financial liabilities	496 291	-	-	-	-	496 291
<b>Total financial liabilities according to contractual maturity date</b>	<b>76 089 192</b>	<b>6 072 989</b>	<b>14 528 806</b>	<b>53 369 219</b>	<b>56 796</b>	<b>150 117 002</b>
<b>Total financial assets according to contractual maturity date</b>	<b>85 821 371</b>	<b>27 385 561</b>	<b>24 750 635</b>	<b>33 735 359</b>	<b>10 081 256</b>	<b>181 774 182</b>

• The amount reported are including the original amount plus interest.

**Bank of Alexandria (Egyptian joint stock company)**  
**Notes to the Financial Statements**  
**For the Period ended 30 June 2024**

**Translated from Arabic**

The assets available to meet all liabilities and to hedge commitments related to loans include cash and balances with Central Bank, due from banks, treasury bills and other governmental bills and loans and facilities to banks and customers. In the normal course of business, a proportion of customer loans contractually repayable within one year are extended through normal course of business with the Bank. The bank has the ability to meet unexpected net cash flows by selling financial securities as well as raising other funding resources.

**- Off-balance sheet items**

The following is according to Note no. (36.C.)

30 June 2024	EGP 000		
	Less than 1 year	1-5 years	Total
Commitments of loans and facilities for customers	8 408 738	-	8 408 738
Financial guarantees, accepted bills and other financial facilities	22 645 257	-	22 645 257
Commitments on operational leasing contracts	53 579	115 079	168 658
Capital commitments due to fixed assets' acquisition	1 331	-	1 331
<b>Total</b>	<b>31 108 905</b>	<b>115 079</b>	<b>31 223 984</b>
31 December 2023	Less than 1 year	1-5 years	Total
Commitments of loans and facilities for customers	9 476 110	-	9 476 110
Financial guarantees, accepted bills and other financial facilities	17 364 035	-	17 364 035
Commitments on operational leasing contracts	46 492	121 765	168 257
Capital commitments due to fixed assets' acquisition	16 009	-	16 009
<b>Total</b>	<b>26 902 646</b>	<b>121 765</b>	<b>27 024 411</b>

**3-D. The fair value of financial assets and liabilities**

**3-D.1. Financial instruments measured at fair value by applying valuation methods**

The change in the estimated fair value reached EGP 8.76 million during the financial period ended 30 June 2024 using current market conditions as one of the common revaluation methods from Market participants.

**Financial instruments not measured at fair value**

The following table summarizes the present value and the fair value of the financial assets and liabilities, not presented in the bank's statement of financial position at fair value:

	EGP 000			
	30 June 2024		31 December 2023	
Financial Assets:	Book value	Fair value	Book value	Fair value
Due from banks	71 903 837	71 903 837	44 145 286	44 145 286
Loans and facilities to banks	-	-	438 767	438 767
<b>Loans and facilities to customers:</b>				
Current balances	36 106 865	36 106 865	32 137 846	32 137 846
<b>Financial liabilities:</b>				
Due to banks	801 684	801 684	371 898	371 898
<b>Customers' deposits:</b>				
Current balances	39 148 804	39 148 804	39 148 804	39 148 804
Other loans	646 710	646 710	569 789	569 789

**- Due from Banks**

The fair value of the Due from Banks is the book value since all Due from banks mature within a year.

**- Loans and Facilities to Banks**

Loans and facilities to banks are represented by loans other than deposits with banks. The expected Fair Value for Loans and Facilities, represents the discounted value of future cash flows expected for collection. Cash flows are discounted by adopting the current market rate to determine the fair value.

**- Loans and Facilities to Customers**

Loans and facilities are presented on net basis after discounting the impairment loan loss provision. Loans and facilities to customers are divided to current and non-current balances and the book value of current balances is equal to the fair value but it is difficult to obtain the fair value of non-current balances.

**- Due to banks**

The fair value of the due to banks is the book value since all due to banks mature within a year.

**- Customers' deposits**

Customers' deposits are divided to current and non-current balances and the book value of current balances is equal to the fair value while could not obtain the present value of non-current balances.

### **3-E. Capital Management**

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

- Comply with the legal capital requirements in Arab Republic of Egypt and in countries where the bank's branches operate.
- Protect the bank's ability to continue as going concern and enabling it to continue in generating return to shareholders and other parties dealing with the bank.
- Maintain a strong capital base that supports the growth of business.
- Capital adequacy and capital utilizations according to the regulator requirements (the Central Bank of Egypt in Arab Republic of Egypt) are reviewed and monitored by the bank's management through models, which depend on the guidelines developed by the Basel Committee as implemented by the Banking Supervision. Required information is submitted to the Central Bank of Egypt on a quarterly basis.

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

- Maintaining an amount of EGP 5 billion as a minimum requirement for the issued and paid-up-capital.
- Maintaining a minimum level of capital adequacy ratio of 10%, calculated as the ratio between total value of the capital elements, and the risk-weighted assets and contingent liabilities of the Bank, with an additional 2.5% added to the minimum level of the ratio as prudential pillar.

In accordance with the requirements of Basel II, the numerator of the capital adequacy ratio consists of the following two tiers:

#### **Tier One:**

##### **A. Ongoing capital:**

Consists of issued and paid-up share capital, legal, statutory, and capital reserve and retained earnings (retained losses) and approved interim earnings excluding the following: -

- Treasury Shares
- Goodwill
- Bank investments in financial companies (Banks and Companies) and insurance companies [more than 10% or more of the company's issued capital].
- Increase in all bank investments where each investment individually is less than 10% of the company's issued capital for the value of 10% of ongoing capital after regulatory amendments (capital base before excluding investments in financial companies and insurance companies).

##### **The following elements are treated as follows:**

- Fair value reserve of financial investments through other comprehensive income (if negative).
- Foreign currency translation differences reserve (if negative).
- Where the above items are deducted from Basic capital if the balance is negative, while it's not considered if it is positive.

##### **B. Additional ongoing capital:**

It consists of permanent non-cumulative preferred shares, interim quarterly profit (loss), minority rights and the difference between the nominal value and the current value of supplementary loans (deposits).

Interim profits are recognized only after approval of the auditor and the General Assembly in addition to the approval of CBE. Banks are permitted to include the periodical net profits to the capital base after a limited review performed by the external auditors for the financial statements of the bank, interim losses are deducted without conditions.

#### **Tier Two:**

Consists of the following;

- 45% of the increase in fair value above the book value of financial investments (FVOCI fair value reserve if positive, and investments in associates and subsidiaries).
- 45% of the special reserve.
- 45% of positive foreign currency translation differences reserve.
- Hybrid financial instruments.
- Supplementary loans (deposits).
- Impairment loss provision of loans and contingent liabilities (must not exceed 1.25% of the total credit risk of performing assets and contingent liabilities weighted by risk weights, thus, the impairment loss provision should be sufficient to meet the obligations for which the provision is allocated).

**Exclusions of 50% of Tier I and 50% Tier II:**

Investments in non-financial companies (each individually) equal to 15% or higher of the base ongoing capital of the bank before the regulatory amendments.

Total value of bank investments in non-financial companies (each individually) less than 15% of the base ongoing capital before regulatory amendments; these investments must exceed (collectively) 60% of the ongoing base capital of the Bank before the regulatory amendments.

Securitization of portfolios.

The share (in general banking risks reserve) of assets reverted to the Bank in settlement of debts.

When calculating the total numerator of capital adequacy, it should be noted that supplementary loans (deposits) must not exceed 50% of Tier I after exclusions.

Assets and contingent liabilities are likely weighted by credit risk weights, market risk and operating risks.

The Bank has met all of the domestic capital requirements over the past two years. The following table summarizes the components of basic and additional capital ratios and capital adequacy according to Basel II requirements at the end of 30 June 2024, and 31 December 2023 :

	<b>30 June 2024</b>	<b>31 December 2023</b>
	<b>EGP 000</b>	<b>EGP 000</b>
<b>Capital</b>		
<b>Tier one (Ongoing basic capital)</b>		
Share capital	5 000 000	5 000 000
Legal reserve	2 500 000	2 500 000
Other reserves	5 641	3 431
Retained earnings	9 343 690	6 563 555
General Risks' Reserve	35 135	35 135
Total Accumulated Other Comprehensive income	( 56 987)	( 34 709)
Profit for the period / year*	4 525 582	4 497 993
<b>Total ongoing basic capital</b>	<b>21 353 061</b>	<b>18 565 405</b>
<b>Tier two (Supplementary basic capital)</b>		
Equivalent to general risks provisions	783 011	669 317
<b>Total supplementary basic capital</b>	<b>783 011</b>	<b>669 317</b>
<b>Total capital</b>	<b>22 136 072</b>	<b>19 234 722</b>
<b>Risk weighted assets and contingent liabilities:</b>		
Credit Risk	69 218 972	53 545 377
Market Risk	34 425	749 505
Operational Risk	8 276 845	6 872 590
<b>Total risk weighted assets and contingent liabilities</b>	<b>77 530 242</b>	<b>61 167 472</b>
<b>Capital adequacy ratio (%)</b>	<b>28.55%</b>	<b>31.45%</b>

\* The dividend pay-out for year 2024 will be defined by the BoD and presented to AGM for approval.

