

EFG Holding Company
(Egyptian Joint Stock Company)

Consolidated financial statements
for the year ended 31 December 2025
&
Auditor's Report

Contents	Page
Auditor's report	
Consolidated statement of financial position	1
Consolidated income statement	2
Consolidated statement of comprehensive income	3
Consolidated statement of changes in equity	4
Consolidated statement of cash flows	5
Notes to the consolidated financial statements	6-93
Significant accounting policies applied	94-120



Hazem Hassan

Public Accountants & Consultants

B (105) – Avenue (2) – Smart Village
Km 28 Cairo – Alex Desert Road
Giza – Cairo – Egypt
Postal Code : 12577

Telephone : (202) 35 37 5000 – 35 37 5005
E-mail : Egypt@kpmg.com.eg
Fax : (202) 35 37 3537
P.O. Box : (5) Smart Village

Auditor's Report

To the shareholders of EFG Holding Company

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of EFG Holding Company (Egyptian Joint Stock Company) which comprise the consolidated statement of financial position as of 31 December 2025, and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the consolidated Financial Statements

These consolidated financial statements are the responsibility of Company's management. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Egyptian Accounting Standards and in the light of the prevailing Egyptian laws, management responsibility includes, designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; management responsibility also includes selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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



Hazem Hassan

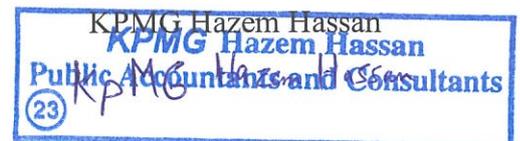
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements,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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of EFG Holding Company as of December 31, 2025 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Egyptian Accounting Standards and comply with applicable Egyptian laws and regulations relating to the preparation of these consolidated financial statements.

Cairo, March 18, 2026

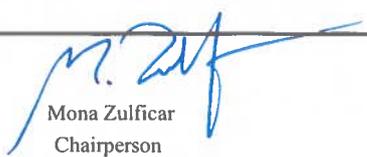


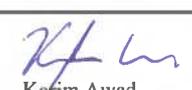
Consolidated statement of financial position

(in EGP Thousands)	Note no.	31/12/2025	31/12/2024
Assets			
Cash and cash equivalents	(5)	46,767,027	51,540,737
Loans and facilities to customers	(6)	78,128,024	57,928,603
Accounts receivables	(7)	17,672,952	15,773,382
Investments at fair value through profit and loss	(8)	34,406,171	23,488,674
Investments at fair value through OCI	(9)	20,758,482	12,374,218
Investments at amortised cost	(10)	17,404,066	12,487,545
Assets held for sale		-	106,304
Equity accounted investees	(11)	348,710	804,867
Property, plant and equipment	(12)	4,003,498	2,975,630
Goodwill and other intangible assets	(13)	1,903,301	2,490,920
Investment property	(14)	84,681	90,283
Deferred tax assets	(15)	206,765	233,912
Other assets	(16)	8,963,377	6,583,336
Total assets		<u>230,647,054</u>	<u>186,878,411</u>
Liabilities			
Due to banks and financial institutions	(17)	34,586,591	22,762,916
Customer Deposits	(18)	79,322,035	67,208,585
Loans and borrowings	(19)	15,104,080	11,489,567
Accounts payable - customers credit balance at fair value through profit and loss	(20)	13,987,720	7,901,466
Accounts payable - customers credit balance		23,136,225	20,566,943
Issued bonds	(21)	3,909,625	1,432,665
Provisions	(22)	1,984,757	1,913,277
Deferred tax liabilities	(15)	893,918	2,083,684
Current tax liability	(23)	1,923,015	1,020,705
Other liabilities	(24)	10,841,107	11,130,638
Total liabilities		<u>185,689,073</u>	<u>147,510,446</u>
Equity			
Share Capital	(25)	7,179,465	7,298,030
Share premium		1,843,542	1,797,838
Legal reserve		993,689	993,689
Other reserves		9,661,185	11,800,563
Treasury shares	(25-1)	-	(399,975)
Retained earnings		15,744,718	12,568,681
Equity attributable to owners of the Company		<u>35,422,599</u>	<u>34,058,826</u>
Non - controlling interests	(26)	9,535,382	5,309,139
Total equity		<u>44,957,981</u>	<u>39,367,965</u>
Total equity and liabilities		<u>230,647,054</u>	<u>186,878,411</u>

The accompanying notes and accounting policies from page (6) to page (120) are an integral part of these consolidated financial statements and are to be read therewith.

" Auditor's Report attached "


Mona Zulficar
Chairperson


Karim Awad
Group Chief Executive Officer

Consolidated income statement

(in EGP Thousands)	Note no.	For the year ended	
		31/12/2025	31/12/2024
Interest income	(33)	26,981,276	22,319,642
Interest expense		<u>(19,544,037)</u>	<u>(15,310,258)</u>
Net Interest Income		<u>7,437,239</u>	<u>7,009,384</u>
Fee and commission income	(33)	14,009,331	11,452,386
Fee and commission expense		<u>(2,349,074)</u>	<u>(1,357,101)</u>
Net Fees and commission Income		<u>11,660,257</u>	<u>10,095,285</u>
Securities gain (Loss)		661,111	(57,356)
Changes in investments at fair value through profit & loss		762,731	2,844,098
Dividend income	(33)	127,846	85,998
Other revenues	(28)	4,353,001	1,423,262
Foreign currencies exchange differences		594,928	2,907,706
Share of profit from equity accounted investees	(33)	<u>72,682</u>	<u>48,853</u>
Revenue		<u>25,669,795</u>	<u>24,357,230</u>
General administrative expenses	(29)	(15,882,915)	(14,469,542)
Financial guarantee provision	(22)	(113,575)	(40,678)
Impairment loss on assets	(30)	(950,925)	(773,002)
Provisions	(22)	(333,083)	(738,908)
Depreciation and amortization	(12,13,14)	<u>(895,095)</u>	<u>(633,597)</u>
Profit before tax		<u>7,494,202</u>	<u>7,701,503</u>
Income tax expense	(31)	<u>(1,239,570)</u>	<u>(2,370,417)</u>
Profit for the year		<u>6,254,632</u>	<u>5,331,086</u>
Profit attributable to:			
Owners of the company		4,058,309	4,253,970
Non - controlling interests	(26)	<u>2,196,323</u>	<u>1,077,116</u>
		<u>6,254,632</u>	<u>5,331,086</u>
Earnings Per Share (EGP)	(35)	<u>2.83</u>	<u>2.94</u>

The accompanying notes and accounting policies from page (6) to page (120) are an integral part of these consolidated financial statements and are to be read therewith.

Consolidated statement of comprehensive income

	For the year ended	
	31/12/2025	31/12/2024
(in EGP Thousands)		
Profit for the year	6,254,632	5,331,086
Other comprehensive income:		
Items that are or may be reclassified to profit or loss		
Foreign operations - foreign currency translation differences	(673,569)	7,055,262
Foreign currency translation differences - reclassified to profit or loss	(886,520)	(26,944)
Investments at fair value through OCI - net change in fair value	(259,726)	206,902
Investments at fair value through OCI - net change in fair value - reclassified to profit or loss	(17,468)	213,739
Investment at fair value through OCI - reclassified to retained earnings	(99,927)	554
Share of OCI of equity accounted investees	12,491	4,672
Actuarial (Loss) Gain re-measurement of employees' benefits obligations	(21,483)	2,179
Related tax	(2,037)	(102,709)
Other comprehensive income, net of tax	<u>(1,948,239)</u>	<u>7,353,655</u>
Total comprehensive income	<u><u>4,306,393</u></u>	<u><u>12,684,741</u></u>
Total comprehensive income attributable to:		
Owners of the company	2,161,700	11,231,722
Non - controlling interests	<u>2,144,693</u>	<u>1,453,019</u>
	<u><u>4,306,393</u></u>	<u><u>12,684,741</u></u>

The accompanying notes and accounting policies from page (6) to page (120) are an integral part of these consolidated financial statements and are to be read therewith.