### 3-E.1. Financial leverage Ratio

Central Bank of Egypt Board of Directors had approved in its meeting held on July 7, 2015 special supervisory instructions related to leverage ratio. The Bank needs to maintain a minimum level of leverage ratio of 3% to be reported on a quarterly basis.

Financial leverage ratio reflects the relationship between Tier I for capital that are used in capital adequacy ratio (after Exclusions) and the bank's assets (on and off-balance sheet items) not risk weighted.

#### Ratio Components

##### The Numerator Components

The numerator consists of Tier I for capital that are used in capital adequacy ratio (after Exclusions) in accordance with the requirements of the Central Bank of Egypt (CBE)

##### The Denominator Components

The denominator consists of all Bank's assets (on and off-balance sheet items) according to the financial statements, called "Bank exposures" including the following totals:

- 1- On balance sheet exposure items after deducting Tier I Exclusions for capital base.
- 2- Derivatives contracts exposure.
- 3- Financing Financial securities operations exposures.
- 4- Off-balance sheet exposures "weighted exchange transactions".

The Financial leverage ratio as of 30 June 2024 and 31 December 2023 is summarized in the following table:

	<b>30 June 2024</b>	<b>31 December 2023</b>
	<b>EGP 000</b>	<b>EGP 000</b>
<b>First:</b> Tier I capital after exclusions	21 353 061	18 565 405
<b>Total on-balance sheet exposures items (1)</b>	<b>182 819 512</b>	<b>161 799 474</b>
Total contingent liabilities	11 261 446	9 420 084
Total commitments	1 381 692	1 492 291
<b>Total exposures off-balance sheet (2)</b>	<b>12 643 138</b>	<b>10 912 375</b>
<b>Total exposures on and off-balance sheet (1+2)</b>	<b>195 462 650</b>	<b>172 711 849</b>
<b>Financial leverage ratio</b>	<b>10.92%</b>	<b>10.75%</b>

### 4- The Significant Accounting Estimates and Assumptions

The Bank applies estimates and assumptions, which affect the amounts of assets and liabilities disclosed in the next fiscal year. The estimates and assumptions are continuously assessed based on historical experience and other factors as well, including expectations of future events, which are considered reasonable in light of the available information and surrounding circumstances.

#### 4-A. Impairment loss on loans and facilities (Expected Credit Losses)

The Bank reviews its portfolio of loans and facilities to assess the impairment on a quarterly basis at least. The Bank determines at its own discretion whether the impairment charges should be recorded in the income statement, in order to know if there is any reliable data referring to the existence of a measurable decline in the expected future cash flows of the loan portfolio, before identifying the decline of the level of each loan in the portfolio. Such evidence may include observable data referring to a negative change in the ability of a borrower to repay the Bank, or to local or economic circumstances related to default in the bank's assets.

To predict the future cash flows, the management use estimates based on prior loss experience for assets with same credit risk characteristics, in the presence of objective evidence, which refers to impairment similar to those included in the portfolio. The method and assumptions used in estimating both the amount and timing of future cash flows are reviewed on a regular basis to minimize any differences between estimated and actual losses based on experience. If the net present value of estimated cash flows differs by +/-5%, then the estimated impairment loss provision will increase or decrease by EGP 195 517 thousand of the formed provisions.

#### **4-B. Fair Value of Derivatives**

Fair values of derivative financial instruments not listed in active markets are determined by using valuation methods. When these methods are used to determine the fair value, they are tested and reviewed periodically by qualified personnel who are independent of the body that prepared them. All such models have been approved before being used and after being tested to ensure that their results reflect actual data and prices that can be compared with the market to the extent that is deemed practical. Reliable data is only used in these models; however, areas such as credit risk related to the banks and counterparties, volatility or correlations require the management to use estimates. Changes in assumptions surrounding these factors may affect the fair value of the disclosed financial instruments.

#### **4-C. Income Tax**

The Bank records the liabilities of the expected results of tax examination according to the estimates of the probability of the emergence of additional tax. When there is a discrepancy between the result of the Tax Authority and the amounts previously recorded, then these discrepancies will affect the income tax and deferred tax provision for the year, in which the discrepancy has been identified.

### **5- Segment Analysis**

#### **5-A Business Segment Analysis**

A business segment includes operational processes, as well as assets used in providing banking services and management of related risk and return that are different from those of other segments. The Bank uses the following Business Segments:

##### **Corporate**

This segment includes the activities of current accounts, deposits, overdraft accounts, loans, credit facilities and financial derivatives of large domestic, multinational and mid-corp enterprises.

##### **Medium and Small Enterprises**

This segment includes the activities of current accounts, deposits, overdraft accounts, loans, credit facilities and financial derivatives of medium and small businesses.

##### **Investments**

This segment includes the activities of Bank's mergers, the purchase of investments, the financing of company restructuring and financial instruments.

##### **Retail**

This segment includes the activities of current and savings accounts, deposits, credit cards, personal loans, and mortgage loans of private individuals.

##### **Other activities**

This segment includes other types of banking business activities such as treasury management.

Transactions between the segmental activities are made in accordance with the bank's ordinary course of business and include operational assets and liabilities as presented in the Bank statement of financial position.

	EGP 000					
30 June 2024	Corporate	Medium and small enterprises	Investment	Retail	Other activities	Total
<b>Income and expenses according to segmental business activity</b>						
Business activity income	5 412 595	2 122 539	30 893	11 236 845	(1 183 644)	17 619 228
Business activity expenses	(4 430 533)	(1 122 714)	(26 885)	(8 342 711)	4 740 545	(9 182 298)
Results of activity business	<b>982 062</b>	<b>999 825</b>	<b>4 008</b>	<b>2 894 134</b>	<b>3 556 901</b>	<b>8 436 930</b>
Unclassified expenses	-	-	-	-	(1 635 984)	(1 635 984)
Profit before income tax of the period	982 062	999 825	4 008	2 894 134	1 920 917	<b>6 800 946</b>
Income tax	(247 795)	(252 277)	(1 011)	(730 251)	(484 688)	(1 716 022)
<b>Profit for the period</b>	<b>734 267</b>	<b>747 548</b>	<b>2 997</b>	<b>2 163 883</b>	<b>1 436 229</b>	<b>5 084 924</b>

30 June 2024						
Assets and liabilities according To segmental business activity	Corporate	Medium and small enterprises	Investment	Retail	Other activities	Total
Business activity assets	28 074 792	7 693 833	187 131	29 086 502	117 535 783	182 578 041
Business activity liabilities	28 360 739	13 671 422	-	106 031 043	34 514 837	182 578 041
<b>Other items of business segment</b>	-					
Depreciations	-	-	-	-	(135 352)	(135 352)
Impairment for other provisions on income statement	-	-	-	-	(350 219)	(350 219)

30 June 2023						
Income and expenses according to segmental business activity	Corporate	Medium and small enterprises	Investment	Retail	Other activities	Total
Business activity income	2 771 309	1 478 318	21 946	7 530 109	(1 036 645)	10 765 037
Business activity expenses	(2 559 631)	(851 926)	(20 476)	(5 846 687)	2 608 352	(6 670 368)
Results of activity business	<b>211 678</b>	<b>626 392</b>	<b>1 470</b>	<b>1 683 422</b>	<b>1 571 707</b>	<b>4 094 669</b>
Unclassified expenses	-	-	-	-	(681 045)	(681 045)
Profit before income tax of the period	<b>211 678</b>	<b>626 392</b>	<b>1 470</b>	<b>1 683 422</b>	<b>890 662</b>	<b>3 413 624</b>
Income tax	(65 017)	(192 397)	(452)	(517 065)	(273 567)	(1 048 498)
<b>Profit for the period</b>	<b>146 661</b>	<b>433 995</b>	<b>1 018</b>	<b>1 166 357</b>	<b>617 095</b>	<b>2 365 126</b>

31 December 2023						
Assets and liabilities according To segmental business activity	Corporate	Medium and small enterprises	Investment	Retail	Other activities	Total
Business activity assets	22 875 498	7 840 836	180 484	27 682 133	103 383 984	161 962 935
Business activity liabilities	28 485 242	11 930 464	-	91 523 953	30 023 276	161 962 935
<b>Other items of business segment</b>	-					
Depreciations	-	-	-	-	(135 642)	(135 642)
Impairment for other provisions on income statement	-	-	-	-	(683 474)	(683 474)

**5.B. Geographical Segment analysis**

Analysis performed based on the branch location.