Consolidated statement of changes in equity as at December 31,2025

(in EGP Thousands)	Attributable to owners of the Company												Total equity
	Share capital	Legal reserve	Share premium	General reserve	Translation reserve	Fair value reserve	Employee stock Ownership plan reserve	Operational Risk Reserve	Treasury shares	Retained earnings	Total	Non - controlling interests	
Balance as at 31 December 2023, as previously reported	7,298,030	972,344	1,668,624	158	5,650,021	(1,285,459)	419,948	58,442	-	8,538,917	23,321,025	4,074,904	27,395,929
Effect of change in accounting policies													
Impact of Purchase price allocation on subsidiary	-	-	-	-	-	-	-	-	-	(4,461)	(4,461)	7,571	3,110
Restated Balance as at 31 December 2023	7,298,030	972,344	1,668,624	158	5,650,021	(1,285,459)	419,948	58,442	-	8,534,456	23,316,564	4,082,475	27,399,039
Total comprehensive income													
Profit	-	-	-	-	-	-	-	-	-	4,253,970	4,253,970	1,077,116	5,331,086
Other comprehensive income	-	-	-	-	6,728,166	247,408	-	-	-	2,178	6,977,752	375,903	7,353,655
Total comprehensive income	-	-	-	-	6,728,166	247,408	-	-	-	4,256,148	11,231,722	1,453,019	12,684,741
Transactions with owners of the Company													
Contributions and distributions													
Dividends	-	-	-	-	-	-	-	-	-	(160,846)	(160,846)	(228,916)	(389,762)
Transferred to legal reserve	-	21,345	-	-	-	-	-	-	-	(21,345)	-	-	-
Transferred to share premium	-	-	129,214	-	-	-	(55,276)	-	-	-	73,938	-	73,938
Operational risk reserve	-	-	-	-	-	-	-	37,155	-	(37,155)	-	-	-
Purchasing of Treasury Shares	-	-	-	-	-	-	-	-	(399,975)	-	(399,975)	-	(399,975)
Sale of Equity securities through OCI	-	-	-	-	-	-	-	-	-	2,975	2,975	1,296	4,271
Changes in ownership interests													
Changes in ownership interests without a change in control	-	-	-	-	-	-	-	-	-	(5,552)	(5,552)	1,265	(4,287)
Balance as at 31 December 2024	7,298,030	993,689	1,797,838	158	12,378,187	(1,038,051)	364,672	95,597	(399,975)	12,568,681	34,058,826	5,309,139	39,367,965
Balance as at 31 December 2024	7,298,030	993,689	1,797,838	158	12,378,187	(1,038,051)	364,672	95,597	(399,975)	12,568,681	34,058,826	5,309,139	39,367,965
Total comprehensive income													
Profit	-	-	-	-	-	-	-	-	-	4,058,309	4,058,309	2,196,323	6,254,632
Other comprehensive income	-	-	-	-	(1,453,852)	(421,274)	-	-	-	(21,483)	(1,896,609)	(51,630)	(1,948,239)
Total comprehensive income	-	-	-	-	(1,453,852)	(421,274)	-	-	-	4,036,826	2,161,700	2,144,693	4,306,393
Transactions with owners of the Company													
Contributions and distributions													
Dividends	-	-	-	-	-	-	-	-	-	(649,132)	(649,132)	(357,438)	(1,006,570)
Transferred to share premium	-	-	327,114	-	-	-	(243,114)	-	-	-	84,000	-	84,000
Operational risk reserve	-	-	-	-	-	-	-	(21,138)	-	21,138	-	-	-
Writing off treasury shares	(118,565)	-	(281,410)	-	-	-	-	-	399,975	-	-	-	-
Sale of equity securities through OCI	-	-	-	-	-	-	-	-	-	99,927	99,927	-	99,927
Changes in ownership interests													
Changes in ownership interests without change in control	-	-	-	-	-	-	-	-	-	(332,722)	(332,722)	381,869	49,147
Share of NCI in the increase/(decrease) of subsidiaries paid- in capital	-	-	-	-	-	-	-	-	-	-	-	2,057,119	2,057,119
Balance as at 31 December 2025	7,179,465	993,689	1,843,542	158	10,924,335	(1,459,325)	121,558	74,459	-	15,744,718	35,422,599	9,535,382	44,957,981

The accompanying notes and accounting policies from page (6) to page (120) are an integral part of these consolidated financial statements and are to be read therewith.

Consolidated statement of cash flows

	Note no.	For the year ended	
		31/12/2025	31/12/2024
(in EGP Thousands)			
Cash flows from operating activities			
Profit before income tax		7,494,202	7,701,503
Adjustments for:			
Depreciation and amortization	(12,13,14)	895,095	633,597
Provisions formed	(22)	446,658	779,586
Provisions used	(22)	(128,897)	(231,395)
Provisions reversed	(22)	(113,506)	(45,230)
Gains on sale of property, plant and equipment		(16,414)	(22,882)
Gain from securitization		(2,508,493)	(960,692)
Gain on sale of Investment property		-	(7,648)
(Gain) Loss on sale of investment at FVTOCI		(21,385)	203,295
Amortization of premium / issue discount		(1,725,768)	(2,171,081)
Gain from assets acquired as settlement of debts		(41,593)	(17,398)
Gain on sale of other assets		(1,207,010)	-
Changes in the fair value of investments at fair value through profit and loss		(762,731)	(2,844,098)
Share of profit from equity accounted investees		(72,682)	(48,853)
Impairment loss on assets	(30)	950,925	773,002
Share-based payment	(29,41-20)	83,890	73,938
Employees' benefits		17,724	15,477
Foreign currency translation differences		(1,036,445)	6,395,850
Foreign currencies exchange differences		(594,928)	(2,907,706)
Gains on selling of Investments in Subsidiaries and Associates		(503,129)	(2,599)
Operating profit before changes in current assets and liabilities		1,155,513	7,316,666
Changes in:			
Other assets		(3,982,646)	(137,305)
Other liabilities		(1,163,059)	(3,044,184)
Accounts receivables		558,807	(3,869,228)
Accounts payable		1,201,269	(895,777)
Accounts payable - customers credit balance at fair value through profit and loss		6,086,255	7,221,146
Loans and facilities to customers		(28,245,740)	(20,424,633)
Due from banks		(1,880,784)	(4,699,056)
Due to banks		2,327,980	(3,196,040)
Customers deposits		13,065,583	9,102,583
Employees' benefits obligations paid		(1,995)	(37,828)
Investments at fair value through profit and loss		(10,636,605)	466,184
Income tax paid		(1,470,852)	(1,052,558)
Net cash (used in) operating activities		(22,986,274)	(13,250,030)
Cash flows from investing activities			
Payments to purchase property, plant and equipment and other intangible assets		(930,532)	(1,241,297)
Proceeds from sale of property, plant and equipment		75,328	36,355
Proceeds from sale of assets held for sale		13,293	-
Proceeds from Sale of Investment Property		-	9,579
Proceeds from Sale of other assets		2,086,688	-
Proceeds from sale of investment FVTOCI		22,026,767	29,663,914
Payments to purchase investment FVTOCI		(33,983,879)	(26,353,791)
Payments to purchase equity accounted investees		(66,000)	(71,000)
Proceeds from sale equity accounted investees		762,317	13,083
Dividends collected		10,000	16,185
Payments to purchase investment in subsidiaries		(257,609)	(5,562)
Proceeds from sale of investment in subsidiaries		500,045	-
Net cash (used in) provided from investing activities		(9,763,582)	2,067,466
Cash flows from financing activities			
Capital contributions from non-controlling interests in subsidiaries		2,057,119	-
Dividends paid		(780,943)	(621,494)
Proceeds from securitization		9,532,638	4,935,750
Proceeds from Issued bonds		3,550,000	1,432,665
Payment for Issued bonds		(1,073,040)	(749,003)
Proceeds from financial institutions		24,755,942	2,142,133
Payment for financial institutions		(16,670,447)	-
Proceeds from loans and borrowings		11,149,001	4,914,826
Payment for loans and borrowings		(7,602,922)	(1,752,246)
Purchasing of treasury shares		-	(399,975)
Net cash provided from financing activities		24,917,348	9,902,656
Net change in cash and cash equivalents		(7,832,508)	(1,279,908)
Cash and cash equivalents at 1 January	(32)	24,002,758	25,821,884
Cash and cash equivalents at 31 December	(32)	16,170,250	24,541,976

The accompanying notes and accounting policies from page (6) to page (120) are an integral part of these consolidated financial statements and are to be read therewith.

EFG Holding Company
(Egyptian Joint Stock Company)

Notes to the consolidated interim financial statements for the year ended 31 December 2025

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

1- Background

1-1 Incorporation

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

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

1-2 Purpose of the company

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

2- Basis of preparation

2-1 Statement of compliance

- These consolidated financial statements have been prepared in accordance with Egyptian Accounting Standards and relevant Egyptian laws and regulations.
- Management concluded that a liquidity-based presentation provides more reliable and relevant information, given the nature of financial services and banking activities within the Group. Accordingly, assets and liabilities are presented in order of liquidity rather than current/non-current classification.” In accordance with EAS 1.63”.

2-2 Authorization of the financial statements

The financial statements were authorized for issue in accordance with a resolution of the board of directors on March 17, 2026.

3- Functional and presentation currency

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

EFG Holding Company
(Egyptian Joint Stock Company)

Notes to the consolidated financial statements for the year ended 31 December 2025 (Continued)

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

4- Use of estimates and judgments

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

5- Cash and cash equivalents

	31/12/2025	31/12/2024
Cash on hand	290,255	254,489
Cheques under collection	8,940	115
Banks - current accounts	24,359,814	20,795,151
Obligatory reserve balance with CBE	9,747,374	8,693,380
Banks - time deposits	12,368,336	21,808,653
Balance	<u>46,774,719</u>	<u>51,551,788</u>
Impairment loss	(7,692)	(11,051)
Balance	<u><u>46,767,027</u></u>	<u><u>51,540,737</u></u>

6- Loans and facilities to customers

	31/12/2025	31/12/2024
Micro finance	6,063,580	6,511,264
Finance lease	8,476,718	14,419,802
Consumer finance	13,985,674	11,115,123
Factoring	5,839,134	4,619,596
Commercial bank (Bank NXT)	51,327,225	32,512,666
Other loans	2,582,842	2,599,774
SME lending	226,789	39,462
Unearned interest	(7,365,751)	(10,883,823)
Balance	<u>81,136,211</u>	<u>60,933,864</u>
Impairment loss*	(3,008,187)	(3,005,261)
Balance	<u><u>78,128,024</u></u>	<u><u>57,928,603</u></u>
Current	36,942,975	26,178,971
Non-current	41,185,049	31,749,632
Balance	<u><u>78,128,024</u></u>	<u><u>57,928,603</u></u>

EFG Holding Company
(Egyptian Joint Stock Company)

Notes to the consolidated financial statements for the year ended 31 December 2025 (Continued)

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

Impairment loss *		
	31/12/2025	31/12/2024
Balance at the beginning of the year	3,005,261	2,129,579
Impairment during the year	853,663	683,023
Write off during the year	(838,707)	(348,056)
Recoveries during the year	35,556	169,258
Effect of foreign currency translation	(47,586)	371,457
	<hr/>	<hr/>
Balance at the end of the year	3,008,187	3,005,261
	<hr/> <hr/>	<hr/> <hr/>
7- Accounts receivables		
	31/12/2025	31/12/2024
Accounts receivables	16,655,456	15,260,511
Other brokerage companies	1,441,209	1,001,976
	<hr/>	<hr/>
Balance	18,096,665	16,262,487
Impairment loss *	(423,713)	(489,105)
	<hr/>	<hr/>
Balance	17,672,952	15,773,382
	<hr/> <hr/>	<hr/> <hr/>
Impairment loss *		
	31/12/2025	31/12/2024
Balance at the beginning of the year	489,105	459,251
Impairment during the year	(14,803)	(49,764)
Write off during the year	(37,189)	(1,920)
Effect of foreign currency translation	(13,400)	81,538
	<hr/>	<hr/>
Balance at the end of the year	423,713	489,105
	<hr/> <hr/>	<hr/> <hr/>
8- Investments at fair value through profit and loss		
	31/12/2025	31/12/2024
Mutual fund certificates	12,322,103	12,031,837
Equity securities	92,504	179,333
Debt instruments	6,184,413	3,376,038
Structured notes	13,987,720	7,901,466
Treasury bills	1,819,431	--
	<hr/>	<hr/>
Balance	34,406,171	23,488,674
	<hr/> <hr/>	<hr/> <hr/>