	<b>EGP 000</b>			
<b>30 June 2024</b>	<b>Cairo</b>	<b>Alex., Delta and Sinai</b>	<b>Upper Egypt</b>	<b>Total</b>
<b>Income and expenses according to geographical segment analysis</b>				
Geographical segment income	14 451 442	2 263 067	904 719	17 619 228
Geographical segment expense	(6 261 267)	(3 047 295)	(1 509 719)	(10 818 282)
Profit before income tax of the period	<b>8 190 175</b>	<b>( 784 228)</b>	<b>( 605 000)</b>	<b>6 800 946</b>
Income tax	(2 066 554)	197 877	152 654	(1 716 022)
<b>Profit for the period</b>	<b>6 123 621</b>	<b>( 586 351)</b>	<b>( 452 346)</b>	<b>5 084 924</b>
<b>30 June 2024</b>	<b>Cairo</b>	<b>Alex., Delta and Sinai</b>	<b>Upper Egypt</b>	<b>Total</b>
<b>Assets and liabilities according to geographical segment</b>				
Geographical segment assets	151 043 944	21 940 025	9 594 072	<b>182 578 041</b>
Geographical segment liabilities	99 349 595	55 551 608	27 676 837	<b>182 578 041</b>
<b>Other items of geographical segment</b>				
Depreciations	( 135 352)			<b>( 135 352)</b>
Impairment and other provisions on income statement	( 350 219)			<b>( 350 219)</b>
<b>30 June 2023</b>	<b>Cairo</b>	<b>Alex., Delta and Sinai</b>	<b>Upper Egypt</b>	<b>Total</b>
<b>Income and expenses according to geographical segment analysis</b>				
Geographical segment income	8 266 629	1 669 574	828 837	10 765 040
Geographical segment expense	(4 815 943)	(1 658 741)	( 876 732)	(7 351 416)
Profit before income tax of the period	<b>3 450 686</b>	<b>10 833</b>	<b>( 47 895)</b>	<b>3 413 624</b>
Income tax	(1 059 882)	( 3 327)	14 711	(1 048 498)
<b>Profit for the period</b>	<b>2 390 804</b>	<b>7 506</b>	<b>( 33 184)</b>	<b>2 365 126</b>
<b>31 December 2023</b>	<b>Cairo</b>	<b>Alex., Delta and Sinai</b>	<b>Upper Egypt</b>	<b>Total</b>
<b>Assets and liabilities according to geographical segment</b>				
Geographical segment assets	132 621 159	19 939 699	9 402 077	<b>161 962 935</b>
Geographical segment liabilities	87 912 233	49 156 324	24 894 378	<b>161 962 935</b>
<b>Other items of geographical segment</b>				
Depreciations	( 135 642)	-	-	<b>( 135 642)</b>
Impairment and other provisions on income statement	( 683 474)	-	-	<b>( 683 474)</b>

6- Net interest income

	For the period From April 01, 2024 To June 30, 2024 EGP 000	For the period From January 01, 2024 To June 30, 2024 EGP 000	For the period From April 01, 2023 To June 30, 2023 EGP 000	For the period From January 01, 2023 To June 30, 2023 EGP 000
<b>Interest income on loans and similar income:</b>				
Loans and advances to:				
- Customers	3 230 438	5 970 740	2 201 505	4 257 452
	<u>3 230 438</u>	<u>5 970 740</u>	<u>2 201 505</u>	<u>4 257 452</u>
- Treasury bills and bonds	1 448 903	3 763 384	1 776 005	3 109 922
- Current accounts and term deposits	4 270 829	6 794 488	1 260 472	2 349 258
	<u>8 950 170</u>	<u>16 528 612</u>	<u>5 237 982</u>	<u>9 716 632</u>
<b>Interest expense on deposits and similar expenses:</b>				
Current accounts and deposits to:				
- Banks	-	-	( 689)	( 1 661)
- Customers	(4 176 207)	(7 629 065)	(2 360 108)	(4 355 349)
	<u>(4 176 207)</u>	<u>(7 629 065)</u>	<u>(2 360 797)</u>	<u>(4 357 010)</u>
Other loans	( 11 247)	( 21 269)	( 9 218)	( 18 206)
	<u>(4 187 454)</u>	<u>(7 650 334)</u>	<u>(2 370 015)</u>	<u>(4 375 216)</u>
<b>Net</b>	<u>4 762 716</u>	<u>8 878 278</u>	<u>2 867 967</u>	<u>5 341 416</u>

7-Net fee and commission income

	For the period From April 01, 2024 To June 30, 2024 EGP 000	For the period From January 01, 2024 To June 30, 2024 EGP 000	For the period From April 01, 2023 To June 30, 2023 EGP 000	For the period From January 01, 2023 To June 30, 2023 EGP 000
<b>Fee and commission income:</b>				
- Fee and commission related to credit	390 484	636 139	243 296	493 734
- Custody fees	2 690	6 072	2 564	6 235
- Other fees	360 083	679 751	255 349	489 569
	<u>753 257</u>	<u>1 321 962</u>	<u>501 209</u>	<u>989 538</u>
<b>Fee and commission expense</b>				
- Other paid fees	( 233 671)	( 440 571)	( 185 173)	( 378 649)
	<u>( 233 671)</u>	<u>( 440 571)</u>	<u>( 185 173)</u>	<u>( 378 649)</u>
<b>Net</b>	<u>519 586</u>	<u>881 391</u>	<u>316 036</u>	<u>610 889</u>

8-Dividends income

	For the period From April 01, 2024 To June 30, 2024 EGP 000	For the period From January 01, 2024 To June 30, 2024 EGP 000	For the period From April 01, 2023 To June 30, 2023 EGP 000	For the period From January 01, 2023 To June 30, 2023 EGP 000
<b>Dividends income from:</b>				
- Investments at fair value through other comprehensive income	748	748	2 804	2 804
	<u>748</u>	<u>748</u>	<u>2 804</u>	<u>2 804</u>
<b>Total</b>	<u>748</u>	<u>748</u>	<u>2 804</u>	<u>2 804</u>

**9-Net Income from Financial Instruments Classified at Fair value Through Profit and Loss**

	For the period From April 01, 2024 To June 30, 2024 EGP 000	For the period From January 01, 2024 To June 30, 2024 EGP 000	For the period From April 01, 2023 To June 30, 2023 EGP 000	For the period From January 01, 2023 To June 30, 2023 EGP 000
<b>Net income from:</b>				
- Equity instruments	1 483	13 492	77	4 301
<b>Total</b>	<b>1 483</b>	<b>13 492</b>	<b>77</b>	<b>4 301</b>

**10-Net trading income**

	For the period From April 01, 2024 To June 30, 2024 EGP 000	For the period From January 01, 2024 To June 30, 2024 EGP 000	For the period From April 01, 2023 To June 30, 2023 EGP 000	For the period From January 01, 2023 To June 30, 2023 EGP 000
<b>Foreign currency transactions:</b>				
- Profit from foreign currencies	22 046	( 18 044)	12 475	11 979
- (Loss) / Profit from currency exchange	( 105)	( 105)	-	2
<b>Total</b>	<b>21 941</b>	<b>( 18 149)</b>	<b>12 475</b>	<b>11 981</b>

**11-Administrative expenses**

	For the period From April 01, 2024 To June 30, 2024 EGP 000	For the period From January 01, 2024 To June 30, 2024 EGP 000	For the period From April 01, 2023 To June 30, 2023 EGP 000	For the period From January 01, 2023 To June 30, 2023 EGP 000
<b>Employees' cost:</b>				
- Salaries and wages	( 375 310)	( 751 006)	( 322 121)	( 650 487)
- Social insurance	( 31 644)	( 62 686)	( 24 775)	( 49 797)
<b>Pension cost:</b>				
- Defined-benefit plans (Note no.31)	( 123 054)	( 246 108)	( 74 871)	( 148 919)
	<b>( 530 008)</b>	<b>( 1 059 800)</b>	<b>( 421 767)</b>	<b>( 849 203)</b>
<b>Other administrative expenses</b>	( 626 899)	( 1 177 248)	( 477 946)	( 965 255)
<b>Total</b>	<b>( 1 156 907)</b>	<b>( 2 237 048)</b>	<b>( 899 713)</b>	<b>( 1 814 458)</b>

**12-Other operating revenues / (expenses)**

	For the period From April 01, 2024 To June 30, 2024 EGP 000	For the period From January 01, 2024 To June 30, 2024 EGP 000	For the period From April 01, 2023 To June 30, 2023 EGP 000	For the period From January 01, 2023 To June 30, 2023 EGP 000
- Revaluation Gains of monetary assets and liabilities balances in foreign currencies	44 087	( 254 155)	12 497	24 257
- Impairment losses of Investments on other assets	-	-	-	-
- Gains from sale of fixed assets of the bank	1 205	2 828	-	-
- Rents	( 53 827)	( 113 810)	( 40 988)	( 80 369)
- Operating and finance lease	( 14 057)	( 26 108)	( 10 467)	( 19 249)
- Recovery / (Charges) of impairment on other provisions (Note 29)	8 081	( 52 387)	( 38 485)	14 853
- Others	4 841	5 378	4 580	5 742
<b>Total</b>	<b>( 9 670)</b>	<b>( 438 254)</b>	<b>( 72 863)</b>	<b>( 54 766)</b>