EFG Holding Company
(Egyptian Joint Stock Company)

Notes to the consolidated financial statements for the year ended 31 December 2025 (Continued)

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

9- Investments at fair value through OCI	31/12/2025	31/12/2024
Non-current investments		
Equity securities	1,205,839	301,995
Mutual fund certificates	137,412	301,572
Debt instruments	8,137,503	4,204,575
	<u>9,480,754</u>	<u>4,808,142</u>
Current investments		
Debt instruments	11,277,728	7,566,076
Balance	<u>20,758,482</u>	<u>12,374,218</u>
	=====	=====
10- Investment at amortised cost		
	31/12/2025	31/12/2024
Debt instruments-Listed	11,853,421	7,051,166
Debt instruments-Non Listed	5,623,977	5,499,413
	<u>17,477,398</u>	<u>12,550,579</u>
Impairment loss	(73,332)	(63,034)
Balance	<u>17,404,066</u>	<u>12,487,545</u>
	=====	=====

EFG Holding Company
(Egyptian Joint Stock Company)

Notes to the consolidated financial statements for the year ended 31 December 2025 (Continued)

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

11- Equity accounted investees

December 31, 2025							
	Company's location	Company's asset	Company's liabilities	Company's net gain (losses)	Company's gross profit (losses)	Shareholding Percentage %	Shareholding value
Interest in joint venture							
Bedaya Mortgage Finance Co	Egypt	1,282,320	835,856	143,423	213,547	33.34	157,454
EFG-EV Fintech	Egypt	54,127	807	(1,420)	311	50	29,245
Interest in associate							
Kaf Life Insurance takaful	Egypt	1,538,793	467,882	(43,855)	(44,244)	37.5	161,458
Prime for investment fund management *	Egypt	2,845	79	(259)	(540)	20	553
Falcon Partners GP Limited	UAE	18,965	22,772	(4,619)	--	25	--
Balance							348,710
December 31, 2024							
	Company's location	Company's asset	Company's liabilities	Company's net gain (losses)	Company's gross profit	Shareholding Percentage %	Shareholding value
Interest in joint venture							
Bedaya Mortgage Finance Co	Egypt	2,636,704	2,381,476	3,550	43,861	33.34	90,478
EFG-EV Fintech	Egypt	34,991	1,140	(712)	1,213	50	19,511
Interest in associate							
Kaf Life Insurance takaful	Egypt	511,682	332,023	7,830	38,904	37.5	115,655
Zahraa Elmaadi Company *	Egypt	2,668,051	798,153	343,780	451,075	20.33	380,225
Prime for investment fund management *	Egypt	3,042	209	534	354	20	503
Paytech 3100 BV	Netherlands	486,877	1,404	(563)	--	40.66	197,860
Falcon Partners GP Limited	UAE	2,195	1,435	(1,585)	--	25	635
Balance							804,867

* Equity accounted investees acquired through Bank NXT.

- During the year, The Group sold its shareholding in Zahraa El Maadi Company, realizing a gain on sale amounting to EGP thousand 270,261.
- As part of the restructuring of U Consumer Finance, and based on the Board of Directors' resolution dated 18 March 2025, EFG Finance Holding and U Consumer Finance (subsidiaries) sold their direct shareholding in Paytech 3100 B.V. The transaction was executed at carrying amount.

EFG Holding Company
(Egyptian Joint Stock Company)

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

12- Property, plant and equipment

	Land & Buildings*	Leasehold improvements	Office furniture, equipment & electrical appliances	Computer Equipment	Vehicles	Right of use assets	Total
Cost							
Balance as at 1/1/2024	1,393,899	433,335	677,507	845,226	81,469	659,899	4,091,335
Additions	113,296	76,168	208,674	364,148	153,043	252,148	1,167,477
Disposals	(1,137)	(83)	(6,497)	(31,571)	(19,654)	(28,799)	(87,741)
Foreign currency translation differences	272	12,448	162,620	128,551	13,200	233,636	550,727
Total cost as at 31/12/2024	1,506,330	521,868	1,042,304	1,306,354	228,058	1,116,884	5,721,798
Balance as at 1/1/2025	1,506,330	521,868	1,042,304	1,306,354	228,058	1,116,884	5,721,798
Additions	5	269,479	161,090	355,108	48,186	975,679	1,809,547
Disposals	(15,025)	(6,656)	(33,720)	(92,218)	(15,276)	(134,261)	(297,156)
Adjustment	(83,346)	83,328	18	(9,369)	--	--	(9,369)
Foreign currency translation differences	--	(1,815)	(29,273)	(21,176)	(2,213)	(42,663)	(97,140)
Total cost as at 31/12/2025	1,407,964	866,204	1,140,419	1,538,699	258,755	1,915,639	7,127,680

EFG Holding Company
(Egyptian Joint Stock Company)

Notes to the consolidated financial statements for the year ended 31 December 2025 (Continued)

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

Accumulated depreciation

Accumulated depreciation as at 1/1/2024	249,819	256,331	433,011	593,290	42,708	338,387	1,913,546
Depreciation	51,685	45,096	66,570	126,971	25,353	132,604	448,279
Disposals' accumulated depreciation	(893)	(83)	(4,362)	(27,373)	(12,205)	(24,783)	(69,699)
Foreign currency translation differences	168	5,546	157,443	116,196	7,654	167,035	454,042
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Accumulated depreciation as at 31/12/2024	300,779	306,890	652,662	809,084	63,510	613,243	2,746,168
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Accumulated depreciation as at 1/1/2025	300,779	306,890	652,662	809,084	63,510	613,243	2,746,168
Depreciation	50,220	59,809	102,576	189,601	45,850	229,498	677,554
Disposals' accumulated depreciation	(2,753)	(4,687)	(31,322)	(56,890)	(8,317)	(114,583)	(218,552)
Adjustments	--	(19)	19	--	--	--	--
Foreign currency translation differences	--	(1,167)	(25,419)	(19,777)	(1,342)	(33,283)	(80,988)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Accumulated depreciation as at 31/12/2025	348,246	360,826	698,516	922,018	99,701	694,875	3,124,182
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Carrying amount							
Carrying amount as at 31/12/2024	1,205,551	214,978	389,642	497,270	164,548	503,641	2,975,630
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Carrying amount as at 31/12/2025	1,059,718	505,378	441,903	616,681	159,054	1,220,764	4,003,498
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

*See note (19)

EFG Holding Company
(Egyptian Joint Stock Company)

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

13- Goodwill and other intangible assets

	Goodwill	Customer Relationships	Retailer list	Licenses	Brand Name	Software	Total
Cost							
Balance as at 1 January 2024, as reported	1,741,691	496,251	53,825	24,278	34,704	390,543	2,741,292
Effect of purchase price allocation on subsidiary	(147,152)	18,483	--	--	--	136,477	7,808
Balance as at 1 January 2024, as restated	1,594,539	514,734	53,825	24,278	34,704	527,020	2,749,100
Additions	--	--	--	--	--	295,505	295,505
Disposals	--	--	--	(652)	--	(1,595)	(2,247)
Adjustments	--	28,995	--	--	--	--	28,995
Foreign currency translation differences	--	103,133	--	13,221	--	42,544	158,898
Total cost as at 31 December 2024	1,594,539	646,862	53,825	36,847	34,704	863,474	3,230,251
Balance as at 1 January 2025	1,594,539	646,862	53,825	36,847	34,704	863,474	3,230,251
Additions	--	--	--	--	--	333,712	333,712
Disposals	(373,698)	(366,644)	(53,825)	--	(34,704)	(91,543)	(920,414)
Adjustments	--	--	--	--	--	9,369	9,369
Foreign currency translation differences	--	(16,115)	--	(1,839)	--	(5,430)	(23,384)
Total cost as at 31 December 2025	1,220,841	264,103	--	35,008	--	1,109,582	2,629,534
Accumulated amortisation and impairment							
Balance as at 1 January 2024, as reported	37,667	149,864	12,174	10,249	--	215,725	425,679
Effect of purchase price allocation on subsidiary	--	660	--	--	--	4,038	4,698
Restated Balance as at 1 January 2024	37,667	150,524	12,174	10,249	--	219,763	430,377
Amortisation	--	81,399	7,689	3,642	--	86,885	179,615
Disposals	--	--	--	(652)	--	(935)	(1,587)
Adjustments	--	28,995	--	--	--	--	28,995
Foreign currency translation difference	--	65,467	--	3,520	--	32,944	101,931
Total accumulated amortisation and impairment as at 31 December 2024	37,667	326,385	19,863	16,759	--	338,657	739,331
Balance as at 1 January 2025	37,667	326,385	19,863	16,759	--	338,657	739,331
Amortisation	--	44,236	1,923	3,966	--	161,814	211,939
Disposals	--	(148,404)	(21,786)	--	--	(36,269)	(206,459)
Foreign currency translation difference	--	(12,405)	--	(755)	--	(5,418)	(18,578)
Total accumulated amortisation and impairment as at 31 December 2025	37,667	209,812	--	19,970	--	458,784	726,233
Carrying amount							
Carrying amount as at 31 December 2024	1,556,872	320,477	33,962	20,088	34,704	524,817	2,490,920
Carrying amount as at 31 December 2025	1,183,174	54,291	--	15,038	--	650,798	1,903,301

13-1 Goodwill is relating to the acquisition of the following subsidiaries:

	31/12/2025	31/12/2024
EFG- Hermes IFA Financial Brokerage Company Kuwait – (KSC)	179,148	179,148
Tanmeyah Micro Enterprise Services S.A.E	365,399	365,399
Frontier Investment Management Partners LTD	325,801	325,801
Fatura LLC	--	373,698
Paynas BV	312,826	312,826
Balance	1,183,174	1,556,872

EFG Holding Company
(Egyptian Joint Stock Company)

Notes to the consolidated financial statements for the year ended 31 December 2025 (Continued)

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

- During the year, EFG Finance B.V. (a subsidiary) entered into a Share Swap Agreement with MaxAB–Wasoko, a leading e-commerce and supply chain platform, whereby the Group transferred its ownership in Fatura (a subsidiary), a B2B e-commerce marketplace in Egypt, in addition to a cash payment of USD 5 million, in exchange for a 6.32% equity stake in MaxAB–Wasoko.

14- Investment property

	Buildings
Cost	
Balance as at 1/1/2024	149,337
Disposals for the year	(3,900)
Total cost as at 31/12/2024	145,437
Balance as at 1/1/2025	145,437
Total cost as at 31/12/2025	145,437
Accumulated depreciation	
Accumulated depreciation as at 1/1/2024	50,636
Depreciation for the year	5,703
Disposals for the year	(1,185)
Accumulated depreciation as at 31/12/2024	55,154
Accumulated depreciation as at 1/1/2025	55,154
Depreciation for the year	5,602
Accumulated depreciation as at 31/12/2025	60,756
Carrying amount	
Net carrying amount as at 31/12/2024	90,283
Net carrying amount as at 31/12/2025	84,681

Investment property net carrying amounted to EGP Thousands 84,681 as at 31 December 2025, representing the following:-

- EGP Thousands 82,462 the book value of the area owned by EFG Holding Company in Nile City building, and with a fair value of EGP Thousands 796,080.
- EGP Thousands 2,219 the book value of the area owned by Hermes Securities Brokerage, one of the subsidiaries, in Elharam branch and with a fair value of EGP Thousands 24,322.

See note (19).

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

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

15- Deferred tax assets (liabilities)

	Balance at 1/1/2025	Recognized in profit or loss	Recognized in equity	Disposals	Foreign currency differences	Net	Deferred tax assets	Deferred tax liabilities
Fixed assets depreciation	(203,745)	(16,575)	--	(875)	(54)	(221,249)	--	(221,249)
Claims provision	65,519	5,070	--	--	(3)	70,586	70,586	--
Impairment loss on assets	2,267	321	--	--	(43)	2,545	2,545	--
Prior year losses carried forward	151,392	(96,758)	--	--	(133)	54,501	54,501	--
Investment at fair value	(1,504,043)	861,709	(2,037)	--	--	(644,371)	--	(644,371)
Foreign currency translation differences	(336,807)	403,627	--	--	--	66,820	66,820	--
Revaluation of investment property	1,867	--	--	--	--	1,867	1,867	--
Investment in Associates	(10,743)	10,709	--	--	--	(34)	--	(34)
ESOP deferred	12,867	(2,421)	--	--	--	10,446	10,446	--
Securitization Surplus Revaluation	(28,346)	82	--	--	--	(28,264)	--	(28,264)
	<u>(1,849,772)</u>	<u>1,165,764</u>	<u>(2,037)</u>	<u>(875)</u>	<u>(233)</u>	<u>(687,153)</u>	<u>206,765</u>	<u>(893,918)</u>

16- Other assets

	31/12/2025	31/12/2024
Deposits with others	(16-1) 292,628	382,767
Down payments to suppliers	182,737	166,987
Prepaid expenses	686,511	486,118
Employees' advances	244,930	218,347
Accrued revenues	3,820,979	2,470,694
Taxes withheld by others	60,660	74,310
Payments for investments	348,771	5
Settlement guarantee fund	536,446	38,536
Due from Egypt Gulf Bank- Tanmeyah Clients	29,622	15,133
Receivables-sale of investments	109,130	1,364
Due from custodian	63,204	63,593
Due from Payment Channels	155,873	127,492
Securitization surplus	678,763	491,978
Sundry debtors	428,796	398,039
Assets acquired as settlement of debts	448,910	442,567
Advance Payments for the Acquisition of PPE and Intangible Assets	994,026	1,281,857
Total	<u>9,081,986</u>	<u>6,659,787</u>
Deduct: Impairment loss	<u>(118,609)</u>	<u>(76,451)</u>
Balance	<u>8,963,377</u>	<u>6,583,336</u>

EFG Holding Company
(Egyptian Joint Stock Company)

Notes to the consolidated financial statements for the year ended 31 December 2025 (Continued)

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

16-1 Deposits with others include an amount of EGP Thousands 21,507 in the name of the subsidiaries, EFG-Hermes International Securities Brokerage and Hermes Securities Brokerage Company which represents blocked deposits for same day trading operations settlement takes place in the Egyptian Stock Exchange. Both companies are not entitled to use these amounts without prior approval from Misr Clearance Company.

-Deposits with others include an amount of EGP Thousands 168,762 in the name of the subsidiary, EFG- Hermes KSA. This represents margin deposited with the General Clearing Member (GCM) as required by the Clearing House (Muqassa) in Saudi stock exchange.

17- Due to banks and financial institutions

	31/12/2025	31/12/2024
Financial institutions	10,771,170	2,923,742
Bank overdraft *	20,916,540	19,297,065
Deposits**	2,645,342	10,577
Current account**	250,327	531,532
Due to Central Bank**	3,212	--
Balance	<u>34,586,591</u>	<u>22,762,916</u>

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

- A pledged governmental bond contract has been signed to obtain a credit facility. The balance of the facility as of 31 December, 2025 is EGP Thousands 1,066,264.

** Relate to Bank NXT

18- Customer deposits

	31/12/2025	31/12/2024
Call deposits	39,536,889	27,739,336
Term deposits	16,194,881	28,332,022
Saving and deposit certificates	11,895,618	8,181,929
Saving deposits	10,744,147	1,892,984
Other deposits	950,500	1,062,314
Balance	<u>79,322,035</u>	<u>67,208,585</u>
Corporate deposits	44,860,335	45,754,381
Individual deposits	34,461,700	21,454,204
Balance	<u>79,322,035</u>	<u>67,208,585</u>
Current	69,620,404	60,801,046
Non-current	9,701,631	6,407,539
Balance	<u>79,322,035</u>	<u>67,208,585</u>

EFG Holding Company
(Egyptian Joint Stock Company)

Notes to the consolidated financial statements for the year ended 31 December 2025 (Continued)

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

19- Loans and borrowings

The borrower	Credit Limit	Contract date	Maturity date	31/12/2025	31/12/2024
EFG Corp-Solutions *	900 million	27/05/2024	27/05/2031	83,103	618,713
	201.7 million	20/05/2025	20/05/2032	174,119	5,015
	967.5 million	04/08/2025	04/08/2032	107,784	440,681
	500 million	02/09/2025	02/09/2032	455,100	456,449
	2 billion	21/04/2024	21/04/2031	86,077	347,529
	1.450 billion	24/06/2025	24/06/2032	788,158	548,415
	13.4 million	29/08/2022	31/10/2028	13,400	18,494
	3.55 million	21/06/2023	13/07/2027	199,150	--
	393 million	01/07/2024	21/08/2025	105,849	318,665
	100 million	25/06/2023	25/06/2030	--	7,033
	400 million	12/12/2023	12/12/2028	160,516	92,259
	120.6 million	20/10/2024	20/10/2031	120,565	174,830
	8 million	19/10/2017	03/03/2027	381,600	609,960
	107.5 million	24/06/2025	24/06/2032	107,432	124,342
	--	07/02/2018	07/02/2025	--	3,349
	1 billion	04/03/2025	04/03/2032	450,204	6,161
	900 million	11/06/2025	11/06/2032	--	488,264
	560 million	26/10/2025	26/10/2032	231,634	494,321
	4.783 million	26/11/2020	26/11/2027	4,784	13,006
	--	15/07/2025	15/07/2032	--	70,689
	200 million	10/08/2024	10/08/2029	158,361	41,396
	500 million	06/07/2025	06/07/2032	380,370	--
Tanmeyah Micro Enterprise Services S.A.E	220 million	25/01/2025	24/12/2026	148,134	204,768
	600 million	28/07/2025	29/07/2026	313,315	166,805
	200 million	05/03/2024	04/03/2026	--	143,740
	250 million	01/11/2025	14/09/2026	297,221	238,154
	175 million	01/11/2025	31/10/2026	164,401	--
U Consumer finance	700 million	18/09/2025	22/07/2026	688,053	598,438
	350 million	03/12/2024	02/12/2025	122,454	253,876
	325 million	05/02/2024	04/02/2025	167,589	324,264
	500 million	17/04/2025	16/04/2026	355,672	298,630
	50 million	12/11/2024	11/11/2025	18,167	49,394
	800 million	28/09/2025	31/08/2026	715,120	600,000
	400 million	15/12/2024	14/12/2025	305,989	392,361
	300 million	15/05/2025	14/05/2026	251,171	187,323
	1.244 billion	04/02/2025	31/12/2025	1,162,232	338,530
	4.700 billion	09/07/2024	08/07/2026	2,162,154	950,871
	750 million	02/05/2024	26/03/2025	--	473,800
	200 million	21/09/2025	31/08/2026	59,319	110,000
	1.100 billion	18/09/2025	20/08/2026	1,098,860	499,967
	170 million	21/01/2025	20/01/2026	171,963	--
	250 million	16/02/2025	15/02/2026	50,147	--
	300 million	01/01/2025	01/01/2026	--	--
	100 million	01/01/2025	01/01/2026	--	--
	150 million	14/12/2025	16/08/2026	149,685	--
	600 million	06/02/2025	05/02/2026	261,994	--
EFG Finance Holding	115 million	26/10/2025	26/10/2032	--	105,887
	--	24/06/2025	24/06/2032	--	166,001
	400 million	06/08/2025	05/08/2032	81,694	380,538
EFG For SME	150 million	29/07/2024	28/07/2025	131,998	5,475
	150 million	18/11/2024	15/09/2025	2,554	1,501
Bank NXT	120 million	18/08/2014	01/04/2040	110,683	119,673
Lease liabilities**				2,105,305	--
Balance				<u>15,104,080</u>	<u>11,489,567</u>

EFG Holding Company
(Egyptian Joint Stock Company)

Notes to the consolidated financial statements for the year ended 31 December 2025 (Continued)

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

Current	10,595,592	6,160,149
Non-current	4,508,488	5,329,418
Balance	15,104,080	11,489,567

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

** Lease liabilities amount of EGP Thousands 2,105,305 in the name of EFG Holding Company that represents sale and lease back agreement for the entire land and buildings located in Smart Village and the owned area by the company in Nile City building.