**13-Impairment (Charge) / Recovery for Credit loss**

	For the period From April 01, 2024 To June 30, 2024	For the period From January 01, 2024 To June 30, 2024	For the period From April 01, 2023 To June 30, 2023	For the period From January 01, 2023 To June 30, 2023
	EGP 000	EGP 000	EGP 000	EGP 000
- (Charge) of impairment Loans and advances to customers (Note no. 18)	( 142 889)	( 282 893)	( 429 131)	( 671 621)
- (Charge) / Recovery of impairment of due from banks balances (Note no. 17)	( 14 622)	( 14 939)	( 23 748)	( 22 778)
- (Charge) / Recovery of impairment of treasury Bills and Bonds	-	-	( 3 928)	( 3 928)
<b>Total</b>	<b>( 157 511)</b>	<b>( 297 832)</b>	<b>( 456 807)</b>	<b>( 698 327)</b>

**14-Income Tax Expenses**

	For the period From April 01, 2024 To June 30, 2024	For the period From January 01, 2024 To June 30, 2024	For the period From April 01, 2023 To June 30, 2023	For the period From January 01, 2023 To June 30, 2023
	EGP 000	EGP 000	EGP 000	EGP 000
- Current taxes	(1 034 063)	(1 810 020)	( 615 742)	(1 091 369)
- Deferred income taxes (Note no. 30)	27 169	93 998	27 310	42 871
<b>Total</b>	<b>(1 006 894)</b>	<b>(1 716 022)</b>	<b>( 588 432)</b>	<b>(1 048 498)</b>

**Tax Position**

**Bank Tax Policy**

**A-Corporate Income Tax:**

- Financial years till 2019: inspection is conducted with no remarks; and for Y2017 till Y2019 settlement is under progress.

-Financial years 2020 to 2023: tax declaration presented to Tax Authority after tax due payment within the legal due dates and, the Bank paid Medical Health Contribution.

**B-Stamp Tax Duty**

-Period from 1/8/2006 to 31/12/2021: inspection is conducted with no remarks. .

-Period ended 2022: Inspection requirement has been delivered to tax authority and currently waiting the final inspection memo.

-Periods from 2023 to Q2-2024: stamp duty tax dues were paid to Tax Authority within legal due dates.

**C-Real estate tax**

-In accordance with Law No. 196 of 2008 amended by Law No. 117 of 2014, the bank pays tax claims received on owned buildings with regard to real-estate tax that is consistent with the estimates of the Housing and Development Bank and real estate tax on leased premises that Alexandria Bank bears the real-estate tax under the rent contract until 30/06/2024 and the appeal against the overestimated estimates.

**D-Payroll Tax**

Financial years till Y2019 : tax inspection was conducted, and the Bank received the final inspection forms and currently the bank is waiting for final form (9).

**15-Basic earnings per share**

	For the period From April 01, 2024 To June 30, 2024	For the period From January 01, 2024 To June 30, 2024	For the period From April 01, 2023 To June 30, 2023	For the period From January 01, 2023 To June 30, 2023
	EGP 000	EGP 000	EGP 000	EGP 000
Net profit for the period	2 985 003	5 084 924	1 186 602	2 365 126
Banking System Support and Development Fund share	( 29 850)	( 50 849)	( 11 866)	( 23 651)
Employees' profit share	( 298 500)	( 508 492)	( 118 660)	( 236 513)
<b>Shareholders' share in the period net profit (1)</b>	<b>2 656 653</b>	<b>4 525 583</b>	<b>1 056 076</b>	<b>2 104 962</b>
<b>The weighted average of the ordinary issued shares (2)* "shares in thousands"</b> *	<b>2 500 000</b>	<b>2 500 000</b>	<b>2 500 000</b>	<b>2 500 000</b>
<b>Basic earnings per share (in EGP) (1:2)</b>	<b>1.06</b>	<b>1.81</b>	<b>0.42</b>	<b>0.84</b>

\* The comparative figures are amended to conform with the Egyptian Accounting standard no. (22), as this increase is a non-cash increase related to the transfer from the bank's reserve.

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**16-Cash and balances at Central Bank of Egypt**

	<b>30 June 2024</b>	<b>31 December 2023</b>
	EGP 000	EGP 000
Cash	3 181 917	3 273 537
Balances at Central bank within the mandatory reserve ratio*	12 518 557	9 776 177
<b>Total</b>	<b>15 700 474</b>	<b>13 049 714</b>
Non-interest-bearing balances	15 700 474	13 049 714

\* This amount refers to money deposited with the Central Bank of Egypt in the context of the rule of the 18% mandatory reserve, which is non - interest bearing.

**17-Due from Banks**

	<b>30 June 2024</b>	<b>31 December 2023</b>
	EGP 000	EGP 000
Current accounts	177 681	800 596
Deposits	71 862 931	43 435 419
Less: Allowance for impairment loss provision	( 136 775)	( 90 729)
<b>Total</b>	<b>71 903 837</b>	<b>44 145 286</b>
Central banks other than the obligatory reserve ratio *	56 773 314	36 568 701
Local banks	2 014 058	1 626 839
Foreign banks	13 253 240	6 040 475
Less: Allowance for impairment loss provision	( 136 775)	( 90 729)
<b>Total</b>	<b>71 903 837</b>	<b>44 145 286</b>
Non-interest-bearing balances	499 534	298 698
Fixed interest rate balances	71 404 303	12 328 588
Variable interest rate balances	-	31 518 000
<b>Total</b>	<b>71 903 837</b>	<b>44 145 286</b>
Current balances	69 918 751	42 160 200
Non-current balances	1 985 086	1 985 086
<b>Total</b>	<b>71 903 837</b>	<b>44 145 286</b>

\* Including the amount of EGP 2 822 164 thousand (10% of the customers' deposits), that the Bank has to maintain, as per the instructions of the Central Bank of Egypt, 10% in foreign currencies as interest bearing reserve with the CBE.

**Impairment provision of due from banks balances:**

	<b>30 June 2024</b>	<b>31 December 2023</b>
	EGP 000	EGP 000
Beginning balance for the year	90 729	25 488
Charge of impairment of provision during the period (Note no. 13)	14 939	58 938
Foreign currencies revaluation differences	31 107	6 303
<b>Closing Balance</b>	<b>136 775</b>	<b>90 729</b>

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**18-Loans and advances to customers and banks**

	<b>30 June 2024</b>	<b>31 December 2023</b>
	<b>EGP 000</b>	<b>EGP 000</b>
<b>(1) Retail</b>		
- Overdraft	207 891	147 281
- Credit cards	845 270	667 931
- Personal loans	28 981 044	27 946 276
- Mortgage loans	133	2 798
<b>Total (1)</b>	<b>30 034 338</b>	<b>28 764 286</b>
<b>(2) Corporate including small loans for economic activities</b>		
- Overdraft	9 983 078	11 659 084
- Direct loans	30 599 938	22 306 001
- Syndicated loans	1 236 866	1 204 090
<b>Total (2)</b>	<b>41 819 882</b>	<b>35 169 175</b>
<b>Total loans and facilities to customers (1+2)</b>	<b>71 854 220</b>	<b>63 933 461</b>
<b>Less:</b>		
- Impairment loss provision	(6 514 717)	(5 185 519)
- Unearned discount	( 33 979)	( 37 405)
- Interest under settlement from customer loans	( 448 286)	( 309 902)
- Suspended interest	( 2 111)	( 2 170)
<b>Net Distributed to:</b>	<b>64 855 127</b>	<b>58 398 465</b>
- Current balances	36 106 865	32 137 846
- Non-current balances	28 748 262	26 260 619
	<b>64 855 127</b>	<b>58 398 465</b>
<b>B - Loans and advances to banks</b>		
	<b>30 June 2024</b>	<b>31 December 2023</b>
	<b>EGP 000</b>	<b>EGP 000</b>
- Loans to banks	-	438 767
	-	<b>438 767</b>

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**Impairment loss provision**

An analysis of the movement in the impairment loss provision for loans and advances to customers according to types:

30 June 2024	Overdraft accounts EGP 000	Credit Cards EGP 000	Personal Loans EGP 000	Mortgage loans EGP 000	Total EGP 000
<b><u>Retail</u></b>					
<b>Balance at the beginning of the year</b>	16 434	12 648	610 364	2 442	641 888
Impairment charge/(recovery) during the period	14 048	694	( 59 100)	( 2 442)	( 46 800)
Amounts written-off during the period	( 17 199)	-	( 398)	-	( 17 597)
Amounts recovered during the period *	-	372	34 026	-	34 398
Differences in revaluation of foreign currencies	( 620)	-	-	-	( 620)
<b>Balance at the period end</b>	<b>12 663</b>	<b>13 714</b>	<b>584 892</b>	<b>-</b>	<b>611 269</b>

	Overdraft accounts EGP 000	Direct Loans EGP 000	Syndicated Loans EGP 000	Other loans EGP 000	Total EGP 000
<b><u>Corporate</u></b>					
<b>Balance at the beginning of the year</b>	2 095 470	2 319 146	129 015	-	4 543 631
Impairment charge/(recovery) during the period	(2 199 307)	2 511 228	17 771	-	329 692
Amounts written-off during period	( 39 734)	-	-	-	( 39 734)
Amounts recovered during the period *	51 386	-	-	-	51 386
Differences in revaluation of foreign currencies	857 025	111 923	49 525	-	1 018 473
<b>Balance at the period end</b>	<b>764 840</b>	<b>4 942 297</b>	<b>196 311</b>	<b>-</b>	<b>5 903 448</b>
				<b>Total</b>	<b>6 514 717</b>

31 December 2023	Overdraft accounts EGP 000	Credit Cards EGP 000	Personal Loans EGP 000	Mortgage loans EGP 000	Total EGP 000
<b><u>Retail</u></b>					
<b>Balance at the beginning of the year</b>	219 748	8 258	309 064	1 109	538 179
Impairment (Recovery)/charge during the year	( 173 012)	2 512	390 184	1 333	221 017
Amounts written-off during the year	( 30 408)	( 1 867)	( 124 437)	-	( 156 712)
Amounts recovered during the year *	-	3 745	35 553	-	39 298
Differences in revaluation of foreign currencies	106	-	-	-	106
<b>Balance at the year end</b>	<b>16 434</b>	<b>12 648</b>	<b>610 364</b>	<b>2 442</b>	<b>641 888</b>

	Overdraft accounts EGP 000	Direct Loans EGP 000	Syndicated Loans EGP 000	Other loans EGP 000	Total EGP 000
<b><u>Corporate</u></b>					
<b>Balance at the beginning of the year</b>	1 874 603	868 535	239 026	-	2 982 164
Impairment (Recovery)/charge during the year	443 939	1 395 233	( 163 372)	8	1 675 808
Amounts written-off during year	( 404 767)	-	-	-	( 404 767)
Amounts recovered during the year *	71 589	-	-	-	71 589
Differences in revaluation of foreign currencies	110 106	55 378	53 361	( 8)	218 837
<b>Balance at the year end</b>	<b>2 095 470</b>	<b>2 319 146</b>	<b>129 015</b>	<b>-</b>	<b>4 543 631</b>
				<b>Total</b>	<b>5 185 519</b>

\*From amounts that have been previously written off.

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**19- Financial assets classified at fair value through profit and loss**

	<b>30 June 2024</b> EGP 000	<b>31 December 2023</b> EGP 000
<b>Equity instruments at fair value:</b>		
- Listed in the market	9 248	13 309
<b>Total Financial Assets Classified at Fair Value Through Profit and Loss</b>	<b>9 248</b>	<b>13 309</b>

The value represents 51 311 shares of ISP equity shares owned by the bank with the dividends to be credited to the Bank account. The shares are held to meet the obligation towards the expatriates who are beneficiary of these shares under the Parent Company's Remuneration System for Top Management.

**20- Financial investments**

	<b>30 June 2024</b> EGP 000	<b>31 December 2023</b> EGP 000
<b>Financial assets classified at Fair Value through Other Comprehensive Income</b>		
<b>A- Debt instruments:</b>		
- Listed in the market (Governmental debt instruments)	614 562	3 238 397
- Not listed in the market (Treasury bills and other governmental notes)	19 561 538	33 614 654
<b>B- Equity instruments:</b>		
- Not listed in the market	85 258	84 589
<b>Total financial assets classified at Fair Value through Other Comprehensive Income (1)</b>	<b>20 261 358</b>	<b>36 937 640</b>

**Financial assets classified at Fair Value through profit and loss**

<b>Debt instruments:</b>		
- Not listed in the market	15 421	13 966
<b>Financial assets classified at Fair Value through profit and loss (2)</b>	<b>15 421</b>	<b>13 966</b>

**Financial assets classified at Amortized cost:**

<b>Debt instruments:</b>		
- Listed in the market (Governmental debt instruments)	4 464 363	4 471 345
<b>Financial assets classified at Amortized cost (3)</b>	<b>4 464 363</b>	<b>4 471 345</b>
<b>Total of Financial investments (1+2+3)</b>	<b>24 741 142</b>	<b>41 422 951</b>

Current balances	20 176 100	36 853 051
Non-current balances	4 565 042	4 569 900
	<b>24 741 142</b>	<b>41 422 951</b>
Debt instruments with fixed interest rate	24 640 463	41 324 396
Debt instruments with variable interest rate	15 421	13 966
	<b>24 655 884</b>	<b>41 338 362</b>

**Treasury bills and other governmental notes at FVOCI**

Treasury bills due 91 days	14 889 800	29 833 938
Treasury bills due 181 days	2 238 100	5 225 075
Treasury bills due 273 days	2 996 265	800
Treasury bills due 364 days	1 004 125	-
Unearned interest	(1 432 140)	(1 371 032)
Fair value Revaluation impact	( 134 612)	( 74 127)
<b>Total</b>	<b>19 561 538</b>	<b>33 614 654</b>

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**An analysis of the movement in Financial investments**

	Financial Assets at FVOCI EGP 000	Financial Assets at FVTPL EGP 000	Financial Assets at amortized cost EGP 000	Total EGP 000
<b>Balance as of 1 January 2024</b>	<b>36 937 640</b>	<b>13 966</b>	<b>4 471 345</b>	<b>41 422 951</b>
Additions	46 179 386	-	-	46 179 386
Disposals (sale/redemption)	(62 957 357)	-	-	(62 957 357)
Translation differences resulting from monetary foreign currencies assets	187 984	-	-	187 984
(Loss) from changes in fair value reserve (Note no.33.c)	(22 277)	-	-	(22 277)
Change in Fair Value Through profit and Loss	-	1 455	-	1 455
Amortized cost	(61 107)	-	-	(61 107)
Amortization of premium / Discount	(2 911)	-	(6 982)	(9 893)
Sale of equity instruments	-	-	-	-
<b>Balance as of 31 June 2024</b>	<b>20 261 358</b>	<b>15 421</b>	<b>4 464 363</b>	<b>24 741 142</b>

	Financial Assets at FVOCI EGP 000	Financial Assets at FVTPL EGP 000	Financial Assets at amortized cost EGP 000	Total EGP 000
<b>Balance as of 1 January 2023</b>	<b>29 793 332</b>	<b>11 801</b>	<b>2 520 880</b>	<b>32 326 013</b>
Additions	88 713 767	-	1 958 723	90 672 490
Disposals (sale/redemption)	(81 152 085)	-	-	(81 152 085)
Translation differences resulting from monetary foreign currencies assets	2 913	-	-	2 913
(Loss) from changes in fair value reserve (Note no.33.c)	152 766	-	-	152 766
Change in Fair Value Through profit and Loss	-	2 165	-	2 165
Amortized cost	(1 779)	-	-	(1 779)
Amortization of premium / Discount	(571 274)	-	(8 258)	(579 532)
Sale of equity instruments	-	-	-	-
<b>Balance as of 31 December 2023</b>	<b>36 937 640</b>	<b>13 966</b>	<b>4 471 345</b>	<b>41 422 951</b>

**20.A. Gain / (Loss) on financial investments**

	For the period From April 01, 2024 To June 30, 2024 EGP 000	For the period From January 01, 2024 To June 30, 2024 EGP 000	For the period From April 01, 2023 To June 30, 2023 EGP 000	For the period From January 01, 2023 To June 30, 2023 EGP 000
<b>Gain on financial investments</b>				
Gain on selling financial assets - Governmental Bills	826	5 486	679	3 214
<b>Total</b>	<b>826</b>	<b>5 486</b>	<b>679</b>	<b>3 214</b>

21- Investments in associates

The Bank investments in associates are as follows:

30 June 2024	Total shareholders' equity	Bank's share percentage	Bank's share in shareholders' equity
	EGP 000		EGP 000
Misr International Towers Co.	277 151	27.86%	77 204
	<u>277 151</u>		<u>77 204</u>
<b>31 December 2023</b>	<b>Total shareholders' equity</b>	<b>Bank's share percentage</b>	<b>Bank's share in shareholders' equity</b>
	EGP 000		EGP 000
Misr International Towers Co.	246 336	27.86%	68 620
	<u>246 336</u>		<u>68 620</u>

\*) The Extraordinary General Assembly for Misr Alexandria Mutual Fund for Financial Investment Company agreed on October 12, 2020, on making a decision to liquidate the company on December 31, 2020, and to indicate that the company is under liquidation in the commercial registry and to appoint a legal liquidator. Authorizing the Board of Directors to take the necessary procedures to finalize the liquidation process with the Financial Regulatory Authority and other entities. We conducted an impairment of the bank's share in the company, as there was objective evidence of impairment losses in the value of the investment, and the situation will be followed up.