Note no. (12 &14)

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

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

21- Issued bonds

Issuer	Series	Issuance Date	Maturity Date	Face Value	Type
EFG Corp Solutions	1st Program 2nd Issuance	Oct-24	Oct-29	360,000	Tradeable - Non-Convertible
EFG Corp Solutions	2nd Issuance	May-25	Jun-26	2,650,000	Tradeable - Non-Convertible
Hermes Securities Brokerage	3rd Program 1st Issuance	May-25	May-26	900,000	Tradeable - Non-Convertible
Total				3,910,000	

EFG Holding Company
(Egyptian Joint Stock Company)

Notes to the consolidated financial statements for the year ended 31 December 2025 (Continued)

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

22- Provisions

		31/12/2025	31/12/2024
Claims provision	(22-1)	1,058,200	928,441
Commercial Bank (Bank NXT) contingent liabilities	(22-1)	89,414	142,187
Severance pay provision	(22-1)	759,071	801,766
Financial guarantee for contingent liabilities	(22-1)	78,072	40,883
Balance		<u>1,984,757</u>	<u>1,913,277</u>

22-1

	Claims provision	Severance Pay provision*	Financial guarantee for contingent liabilities	Commercial bank contingent liabilities	Total
Balance at the beginning of the year	928,441	801,766	40,883	142,187	1,913,277
Formed during the year	218,879	114,204	113,575	--	446,658
Foreign currency differences	(4,402)	(51,229)	--	(758)	(56,389)
Amounts used during the year	(23,227)	(105,670)	--	--	(128,897)
Bad Debt	--	--	(76,386)	--	(76,386)
No longer needed	(61,491)	--	--	(52,015)	(113,506)
Balance at the end of the year	<u>1,058,200</u>	<u>759,071</u>	<u>78,072</u>	<u>89,414</u>	<u>1,984,757</u>

* Related to group entities outside Egypt.

23- Current tax Liability

	For the year ended	
	31/12/2025	31/12/2024
Balance at the beginning of year	1,020,705	638,583
Change for the year	2,405,334	1,439,591
Withholding tax receivable	(27,678)	(8,406)
Income tax paid	(1,470,852)	(1,052,558)
Effect of foreign currency translation	(4,494)	3,495
Balance at the end of year	<u>1,923,015</u>	<u>1,020,705</u>

EFG Holding Company
(Egyptian Joint Stock Company)

Notes to the consolidated financial statements for the year ended 31 December 2025 (Continued)

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

24- Other liabilities

	31/12/2025	31/12/2024
Accrued expenses	6,229,992	8,010,373
Dividends payable (prior years)	43,251	154,092
Deferred revenues	93,477	145,647
Suppliers	1,119,338	725,083
Clients' coupons - custody activity	258,114	204,017
Tax authority	248,507	135,312
Social Insurance Association	18,770	16,981
Payables- purchase of investments	109,023	--
Medical takaful insurance tax	59,581	51,462
Deposits due to others –finance lease contracts	10,296	10,296
Pre collected Installments	753,562	601,304
Sundry creditors	461,558	425,972
Lease liabilities (24-1)	1,314,765	560,583
Employees' benefits obligations (24-2)	120,873	89,516
	<hr/>	<hr/>
Balance	10,841,107	11,130,638
	<hr/> <hr/>	<hr/> <hr/>

24-1 Lease Liabilities

	31/12/2025	31/12/2024
Balance at the beginning of the year	560,583	419,140
Additions	942,790	246,312
Disposals	(2,041)	(9,481)
Accretion of interest	197,603	70,179
Paid during the year	(369,592)	(245,847)
Effect of foreign currency translation	(14,578)	80,280
	<hr/>	<hr/>
Balance at the end of the year	1,314,765	560,583
	<hr/> <hr/>	<hr/> <hr/>
Current	279,968	154,769
Non-current	1,034,797	405,814
	<hr/>	<hr/>
Balance	1,314,765	560,583
	<hr/> <hr/>	<hr/> <hr/>

EFG Holding Company
(Egyptian Joint Stock Company)

Notes to the consolidated financial statements for the year ended 31 December 2025 (Continued)

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

24-2 Employees' benefits obligations

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

	31/12/2025	31/12/2024
Balance at the beginning of the year	89,516	68,459
Charge for the year	17,724	15,477
Actuarial (loss) gain on re-measurement of employees' benefit obligations	21,483	(2,179)
Paid during the year	(105)	(37,828)
Foreign currency translation difference	(5,855)	45,587
Transferred to related parties	(1,890)	--
	<u>120,873</u>	<u>89,516</u>

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

	31/12/2025	31/12/2024
Current service cost	12,365	10,623
Interests on defined benefit obligation	5,359	4,854
	<u>17,724</u>	<u>15,477</u>

25- Share capital

- The company's Extraordinary General Assembly approved in its session held on May 24, 2023 to increase the company's authorized capital from EGP 6 billion to EGP 30 billion and increase the company's issued capital from EGP Thousands 5,838,424 to EGP Thousands 7,298,030 distributed on 1,459,606,008 shares with an increase amounting to EGP Thousands 1,459,606 distributed on 291,921,202 shares with par value EGP 5 through the issuance of one free share for every four shares. This increase is transferred from the company retained earnings that presented in December 31, 2022 financial statements. The required procedures had been taken to register the increase in the Commercial Register.
- The company's Extraordinary General Assembly approved in its session held on September 20, 2025 to decrease the company's issued capital from EGP Thousands 7,298,030 to EGP Thousands 7,179,465 distributed on 1,435,893,008 shares with an decrease amounting to EGP Thousands 118,565 through writing off 23,713,000 treasury shares with par value EGP 5 per share, which had been held for more than one year, while charging the price difference between the acquisition cost of the treasury shares and their par value, amounting to EGP Thousands 281,410 to the Share Premium account. All written-off shares were originally issued for cash consideration. The required procedures were completed, and the reduction was recorded in the company's Commercial Register.

EFG Holding Company
(Egyptian Joint Stock Company)

Notes to the consolidated financial statements for the year ended 31 December 2025 (Continued)

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

25-1 Treasury shares

- The company's board of directors approved in its session held on May 22, 2024 to purchase a number of 25 million shares of the company's shares and the company has purchased a number of 23,713,000 shares from Egyptian stock exchange market at cost of EGP Thousand 399,975.
- The company's Extraordinary General Assembly approved in its session held on September 20, 2025 to write off the 23,713,000 treasury shares with par value EGP 5 per share, which had been purchased for more than one year.

26- Non - controlling interests

	31/12/2025	31/12/2024
Share capital	3,010,921	2,810,215
Additional paid-in capital	355,060	156,282
Legal reserve	158,469	83,971
Other reserves	3,045,339	963,702
Retained gain	769,270	217,853
Profit for the year	<u>2,196,323</u>	<u>1,077,116</u>
Balance	<u>9,535,382</u>	<u>5,309,139</u>

27- Contingent liabilities

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

	31/12/2025	31/12/2024
AED	143,670	93,670
Equivalent to EGP Thousands	1,865,900	1,296,243

Group off-financial position items:

- Assets under management 314,047,634 269,559,987

- Securitization and Sukuk transactions

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

EFG Holding Company
(Egyptian Joint Stock Company)

Notes to the consolidated financial statements for the year ended 31 December 2025 (Continued)

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

The assets and liabilities related to those transactions are represented in :	
Client portfolios related to securitization transactions	17,298,403
Balances with custodians	958,017
Land and Buildings related to Sukuk transactions	600,000
 Total Assets	 <u>18,856,420</u>
 Bonds	 <u>14,933,920</u>
Sukuk	240,000
 Total liabilities	 <u>15,173,920</u>

Bank NXT Contingent liabilities are as follows:

A- Capital commitments

Financial investments

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

	Contribution amount USD Thousands	Amount paid USD Thousands	Residual amount USD Thousands
African Export -Import Bank	5,776	2,442	3,335

	Contribution amount EGP Thousands	Amount paid EGP Thousands	Residual amount EGP Thousands
Long-Term Assets	565,903	421,741	144,162

B- Commitments on loans guarantees and facilities

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

	31/12/2025 Thousands EGP	31/12/2024 Thousands EGP
Loan commitments	15,431,790	14,182,263
Letters of guarantees	3,287,494	2,282,896
Letters of credit (Export and Import)	1,778,560	938,697
Acceptances of supplier facilities	1,195,543	356,038
Balance	<u>21,693,387</u>	<u>17,759,894</u>

EFG Holding Company
(Egyptian Joint Stock Company)

Notes to the consolidated financial statements for the year ended 31 December 2025 (Continued)

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

28- Other Revenues

- Other revenues includes rental income and non-recurring income.
- Bank NXT sold its headquarters in the New Administrative Capital during the year, realizing a gain on sale amounting to 1,207 EGP million.

29- General administrative expenses

	For the year ended	
	31/12/2025	31/12/2024
Wages, salaries and similar items*	10,420,229	10,398,721
Consultancy	1,290,109	835,706
Travel , accommodation and transportation	162,342	124,829
Leased line and communication	614,322	561,565
Rent and utilities expenses	212,956	166,356
Other expenses	3,182,957	2,382,365
Total	15,882,915	14,469,542

*** Share-based payments.**

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

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

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

Equity instruments during the period/year represents the following:

	For the year ended	For the year ended
	31/12/2025	31/12/2024
	No. of Shares	No. of Shares
Total at the beginning of the year	48,018,166	68,057,297
Granted shares during the year	11,060,729	--
Forfeited shares during the year	--	(3,024,810)
Exercised during the year	(43,072,839)	(17,014,321)
Total at the end of the year	16,006,056	48,018,166

EFG Holding Company
(Egyptian Joint Stock Company)

Notes to the consolidated financial statements for the year ended 31 December 2025 (Continued)

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

30- Impairment loss on assets

	For the year ended	
	31/12/2025	31/12/2024
Accounts receivables	(14,803)	(49,764)
Loans and facilities to customers	853,663	683,023
Cash and cash equivalents	(2,881)	5,977
Other assets	100,450	58,424
Financial investments	14,496	75,342
Total	<u>950,925</u>	<u>773,002</u>

31- Income tax expense

	For the year ended	
	31/12/2025	31/12/2024
Current income tax	2,405,334	1,439,591
Deferred tax	(1,165,764)	930,826
Total	<u>1,239,570</u>	<u>2,370,417</u>

32- Cash and cash equivalents

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

	31/12/2025	31/12/2024
Cash and due from banks	37,027,344	42,858,408
Bank overdraft	(20,916,540)	(19,297,065)
Treasury bills less than 90 days	940,481	1,034,878
Time deposit maturing in more than 90 days	(881,035)	(54,245)
Effect of exchange rate	--	(539,218)
Cash and cash equivalents	<u>16,170,250</u>	<u>24,002,758</u>

EFG Holding Company
(Egyptian Joint Stock Company)

Translation of consolidated financial statements originally issued in Arabic

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

33- Operating segment

(a) Basis for operating segment

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

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

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

For the year ended December 31, 2025

	Holding & Treasury	Brokerage	Asset Management	Investment Banking	Private Equity	Finance Holding	Leasing	Micro Finance	Consumer Finance	Factoring	SME Lending	Commercial bank (Bank NXT)	Adjustments	Total
Interest income	1,560,008	2,162,237	8,219	14,351	7,578	74,656	2,325,076	3,561,441	1,475,079	931,394	38,308	15,563,104	(740,175)	26,981,276
Interest Expense	(2,086,795)	(637,772)	--	(1,092)	--	(70,894)	(1,915,649)	(1,625,009)	(2,424,368)	(825,451)	(16,550)	(10,492,163)	551,706	(19,544,037)
Net Interest income	(526,787)	1,524,465	8,219	13,259	7,578	3,762	409,427	1,936,432	(949,289)	105,943	21,758	5,070,941	(188,469)	7,437,239
Fee and commission income	498	5,625,793	2,793,604	1,804,285	420,389	--	144,286	445,540	1,865,989	120,262	5,030	876,599	(92,944)	14,009,331
Fees and commission expense	(1,779)	(1,236,181)	(614,812)	--	--	(87)	(484)	(129,218)	(65,590)	--	(921)	(300,002)	--	(2,349,074)
Net fees & commission income	(1,281)	4,389,612	2,178,792	1,804,285	420,389	(87)	143,802	316,322	1,800,399	120,262	4,109	576,597	(92,944)	11,660,257
Securities gain	241,733	14,319	--	--	--	3,330	--	(7,190)	--	--	--	410,819	(1,900)	661,111
Changes in the investments at fair value through profit and loss	769,818	5,157	--	(18,396)	3	--	--	--	753	--	--	3,496	1,900	762,731
Dividend income	44,890	43,259	9,655	--	--	--	--	--	--	--	--	30,042	--	127,846

EFG Holding Company
(Egyptian Joint Stock Company)

Notes to the consolidated financial statements for the year ended 31 December 2025 (Continued)

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

	Holding & Treasury	Brokerage	Asset Management	Investment Banking	Private Equity	Finance Holding	Leasing	Micro Finance	Consumer Finance	Factoring	SME Lending	Commercial bank (Bank NXT)	Adjustments	Total
Other Revenues	248,809	36,937	789	125,489	6,659	(249)	358,052	129,507	2,155,352	36	(35)	1,369,594	(77,939)	4,353,001
Foreign currencies exchange differences	497,075	17,175	--	--	--	45,038	(3,383)	37,058	(21,375)	(12,421)	(9)	35,770	--	594,928
Share of profit from equity accounted investees	--	--	--	--	(625)	54,021	--	--	--	--	--	19,286	--	72,682
Total revenues	1,274,257	6,030,924	2,197,455	1,924,637	434,004	105,815	907,898	2,412,129	2,985,840	213,820	25,823	7,516,545	(359,352)	25,669,795
General administrative expenses	(2,711,657)	(4,288,804)	(1,306,987)	(1,501,169)	(420,707)	(206,957)	(199,640)	(1,599,316)	(1,561,514)	(68,210)	(59,829)	(2,542,389)	584,264	(15,882,915)
Financial guarantee provision	--	--	--	--	--	--	--	(113,575)	--	--	--	--	--	(113,575)
Impairment loss on assets	(8,641)	9,843	(335)	(4,757)	5,870	(145)	(46,074)	(401,867)	(288,231)	(38,262)	(1,916)	(273,315)	4,757	(950,925)
Provisions	(6,249)	(130,421)	(4,037)	(15,586)	(2,705)	--	(1,551)	(1,423)	(17,000)	--	--	(153,940)	(171)	(333,083)
Depreciation and amortisation	(140,701)	(68,228)	(20,483)	(1,837)	(6,355)	(839)	(838)	(108,377)	(91,676)	(121)	(438)	(225,704)	(229,498)	(895,095)
Profit before income tax	(1,592,991)	1,553,314	865,613	401,288	10,107	(102,126)	751,943	187,571	1,027,419	107,227	(36,360)	4,321,197	--	7,494,202
Income tax expense	946,578	(329,791)	(110,817)	(47,285)	(1,509)	(4,873)	(164,835)	(63,092)	(244,075)	(31,912)	(192)	(1,190,785)	--	(1,239,570)
Profit for the year	(646,413)	1,223,523	754,796	354,003	11,616	(106,999)	587,108	124,479	783,344	75,315	(36,552)	3,130,412	--	6,254,632
Total assets	31,190,626	57,643,085	2,874,878	1,213,300	304,182	1,267,900	9,457,440	7,359,419	14,166,291	3,095,652	227,765	101,846,516	--	230,647,054
Total liabilities	20,810,194	49,147,341	1,414,945	753,372	133,051	60,785	7,719,256	5,173,472	11,968,045	2,777,011	169,330	85,562,271	--	185,689,073

EFG Holding Company
(Egyptian Joint Stock Company)

Notes to the consolidated financial statements for the year ended 31 December 2025 (Continued)

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

For the year ended December 31, 2024

	Holding & Treasury	Brokerage	Asset Management	Investment Banking	Private Equity	Finance Holding	Leasing	Micro Finance	Consumer Finance	Factoring	SME Lending	Commercial bank (Bank NXT)	Adjustments	Total
Interest income	1,489,194	1,924,393	11,993	100,000	17,605	19,654	1,955,980	2,812,568	1,363,055	654,254	15,671	12,369,651	(414,376)	22,319,642
Interest Expense	(1,410,188)	(585,338)	--	(64,079)	--	(46,079)	(1,561,820)	(1,464,730)	(1,460,603)	(622,892)	(118)	(8,458,569)	364,158	(15,310,258)
Net Interest income	79,006	1,339,055	11,993	35,921	17,605	(26,425)	394,160	1,347,838	(97,548)	31,362	15,553	3,911,082	(50,218)	7,009,384
Fee and commission income	--	4,360,330	1,705,231	2,310,953	287,777	--	118,597	539,150	1,095,694	96,250	522	934,176	3,706	11,452,386
Fees and commission expense	(6,044)	(799,920)	(210,876)	14	(431)	(71)	(41)	(55,397)	(30,177)	(4)	(38)	(254,116)	--	(1,357,101)
Net fees & commission income	(6,044)	3,560,410	1,494,355	2,310,967	287,346	(71)	118,556	483,753	1,065,517	96,246	484	680,060	3,706	10,095,285
Securities (Loss)	(207,191)	18,212	1,098	--	23,853	(89)	--	--	--	--	(117)	106,878	--	(57,356)
Changes in the investments at fair value through profit and loss	2,843,111	(3,650)	5,804	--	(333)	(1,576)	--	--	742	--	--	--	--	2,844,098
Dividend income	22,392	31,831	--	--	(36)	--	--	--	--	--	--	31,811	--	85,998
Other Revenues	149,005	97,959	7,423	4,652	17,501	--	128,206	104,332	846,462	--	--	85,559	(17,837)	1,423,262
Foreign currencies exchange differences	2,540,657	11,438	--	--	--	(13,658)	145,753	1,525	96,086	37,785	(179)	88,299	--	2,907,706
Share of profit from equity accounted investees	--	--	--	--	(8,372)	2,403	--	--	--	--	--	54,822	--	48,853
Total revenues	5,420,936	5,055,255	1,520,673	2,351,540	337,564	(39,416)	786,675	1,937,448	1,911,259	165,393	15,741	4,958,511	(64,349)	24,357,230

EFG Holding Company
(Egyptian Joint Stock Company)

Notes to the consolidated financial statements for the year ended 31 December 2025 (Continued)

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

	Holding & Treasury	Brokerage	Asset Management	Investment Banking	Private Equity	Finance Holding	Leasing	Micro Finance	Consumer Finance	Factoring	SME Lending	Commercial bank (Bank NXT)	Adjustments	Total
General administrative expenses	(2,994,815)	(4,107,710)	(1,062,591)	(1,631,920)	(412,469)	(101,027)	(166,911)	(1,309,520)	(1,087,961)	(50,296)	(21,991)	(1,720,592)	198,261	(14,469,542)
Financial guarantee provision	--	--	--	--	--	--	--	(40,678)	--	--	--	--	--	(40,678)
Impairment loss on assets	61,744	81,337	(2,142)	(8,644)	(37,328)	(90,874)	(81,225)	(144,479)	(171,822)	(60,281)	(1,028)	(316,953)	(1,307)	(773,002)
Provisions	(347,436)	(81,591)	(4,198)	(86)	(2,327)	--	--	(149,590)	(8,000)	--	--	(145,680)	--	(738,908)
Depreciation and amortisation	(167,156)	(45,343)	(14,950)	(507)	(5,709)	(39)	(288)	(77,882)	(56,429)	(609)	(99)	(131,981)	(132,605)	(633,597)
Profit before income tax	1,973,273	901,948	436,792	710,383	(120,269)	(231,356)	538,251	215,299	587,047	54,207	(7,377)	2,643,305	--	7,701,503
Income tax expense	(755,108)	(397,593)	20,916	(54,937)	399	2,479	(118,422)	(74,809)	(104,619)	(15,432)	(170)	(873,121)	--	(2,370,417)
Profit for the year	1,218,165	504,355	457,708	655,446	(119,870)	(228,877)	419,829	140,490	482,428	38,775	(7,547)	1,770,184	--	5,331,086
Total assets	25,335,823	45,846,393	2,246,988	1,673,334	562,549	374,288	8,738,515	6,859,121	10,562,145	4,589,069	90,752	79,999,434	--	186,878,411
Total liabilities	11,934,391	37,861,579	829,118	1,256,836	417,810	79,717	6,749,751	5,297,004	8,423,267	4,034,120	17,761	70,609,092	--	147,510,446