The financial data of associates are as follows:

30 June 2024	Country of the Company's Head Office	Balance Sheet date	Company's Assets EGP 000	*Company's Liabilities (without shareholders' equity) EGP 000	Company's Revenues EGP 000	*Profits of the company EGP 000	Share Percentage
Misr International Towers Co.	Egypt	31/03/2024	496 151	219 000	46 894	28 046	27.86%
			<u>496 151</u>	<u>219 000</u>	<u>46 894</u>	<u>28 046</u>	
<b>31 December 2023</b>	<b>Country of the Company's Head Office</b>	<b>Balance Sheet date</b>	<b>Company's Assets EGP 000</b>	<b>*Company's Liabilities (without shareholders' equity) EGP 000</b>	<b>Company's Revenues EGP 000</b>	<b>*Profits of the company EGP 000</b>	<b>Share Percentage</b>
Misr International Towers Co.	Egypt	30/06/2023	454 077	207 741	99 623	50 215	27.86%
			<u>454 077</u>	<u>207 741</u>	<u>99 623</u>	<u>50 215</u>	

\* It includes the effect of the decision of dividend pay-out (The Board members' and the employees' share).

22- Intangible assets

	30 June 2024 Computer software programs EGP 000	31 December 2023 Computer software programs EGP 000
Cost at the beginning of the year	1 126 360	1 099 548
Additions	127 926	26 812
<b>Total cost</b>	<b>1 254 286</b>	<b>1 126 360</b>
Amortization at the beginning of the period / Year	( 829 955)	( 700 988)
Amortization for the period / Year	( 69 083)	( 128 967)
<b>Accumulated amortization</b>	<b>( 899 038)</b>	<b>( 829 955)</b>
<b>Net book value at the period end</b>	<b>355 248</b>	<b>296 405</b>

23- Other assets

	30 June 2024 EGP 000	31 December 2023 EGP 000
Accrued revenues	1 584 767	1 312 761
Prepaid expenses	317 781	172 248
Payments under purchase of fixed assets	782 202	961 968
Assets reverted to the Bank in settlement of debts	51 119	51 119
Insurance and custodies	8 081	8 720
Others	1 145 830	770 390
<b>Total</b>	<b>3 889 780</b>	<b>3 277 206</b>
Less: Provisions for doubtful receivables	( 63 907)	( 100 559)
<b>Closing balance</b>	<b>3 825 873</b>	<b>3 176 647</b>

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**24-Fixed assets**

	<b>Land and Buildings</b>	<b>Improvements on leased assets</b>	<b>Machinery and Equipment</b>	<b>Others</b>	<b>Total</b>
	EGP 000	EGP 000	EGP 000	EGP 000	EGP 000
<b>Balance as at 1 January 2023</b>					
Cost	471 182	136 997	386 554	808 510	1 803 243
Accumulated depreciation	( 216 555)	( 97 221)	( 186 778)	( 595 899)	(1 096 453)
<b>Net book value at 01 January 2023</b>	<b>254 627</b>	<b>39 776</b>	<b>199 776</b>	<b>212 611</b>	<b>706 790</b>
Additions	552	669	4 872	9 375	15 468
Disposals	( 373)	-	( 135)	-	( 508)
Depreciation for the year	( 19 191)	( 15 686)	( 33 048)	( 61 005)	( 128 930)
Disposals' depreciation	373	-	48	-	421
<b>Net Book value as at 31 December 2023</b>	<b>235 988</b>	<b>24 759</b>	<b>171 513</b>	<b>160 981</b>	<b>593 241</b>
<b>Balance as at 1 January 2024</b>					
Cost	471 361	137 666	391 291	817 885	1 818 203
Accumulated depreciation	( 235 373)	( 112 907)	( 219 778)	( 656 904)	(1 224 962)
<b>Net book value at 1 January 2024</b>	<b>235 988</b>	<b>24 759</b>	<b>171 513</b>	<b>160 981</b>	<b>593 241</b>
Additions	18 037	56 856	40 218	14 864	129 975
Disposals	( 203)	-	( 229)	( 4)	( 436)
Depreciation for the period	( 10 103)	( 11 984)	( 19 972)	( 24 534)	( 66 593)
Disposals' depreciation	203	-	123	( 2)	324
<b>Net Book value as at 30 June 2024</b>	<b>243 922</b>	<b>69 631</b>	<b>191 653</b>	<b>151 305</b>	<b>656 511</b>
<b>Balance as at 30 June 2024</b>					
Cost	489 195	194 522	431 280	832 745	<b>1 947 742</b>
Accumulated depreciation	( 245 273)	( 124 891)	( 239 627)	( 681 440)	<b>(1 291 231)</b>
<b>Net book value</b>	<b>243 922</b>	<b>69 631</b>	<b>191 653</b>	<b>151 305</b>	<b>656 511</b>

**Bank of Alexandria (Egyptian joint stock company)**  
**Notes to the Financial Statements**  
**For the Period ended 30 June 2024**

Translated from Arabic Version

**25- Due to banks**

	<b>30 June 2024</b>	<b>31 December 2023</b>
	<b>EGP 000</b>	<b>EGP 000</b>
Current accounts	801 684	371 898
<b>Total</b>	<b>801 684</b>	<b>371 898</b>
Central banks	27	-
Local banks	13 187	17 153
Foreign banks	788 470	354 745
<b>Total</b>	<b>801 684</b>	<b>371 898</b>
Non-interest-bearing balances	801 684	39 213
Fixed interest rate balances	-	<b>332 685</b>
<b>Total</b>	<b>801 684</b>	<b>371 898</b>
Current balances	801 684	371 898
<b>Total</b>	<b>801 684</b>	<b>371 898</b>

**26- Customers' deposits**

	<b>30 June 2024</b>	<b>31 December 2023</b>
	<b>EGP 000</b>	<b>EGP 000</b>
Demand deposits	55 682 730	50 353 003
Term and notice deposits	14 835 394	10 356 569
Certificates of deposits and savings	56 141 027	53 981 251
Savings deposits	21 267 424	17 908 152
Other deposits	653 186	740 975
<b>Total</b>	<b>148 579 761</b>	<b>133 339 950</b>
Corporate deposits	42 552 603	45 458 890
Retail deposits	106 027 158	87 881 060
<b>Total</b>	<b>148 579 761</b>	<b>133 339 950</b>
Non-interest-bearing balances	22 777 735	21 253 895
Variable interest rate balances	110 966 633	78 891 407
Fixed interest rate balances	14 835 393	33 194 648
<b>Total</b>	<b>148 579 761</b>	<b>133 339 950</b>
Current balances	39 148 804	39 148 804
Non-current balances	109 430 957	94 191 146
<b>Total</b>	<b>148 579 761</b>	<b>133 339 950</b>

Customers' deposits include deposits amounted to EGP 1 707 510 thousand as of 30 June 2024 versus EGP 2 306 773 thousand as of 31 December 2023 which represent collateral of customer loans, letters of credit, and letters of guarantee

**27- Other loans**

	<b>Interest Rate</b>	<b>30 June 2024</b>	<b>31 December 2023</b>
	<b>%</b>	<b>EGP 000</b>	<b>EGP 000</b>
Loan within the framework of the Agricultural Sector Development Program	3.5% and 5.0%	556	1 444
Long-term loans from CBE	3%	30 304	50 691
Sanad Loan Fund for MSME	Sofr 6 month+2.85%	43 694	56 187
Green Loan for Growth Fund-Tranche one amounted to USD 15 million	Sofr 6 month+2.95 %	360 227	231 698
European Investment Bank Loan -Tranche amounted USD 7.5 million	Sofr 6 month+5.04%	211 929	229 769
<b>Total long-term loans</b>		<b>646 710</b>	<b>569 789</b>
Current balances		154 997	216 357
Non-current balances		491 713	353 432
<b>Total</b>		<b>646 710</b>	<b>569 789</b>

**Bank of Alexandria (Egyptian joint stock company)**  
**Notes to the Financial Statements**  
**For the Period ended 30 June 2024**

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**28- Other liabilities**

	<b>30 June 2024</b>	<b>31 December 2023</b>
	<b>EGP 000</b>	<b>EGP 000</b>
Accrued interest	593 244	496 291
Prepaid revenues (*)	533 014	520 072
Accrued expenses	1 353 677	837 025
Creditors	279 150	314 857
Dividends' payable	2 110 382	1 029 017
Remittances of Egyptian workers in Iraq – due to customers	57 978	57 980
Other credit balances	1 324 966	1 214 556
<b>Total</b>	<b>6 252 411</b>	<b>4 469 798</b>

(\*) Including an amount of EGP 693 thousands in 30 June 2024, representing the value of governmental grants related to the Central Bank of Egypt's initiative for electronic payment (points of sale).