EFG Holding Company
(Egyptian Joint Stock Company)

Translation of consolidated financial
statements originally issued in Arabic

Notes to the consolidated financial statements for the year ended 31 December 2025 (Continued)

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

(b) Geographical segments

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

December 31, 2025

	Egypt	GCC	Other	Total
Total revenues	18,654,166	6,628,883	386,746	25,669,795
Segment assets	152,871,886	68,470,917	9,304,251	230,647,054

December 31, 2024

	Egypt	GCC	Other	Total
Total revenues	19,361,590	4,599,469	396,171	24,357,230
Segment assets	132,046,768	42,327,605	12,504,038	186,878,411

34- Tax status (Holding company)

- As to Income Tax, for the years from the start of operations until 2019, the competent Tax Inspectorate inspected the parent company's books and all the disputed points have been settled with the Internal Committee. And as to years 2020/2022 have been inspected and appealed and as to years 2023/2024 have not been inspected yet.
- As to Salaries Tax the parent company's books had been examined till 2022 and all the disputed points have been settled with the Internal committee and as to years 2023- December 2025 have not been inspected yet.
- As to Stamp Tax the parent company's books had been examined from year 1998 till 2022 and all the disputed points have been settled with the competent Tax Inspectorate and as to years 2023/2025 have not been inspected yet.
- As to Property Tax for Smart Village building the company paid tax till December 31, 2025 and for Nile City's first building the company paid tax till December 31, 2025.

EFG Holding Company
(Egyptian Joint Stock Company)

Notes to the consolidated financial statements for the year ended 31 December 2025 (Continued)

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

35- Earnings Per Share

	For the year ended 31/12/2025	For the year ended 31/12/2024
Profit for the year	4,058,309	4,253,970
Weighted average number of shares	1,435,893	1,445,158
Earnings per share (EGP)	<u>2.83</u>	<u>2.94</u>

36- Group's entities

The parent company owns the following subsidiaries:

	Direct ownership	Indirect ownership
	%	%
EFG Hermes International Securities Brokerage	99.87	0.09
EFG Hermes Fund Management	88.51	11.49
Hermes Portfolio and Fund Management	78.81	21.19
Hermes Securities Brokerage	97.58	2.42
Hermes Corporate Finance	100	--
EFG - Hermes Advisory Inc.	100	--
EFG- Hermes Financial Management (Egypt) Ltd.	--	100
EFG - Hermes Promoting & Underwriting	99.88	--
Bayonne Enterprises Ltd.	100	--
EFG- Hermes Fixed Income	99	1
EFG Hermes for Digital solutions	96.3	3.7
EFG- Hermes Private Equity-BVI	--	100
EFG- Hermes UAE LLC.	--	100
Flemming CIIC Holding	100	--
Flemming Mansour Securities	--	99.33
Flemming CIIC Securities	--	96
Flemming CIIC Corporate Finance	--	74.92
EFG- Hermes UAE Ltd.	--	100
EFG- Hermes KSA	--	100
Mena Opportunities Management Limited	--	95
Mena (BVI) Holding Ltd.	--	95
EFG - Hermes Mena Securities Ltd.	--	100
Middle East North Africa Financial Investments W.L.L	--	100
EFG- Hermes Regional Investment Ltd.	--	100
Offset Holding KSC *	--	50
EFG- Hermes IFA Financial Brokerage	--	63.084

EFG Holding Company
(Egyptian Joint Stock Company)

Notes to the consolidated financial statements for the year ended 31 December 2025 (Continued)

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

	Direct ownership	Indirect ownership
	%	%
IDEAVELOPERS	--	81
EFG- Hermes CB Holding Limited	--	100
EFG- Hermes Global CB Holding Limited	100	--
Mena Long-Term Value Feeder Holdings Ltd. *	--	50
Mena Long-Term Value Master Holdings Ltd. *	--	45
Mena Long-Term Value Management Ltd. *	--	45
EFG - Hermes CL Holding SAL	--	100
EFG-Hermes IB Limited	100	--
EFG Hermes Securitization	100	--
EFG Hermes-Direct Investment Fund	64	--
Tanmeyah Micro Enterprise Services S.A.E	--	100
EFG – Hermes Brokerage Holdings Ltd	100	--
EFG – Hermes USA	100	--
EFG Capital Partners III	--	100
Health Management Company	--	54.6875
EFG – Hermes Kenya Ltd.	--	100
EFG Finance Holding	99.82	0.18
EFG - Hermes UK Limited	--	100
OLT Investment International Company (B.S.C)	--	100
Frontier Investment Management Partners LTD *	--	50
EFG-Hermes SP limited	--	100
U Consumer Finance	--	67
EFG Corp – Solutions	--	100
Beaufort Asset Managers LTD	--	100
EFG Hermes Bangladesh Limited	--	100
EFG Hermes FI Limited	--	100
EFG Securitization	--	100
EFG International Treasury Management Ltd		
-(previously) EFG Hermes PE Holding LLC	100	--
Etkan for Inquiry and Collection and Business Processes	--	100
RX Healthcare Management	--	54.6875
FIM Partners KSA *	--	50
Egypt Education Fund GP Limited	--	80
EFG Hermes Nigeria Limited	--	100
EFG-Hermes Int. Fin Corp	100	--
FIM Partners UK Ltd	--	50

EFG Holding Company
(Egyptian Joint Stock Company)

Notes to the consolidated financial statements for the year ended 31 December 2025 (Continued)

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

	Direct ownership	Indirect ownership
	%	%
EFG Hermes Sukuk	90	10
Beaufort Holding LTD.	--	100
Beaufort Management LTD.	--	100
Vortex IV GP LTD.	--	100
Beaufort SLP Holding	--	100
Beaufort Private Investment Holding LTD.	--	100
Bank NXT	51	--
EFG VA Holdco Limited	--	100
EFG VA Investco Limited	--	100
Lighthouse Energy GP Limited	--	100
Beaufort SLP II Limited	--	100
Lighthouse Energy GP II	--	100
Beaufort Management Spain	--	100
EFG Singapore PTE LTD	--	100
Elevate Holdco B.V.		
-(Previously) Fatura Netherlands B.V	--	100
EFG Payment	--	100
FIM Partners Muscat SPC	--	50
Noutah for electronic commerce	--	100
VA LTIP Holdco 1 limited		
– (Previously) EFG National Holding Limited	--	100
VA LTIP Holdco 2 limited	--	100
-(Previously) EFG IB Holdco Limited		
EFG For SME Financing	--	100
EFG Finance B.V	--	100
Valu for payments and Digital Solutions	--	67
Paynas BV	--	67
EFG Hermes PE Holdco Ltd	--	100
EFG Hermes IB Holding Ltd.	100	--
WM Holdco Limited	--	100
Wolfram B.V	--	100

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

EFG Holding Company
(Egyptian Joint Stock Company)

Notes to the consolidated financial statements for the year ended 31 December 2025 (Continued)

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

37- Measurement of fair value

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

EFG Holding Company
(Egyptian Joint Stock Company)

Notes to the consolidated financial statements for the year ended 31 December 2025 (Continued)

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

31 December 2025

	Note				
<u>Financial assets</u>	no	Level 1	Level 2	Level 3	Total
Mutual fund certificates	(8,9)	--	385,541	12,073,974	12,459,515
Equity securities	(8,9)	68,578	--	1,229,765	1,298,343
Structured notes	(8)	--	13,987,720	--	13,987,720
Debt instruments	(8,9)	14,321,916	13,097,159	--	27,419,075
		14,390,494	27,470,420	13,303,739	55,164,653
<u>Financial Liabilities</u>					
Accounts payable - customers					
credit balance at fair value	(20)	--	13,987,720	--	13,987,720
through profit and loss					
		--	13,987,720	--	13,987,720

31 December 2024

	Note				
<u>Financial assets</u>	no	Level 1	Level 2	Level 3	Total
Mutual fund certificates	(8,9)	171,436	253,240	11,908,733	12,333,409
Equity securities	(8,9)	154,670	--	326,658	481,328
Structured notes	(8)	--	7,901,466	--	7,901,466
Debt instruments	(8,9)	7,580,613	7,566,076	--	15,146,689
		7,906,719	15,720,782	12,235,391	35,862,892
<u>Financial Liabilities</u>					
Accounts payable - customers					
credit balance at fair value	(20)	--	7,901,466	--	7,901,466
through profit and loss					
		--	7,901,466	--	7,901,466

EFG Holding Company
(Egyptian Joint Stock Company)

Notes to the consolidated financial statements for the year ended 31 December 2025 (Continued)

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

38- Classification of financial assets and financial liabilities

31 December 2025

<u>Financial assets</u>	Note no	Amortised		
		Cost	FVTPL	FVTOCI
Mutual fund certificates	(8,9)	--	12,322,103	137,412
Equity securities	(8,9)	--	92,504	1,205,839
Structured notes	(8)	--	13,987,720	--
Debt instruments	(8,9,10)	17,404,066	8,003,844	19,415,231
Cash and cash equivalents	(5)	46,767,027	--	--
Loans and facilities to customer	(6)	78,128,024	--	--
Accounts receivables	(7)	17,672,952	--	--
Other assets	(16)	8,963,377	--	--
		<u>168,935,446</u>	<u>34,406,171</u>	<u>20,758,482</u>
<u>Financial Liabilities</u>				
Due to banks and financial institutions	(17)	34,586,591	--	--
Customer Deposits	(18)	79,322,035	--	--
Loans and borrowings	(19)	15,104,080	--	--
Other Liability	(24)	10,841,107	--	--
Accounts payable - customers credit balance at fair value through profit and loss	(20)	--	13,987,720	--
Accounts payable - customers credit balance		23,136,225	--	--
Issued bonds	(21)	3,909,625	--	--
		<u>166,899,663</u>	<u>13,987,720</u>	<u>--</u>