**29- Other provisions**

	<b>30 June 2024</b>	<b>31 December 2023</b>
	<b>EGP 000</b>	<b>EGP 000</b>
Balance at the beginning of the year	406 590	457 775
Differences in valuation of foreign currencies	13 753	25 770
(Recovery) / Charge to income statement - (Note 12)	52 387	( 31 982)
Used amounts during the period/year	( 27 784)	( 13 606)
Recovery /Transfers to doubtful amounts provisions (other assets)	36 652	( 31 367)
<b>Balance at the end of the period / year</b>	<b>481 598</b>	<b>406 590</b>

Other provisions include an amount of EGP 151 329 thousand on 30 June 2024 to meet contingent liabilities and contractual commitments that amount to EGP 23 473 286 thousand, versus EGP 112 419 thousand as of 31 December 2023 to meet contingent liabilities and contractual commitments that amount to EGP 17 364 034 thousand; it also includes an amount of EGP 33 966 thousand to meet loans commitments of EGP 8 408 738 thousand as of 30 June 2024 versus EGP 29 846 thousand as of 31 December 2023 to meet contingent liabilities and contractual commitments that amount to EGP 9 476 110 thousand.

### 30- Deferred tax

The deferred income tax has been calculated in full on the deferred tax differences according to the liabilities method by applying the actual tax rate of 22.5% for the current financial period

Following are the balances and the movement in deferred tax assets and liabilities:

#### 30-A. Recognized Deferred Tax

	Deferred tax assets		Deferred tax liabilities	
	30 June 2024 EGP 000	31 December 2023 EGP 000	30 June 2024 EGP 000	31 December 2023 EGP 000
Fixed assets (depreciation)	-	-	( 50 059)	( 80 564)
Fair value differences	-	-	( 17 678)	( 17 527)
Other provisions	123 900	103 372	-	-
Retirement benefits plan and pilgrimage vacation	397 215	354 249	-	-
<b>Total deferred tax assets (liabilities)</b>	<b>521 115</b>	<b>457 621</b>	<b>( 67 737)</b>	<b>( 98 091)</b>
<b>Net balance of DTA</b>	<b>453 377</b>	<b>359 530</b>		

#### 30-B. Movement of deferred tax

	Deferred tax assets		Deferred tax liabilities	
	30 June 2024 EGP 000	31 December 2023 EGP 000	30 June 2024 EGP 000	31 December 2023 EGP 000
<b>Balance at the Beginning of the year</b>	457 622	425 271	( 98 092)	( 106 086)
Additions through profit and loss	63 493	32 350	30 505	10 722
Excluded / Additions through equity	-	-	( 151)	( 2 727)
<b>Total deferred tax assets (liabilities)</b>	<b>521 115</b>	<b>457 621</b>	<b>( 67 737)</b>	<b>( 98 091)</b>
<b>Net balance of DTA</b>	<b>453 377</b>	<b>359 530</b>		

#### 31- Retirement benefits obligations

	30 June 2024	31 December 2023		
	EGP 000	EGP 000		
<b>Liabilities included in the financial position statement for:</b>				
Post-retirement medical benefits	1 759 784	1 569 590		
<b>Total</b>	<b>1 759 784</b>	<b>1 569 590</b>		
	<b>For the period From 01-04-2024 To 30-06-2024 EGP 000</b>	<b>For the period From 01-01-2024 To 30-06-2024 EGP 000</b>	<b>For the period From 01-04-2024 To 30-06-2023 EGP 000</b>	<b>For the period From 01-01-2024 To 30-06-2023 EGP 000</b>
<b>Amounts recognized in the income statement:</b>				
Post-retirement medical benefits (Note no. 11)	123 054	246 108	74 871	148 919
<b>Closing Balance</b>	<b>123 054</b>	<b>246 108</b>	<b>74 871</b>	<b>148 919</b>

The balances in the statement of financial position are presented as follows:

	30 June 2024	31 December 2023
	EGP 000	EGP 000
The present value of funded obligations	2 310 618	2 048 170
Unrealized actuarial (loss) *	( 550 834)	( 478 580)
The liabilities in the financial position statement	<b>1 759 784</b>	<b>1 569 590</b>

The movement in liabilities during the year is represented in the following:

	30 June 2024	31 December 2023
	EGP 000	EGP 000
Beginning balance of the period	1 569 590	1 470 368
Current service cost	5 142	13 128
Interest cost	235 030	260 742
Actuarial losses	5 936	15 031
Paid benefits	( 55 914)	( 189 679)
<b>Balance at the end of the period / year</b>	<b>1 759 784</b>	<b>1 569 590</b>

The recognized amounts in the statement of income are presented as follows:

	For the period From 01-04-2024 To 30-06-2024 EGP 000	For the period From 01-01-2024 To 30-06-2024 EGP 000	For the period From 01-04-2023 To 30-06-2023 EGP 000	For the period From 01-01-2023 To 30-06-2023 EGP 000
Current service cost	2 572	5 142	3 274	6 511
Interest cost	117 514	235 030	67 850	134 955
Actuarial losses	2 968	5 936	3 747	7 453
<b>Balance at the end of the period</b>	<b>123 054</b>	<b>246 108</b>	<b>74 871</b>	<b>148 919</b>

The principal actuarial assumptions used are presented as follows:

	30 June 2024	31 December 2023
	%	%
Discount rate	14.70	14.70
Previous service cost inflation rate	10.00	10.00
Future service assumption cost inflation rate	10.90	10.90
Mortality assumption	92 mortality cases every year	92 mortality cases every year
Employee turnover	15% pa at age 20 decreasing to 0.2% after age 50.0% and to 0% after age 54	15% pa at age 20 decreasing to 0.2% after age 50.0% and to 0% after age 54

\* Whereas actuarial losses are higher than 10% of the defined benefits liability, then the amortized amount has been recognized in the income statement.

32- Share capital	No. of Shares (In millions)	Ordinary Shares	Total
Balance at the beginning of the period	2 500	5 000 000	5 000 000
Balance at the end of the period	2 500	5 000 000	5 000 000

- The bank's authorized capital amounts to EGP 5 000 million.

- The issued and subscribed capital amounts to EGP 5 000 million, divided into 2 500 million shares with a par value of EGP 2 each and it has been fully subscribed and paid.

- On February 23rd, 2007, the Ministry of Investment (State owned assets management program) invited investment banks to submit their proposals for the public offering of 15% of the issued share capital and the remaining 5% to Alex Bank's employees, but the subscription program has not been implemented yet.

- On September the 14th 2020, International Finance Corporation (IFC) sold its participation of 9.75% (with exception of one share) in Bank of Alexandria to Intesa Sanpaolo S.P.A. The share of Intesa Sanpaolo S.P.A became 80% (approximately). IFC in year 2021 sold the remaining one share to Mr. Ahmed Saeed Al-Falal representing 0.00000025%.

- As per the Banking Law No. 194 issued in September 2020, and with reference to Article 64, the minimum paid-up capital for banks became five billion Egyptian pounds. Approval was obtained from the Central Bank for the convening of an extraordinary general assembly on September 28, 2021. The ratification of the decisions of the minutes of the extraordinary general assembly meeting was approved, and the commercial register and the Article of Association were amended accordingly. The capital increase of EGP 4,200,000 thousand was funded from the retained earnings maintaining the same percentage of ownership and not changing the share price. As a result, the new capital structure is as follows:

Name	Shareholding %	No. of Shares 000	Nominal value Shares EGP 000
Intesa Sanpaolo S.P. A	79.99999975%	1 999 999 993	3 999 999
Ministry of finance (Share of State)	20%	500 000 000	1 000 000
Ahmed Saeed Al-Falal	0.00000025%	7	1
	<b>100%</b>	<b>2 500 000 000</b>	<b>5 000 000</b>

**33- Reserves and retained earnings**

	<b>30 June 2024</b>	<b>31 December 2023</b>
	<b>EGP 000</b>	<b>EGP 000</b>
Legal reserve	2 500 000	2 500 000
Special capital reserve	5 641	3 430
Fair value reserve for investments through OCI	( 56 987)	( 34 710)
General Risk Reserve *	35 135	35 135
<b>Total reserves</b>	<b>2 483 789</b>	<b>2 503 855</b>

\* No amounts shall be distributed from the balance of general Risk Reserve except after obtaining the approval of the Central Bank of Egypt (CBE).

**The movement in reserves is as follows:**

**33-A. Legal reserve**

	<b>30 June 2024</b>	<b>31 December 2023</b>
	<b>EGP 000</b>	<b>EGP 000</b>
<b>Balance at the beginning of the year</b>	<b>2 500 000</b>	<b>2 500 000</b>
<b>Balance at the End of the year</b>	<b>2 500 000</b>	<b>2 500 000</b>

According to Bank's Articles of Association, 5% of net profit of the year shall be transferred to a non-distributable statutory reserve until it reaches 50% of the bank's capital.

**33-B. Special capital reserve**

	<b>30 June 2024</b>	<b>31 December 2023</b>
	<b>EGP 000</b>	<b>EGP 000</b>
<b>Balance at the Beginning of the Year</b>	<b>3 430</b>	<b>36</b>
Formed from the financial year 's profits 2022,2021	2 212	3 394
<b>Balance at the End of the period / year</b>	<b>5 642</b>	<b>3 430</b>

No amounts shall be distributed from the balance of special Reserve except after obtaining the approval of the Central Bank of Egypt (CBE).

**33-C. Fair Value Reserve/ Financial Investments**

	<b>30 June 2024</b>	<b>31 December 2023</b>
	<b>EGP 000</b>	<b>EGP 000</b>
<b>Balance at the Beginning of the period/year</b>	<b>( 34 710)</b>	<b>( 198 349)</b>
Differences of valuation of treasury bonds and bills ECL provisions in foreign currency	9 856	12 307
Net (Losses) / Gains from change in fair value	( 33 842)	107 870
Net change of fair value due to maturity of debt instruments	1 860	46 298
Net (Gains) transferred to Retained earnings due to disposals	-	( 109)
Deferred tax liability (Note no.30)	( 151)	( 2 727)
<b>Balance at the end of the period/year</b>	<b>( 56 987)</b>	<b>( 34 710)</b>

**33-D. Retained earnings**

	<b>30 June 2024</b>	<b>31 December 2023</b>
	<b>EGP 000</b>	<b>EGP 000</b>
<b>Balance at the beginning of the period/year</b>	<b>12 266 373</b>	<b>7 561 585</b>
Net profits of the current period/year	5 084 924	5 006 320
Transferred from / to general banking risk reserve – Credit	-	49 816
Employees' share in financial year 2023 profit	( 505 394)	( 316 421)
Banking development system fund	( 50 540)	( 31 643)
Transferred to Legal reserve	-	-
Transferred to Special capital reserve	( 2 210)	( 3 394)
Shareholders' Dividends 2023	(1 501 896)	-
Net Gains of financial instruments measured at FVOCI -disposals	-	109
<b>Balance at the end of the period/year</b>	<b>15 291 258</b>	<b>12 266 373</b>

**34- Dividends**

Dividends are not recorded until they are approved by the General Assembly of Shareholders. The dividend for shareholders' and employees' share in profits shall be recorded in the year ended 31 December 2025.

**35- Cash and cash equivalents**

For the presentation of the cash flows statement, cash and cash equivalents include the following balances with maturities of no later than three months from the acquisition date.

	<b>For the period From January 01, 2024 To June 30, 2024</b>	<b>For the period From January 01, 2023 To June 30, 2023</b>
	<b>EGP 000</b>	<b>EGP 000</b>
Cash and balances at Central Bank of Egypt (Note no.16)	3 181 917	2 318 818
Due from banks (Note no. 17)	69 166 580	29 950 932
Treasury bills and other governmental notes	13 323 048	14 456 285
	<b>85 671 545</b>	<b>46 726 035</b>

**36- Contingent liabilities and commitments:**

**36-A. Legal Claims**

There are a number of cases filed against the bank on 30 June 2024, and the balance of the claims' provision amounted to EGP 39 693 thousand.

**36-B. Capital commitments**

**Fixed Assets and Fittings and Fixtures of Branches**

The value of the commitments related to the purchase contracts of fixed assets, and the fittings and fixtures of the branches under construction until the reporting date amounted to EGP 1 331 thousand on 30 June 2024, versus EGP 16 009 thousand on 31 December 2023. The bank Management is sufficiently confident in generating revenues and providing the finance required to cover these commitments.

**36-C. Commitments related to Loans, Guarantees, and Facilities**

The bank's commitments related to loans, guarantees and facilities are represented in the following:

	<b>30 June 2024</b>	<b>31 December 2023</b>
	<b>EGP 000</b>	<b>EGP 000</b>
Loan commitments	8 408 738	9 476 110
Accepted documentation	1 837 420	2 626 771
Letters of guarantee	17 666 556	12 912 414
Letters of credit "import"	3 056 268	1 386 082
Letters of credit "export"	85 014	438 767
<b>Total</b>	<b>31 053 996</b>	<b>26 840 144</b>

**36-D. Commitments on Operational Leasing Contracts**

The total of minimum lease payments on irrevocable operational leasing contracts is as follows:

	<b>30 June 2024</b>	<b>31 December 2023</b>
	<b>EGP 000</b>	<b>EGP 000</b>
Less than one year	53 579	46 492
More than one year and less than 5 years	115 079	121 765
<b>Total</b>	<b>168 658</b>	<b>168 257</b>

**37- Transactions with Related Parties**

- Intesa Sanpaolo S.P.A. owns roughly 80% of the ordinary shares, whereas the remaining percentage 20% is owned by Ministry of finance (Share of Republic of Egypt) and another shareholder.
- The bank has entered into many transactions with the related parties within the context of its normal business. These transactions include loans, deposits, as well as foreign currency exchange.
- The transactions and the balances of the related parties at the end of the financial period are as follow:

**37-A. Transactions with Related Parties (Associate companies)**

	<b>30 June 2024</b>	<b>31 December 2023</b>
	EGP 000	EGP 000
<b>Statement of Financial Position</b>		
Loans and Advances	131 215	142 957
Customers' Deposits	441 539	184 905
	<b>For the period From January 01, 2024 To June 30, 2024</b>	<b>For the period From January 01, 2023 To June 30, 2023</b>

**Income Statements**

Interest Expenses	8 047	3 321
Interest Revenues	17 248	14 770

**37-B. Transactions with the Parent Bank (Intesa Sanpaolo Bank)**

	<b>30 June 2024</b>	<b>31 December 2023</b>
	EGP 000	EGP 000
<b>Statement of financial position</b>		
Due from banks	80 645	28 692
Debit balances and other assets	35 037	15 280
Due to banks	-	5
Credit balances and other liabilities	2 217 688	1 098 200
	<b>For the period From January 01, 2024 To June 30, 2024</b>	<b>For the period From January 01, 2023 To June 30, 2023</b>

**Income statements**

Revenues	6 328	4 404
Expenses	51 185	49 835

**38- Mutual funds**

It is an activity authorized to be performed by the Bank by virtue of Capital Market Law No. 95/1992 and its Executive Regulations. These funds, which are managed by EFG- Hermes Fund Management Company, are as follows:

**38-A. Bank of Alexandria Mutual Fund (with periodical return and capital growth)**

The certificates of the fund were 3 million with an amount of EGP 300 million at initiation of the fund (after increasing the capital of the mutual fund on March 26th, 2006 with an amount of EGP 100 million). The bank in line with the articles of association of the fund allocated 2% of the fund's size to provide its services, with a maximum of 5 million Egyptian pounds.

The Bank investment in the fund amounted to 2.3 thousand certificates (including certificates of activity undertaking), and their redeemable value amounted to EGP 2.1 million as of 30 June 2024.

The redeemable value of each certificate as of 30 June 2024 amounted to EGP 882.98 and the outstanding certificates at that date reached 63.3 thousand certificates

According to the fund's management contract and its prospectus, the Bank shall be paid fees and commissions in return for its supervision of the fund and other administrative services rendered thereby. Total commissions amounted to EGP 1,480 thousand as of 30 June 2024, which were presented under the item of "Fee and commission income" in the income statement.

**38-B. Bank of Alexandria's Mutual Fund (with daily-accumulated return in Egyptian Pound)**

The certificates of the fund were 20 million certificates with an amount of EGP 200 million at the initiation of the fund. As the fund is an open fund, the Bank adjusts its allocated percentage on a daily basis. The bank in line to the articles of association of the fund allocated 2% of the fund's size to provide its services, with a maximum of 5 million Egyptian pounds.

The Bank investments in the fund amounted to 106.6 thousand certificates (including certificates of activity undertaking), and their redeemable value amounted to EGP 7 million as of 30 June 2024.

The redeemable value of each certificate amounted to EGP 65.7160 as of 30 June 2024, and the outstanding certificates at that date reached 37,984 thousands certificates.

According to the fund's management contract and its prospectus, the Bank shall be paid fees and commissions for its supervision on the fund and other administrative services rendered thereby. Total commissions amounted to EGP 5,700 thousands as of 30 June 2024, which were presented under the item of "Fee and commission income" in the income statement.

**38-C. Bank of Alexandria Fixed Income Fund (with quarterly return)**

The certificates of the fund were 10 million certificates with an amount of EGP 100 million at the initiation of the fund. It is worth mentioning that the fund is an open fund with a quarterly return. The bank in line to the article of association of the fund allocated 2% of the fund's size to provide its services, with a maximum of 5 million Egyptian pounds.

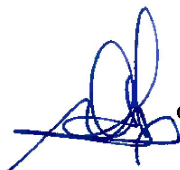
The Bank investments in the fund amounted to 146 thousand certificates (including certificates of activity undertaking), and their redeemable value amounted to EGP 6.354 million as of 30 June 2024.

The redeemable value of each certificate amounted to EGP 43.52225 as of 30 June 2024 and the outstanding certificates at that date reached 2.212 thousands certificates.

According to the fund's management contract and its prospectus, the Bank shall be paid fees and commissions for its supervision on the fund and other administrative services rendered thereby. Total commissions amounted to EGP 178.81 thousand as of 30 June 2024 which were presented under the item of "Fee and commission income" in the income statement.

**39- Comparative figures**

The comparative figures have been reclassified to conform to the changes in the approved presentation for the current period.



**Dante Campioni**  
CEO and Managing Director



**Michele Formenti**  
Chief Financial Officer