EFG Holding Company
(Egyptian Joint Stock Company)

Notes to the consolidated financial statements for the year ended 31 December 2025 (Continued)

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

31 December 2024

<u>Financial assets</u>	Note no	Amortised Cost	FVTPL	FVTOCI
Mutual fund certificates	(8,9)	--	12,031,837	301,572
Equity securities	(8,9)	--	179,333	301,995
Structured notes	(8)	--	7,901,466	--
Debt instruments	(8,9,10)	12,487,545	3,376,038	11,770,651
Cash and cash equivalents	(5)	51,540,737	--	--
Loans and facilities to customer	(6)	57,928,603	--	--
Accounts receivables	(7)	15,773,382	--	--
Other assets	(16)	6,583,336	--	--
		<u>144,313,603</u>	<u>23,488,674</u>	<u>12,374,218</u>
<u>Financial Liabilities</u>				
Due to banks and financial institutions	(17)	22,762,916	--	--
Customer Deposits	(18)	67,208,585	--	--
Loans and borrowings	(19)	11,489,567	--	--
Other Liability	(24)	11,130,638	--	--
Accounts payable - customers credit balance at fair value through profit and loss	(20)	--	7,901,466	--
Accounts payable - customers credit balance		20,566,943	--	--
Issued bonds	(21)	1,432,665	--	--
		<u>134,591,314</u>	<u>7,901,466</u>	<u>--</u>

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

Notes to the consolidated financial statements for the year ended 31 December 2025 (Continued)

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

39- Financial instruments and management of related risks:

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

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

39-1 Risk management framework in the investment bank:

Risk management

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

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

Credit risk

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

EFG Holding Company
(Egyptian Joint Stock Company)

Notes to the consolidated financial statements for the year ended 31 December 2025 (Continued)

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

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

31 December 2025

Account	Stage 1	Stage 2	Stage 3	Total
Banks and Time deposits				
Banks	23,971,014	--	--	23,971,014
Time Deposit	3,628,095	987,675	--	4,615,770
ECL	(2,497)	(1,322)	--	(3,819)
Net carrying amount	27,596,612	986,353	--	28,582,965
Loans and facilities to customers				
Loans and facilities to customers	28,828,326	919,747	763,452	30,511,526
ECL	(191,869)	(69,153)	(438,465)	(699,487)
Net carrying amount	28,636,457	850,594	324,988	29,812,038
Accounts Receivable				
Accounts Receivable	17,550,304	29,059	517,303	18,096,666
ECL	(17,720)	(4,488)	(401,505)	(423,714)
Net carrying amount	17,532,584	24,571	115,798	17,672,952
Investments FVTOCI				
Debt Instruments	9,350,019	--	--	9,350,019
ECL	(11,011)	--	--	(11,011)
Net carrying amount	9,339,008	--	--	9,339,008
Other Assets				
Other assets	5,668,086	59,724	176,724	5,904,534
ECL	(31,009)	(2,571)	(63,388)	(96,968)
Net carrying amount	5,637,077	57,153	113,335	5,807,566

EFG Holding Company
(Egyptian Joint Stock Company)

Notes to the consolidated financial statements for the year ended 31 December 2025 (Continued)

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

31 December 2024

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

EFG Holding Company
(Egyptian Joint Stock Company)

Translation of consolidated financial
statements originally issued in Arabic

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

Activity segments

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

	Commercial activity	Industrial activity	Financial institutions	Real estate companies	Governmental sector	Other Activities	Individuals	Total
31 December 2025								
Banks and Time deposits	--	--	28,582,965	--	--	--	--	28,582,965
Loans and facilities to customers	5,761,669	2,659,080	461,934	6,435,436	--	160,143	14,333,776	29,812,038
Accounts Receivable	554,264	--	9,741,249	--	--	--	7,377,439	17,672,952
Investment FVTPL	2,405	--	32,185,417	--	--	410,418	--	32,598,240
Investment FVTOCI	889,141	--	9,492,472	17,448	--	1,102	--	10,400,163
Other assets	--	--	5,140,192	--	4,372	522,103	140,899	5,807,566
Total	7,207,479	2,659,080	85,604,229	6,452,884	4,372	1,093,766	21,852,114	124,873,924
31 December 2024								
Banks and Time deposits	--	--	30,598,877	--	--	--	--	30,598,877
Loans and facilities to customers	7,885,923	982,959	521,702	6,677,525	--	1,644,000	10,122,917	27,835,026
Accounts Receivable	756,555	--	7,029,100	--	--	90,572	7,897,155	15,773,382
Investment FVTPL	2,405	--	23,343,594	--	--	142,675	--	23,488,674
Investment FVTOCI	--	--	1,192,446	190,004	--	1,172	--	1,383,622
Other assets	6,775	2,885	3,062,432	--	3,422	376,715	353,753	3,805,982
Total	8,651,658	985,844	65,748,151	6,867,529	3,422	2,255,134	18,373,825	102,885,563

Market risk

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

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

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

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

Foreign currencies risk

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

Interest rate risk

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

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

EFG Holding Company
(Egyptian Joint Stock Company)

Translation of consolidated financial
statements originally issued in Arabic

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

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

	Up to 1 month	More than 1 month to 3 months	More than 3 months to 1 year	More than 1 year to 5 years	More than 5 years	Without interest	Total
31 December 2025							
Financial Assets							
Cash and cash equivalents	16,952,410	777,825	830,169	--	--	10,046,786	28,607,190
Accounts Receivable	2,972,009	2,555,891	2,452,280	2,050,407	--	7,642,365	17,672,952
Loans and facilities to customers	1,675,066	2,831,389	10,510,389	14,769,819	25,375	--	29,812,038
Financial Investments at Fair value through other comprehensive income	--	570,564	6,713,789	2,044,442	13,331	1,058,037	10,400,163
Financial Investments at Fair value through profit or loss	818,748	6,781,248	7,463,309	3,026,884	2,305,121	12,202,930	32,598,240
Other Assets	--	--	--	--	--	5,807,566	5,807,566
Total financial assets at 31 December 2025	<u>22,418,233</u>	<u>13,516,917</u>	<u>27,969,936</u>	<u>21,891,552</u>	<u>2,343,827</u>	<u>37,106,394</u>	<u>125,246,859</u>

EFG Holding Company
(Egyptian Joint Stock Company)

Notes to the consolidated financial statements for the year ended 31 December 2025 (Continued)

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

	Up to 1 month	More than 1 month to 3 months	More than 3 months to 1 year	More than 1 year to 5 years	More than 5 years	Without interest	Total
Financial liabilities							
Due to banks and financial institutions and over draft	1,424,098	4,523,138	24,521,909	1,218,564	--	--	31,687,709
Loans and borrowing	539,783	1,840,691	6,921,909	3,585,709	2,105,305	--	14,993,397
Other liabilities	4,604	61,242	99,890	162,161	--	8,686,821	9,014,718
Accounts payable - customers credit balance at fair value through profit and loss	818,748	6,781,248	6,072,031	315,693	--	--	13,987,720
Accounts payable - customers credit balance	--	--	--	--	--	23,136,225	23,136,225
Issued bonds	--	--	3,909,625	--	--	--	3,909,625
Total financial liabilities at 31 December 2025	2,787,233	13,206,319	41,525,364	5,282,127	2,105,305	31,823,046	96,729,394
31 December 2025	19,631,000	310,598	(13,555,428)	16,609,425	238,522	5,283,348	28,517,465

EFG Holding Company
(Egyptian Joint Stock Company)

Notes to the consolidated financial statements for the year ended 31 December 2025 (Continued)

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

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

EFG Holding Company
(Egyptian Joint Stock Company)

Notes to the consolidated financial statements for the year ended 31 December 2025 (Continued)

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

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

Equity price risk

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

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

Operational risk

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

Fair value of financial instruments

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

Derivative financial instruments and hedge accounting

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

EFG Holding Company
(Egyptian Joint Stock Company)

Notes to the consolidated financial statements for the year ended 31 December 2025 (Continued)

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

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

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

Accordingly the Share Swap Transactions are measured at fair value based on underlying reference securities under the contracts.

Liquidity risk

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

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

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

39-2 Risk management framework in Bank NXT:

Credit risk

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

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

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

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

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

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

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

Bank's internal rating classes

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

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

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

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

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

EFG Holding Company
(Egyptian Joint Stock Company)

Notes to the consolidated financial statements for the year ended 31 December 2025 (Continued)

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

Credit risk classification

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

Individuals retail banking products and small & micro enterprises

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

(Large & Medium) Enterprises and Companies

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

EFG Holding Company
(Egyptian Joint Stock Company)

Notes to the consolidated financial statements for the year ended 31 December 2025 (Continued)

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

Debt Instruments Treasury Bills and Government Bonds

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

Future data used in the expected loss model

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

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

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

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

EFG Holding Company
(Egyptian Joint Stock Company)

Notes to the consolidated financial statements for the year ended 31 December 2025 (Continued)

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

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

Variable Economic Assumptions

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

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

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

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

Corporate loans

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

EFG Holding Company
(Egyptian Joint Stock Company)

Notes to the consolidated financial statements for the year ended 31 December 2025 (Continued)

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

Maximum exposure to credit risks – impaired financial instruments

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

	31 December 2025			EGP
	Order of Expected Credit Losses			Thousands
Retail	Stage 1	Stage 2	Stage 3	
Credit Rating	12 Month	Lifetime	Lifetime	Total
Standard monitoring				
Overdraft	31,513	--	5	31,518
Personal loans	13,082,285	825	1,078	13,084,188
Credit cards	984,714	--	55	984,769
Mortgage Loans	3,068,529	--	5,227	3,073,756
Special monitoring				
Overdraft	16,530	87	602	17,219
Personal loans	47,080	459,231	172,862	679,173
Credit cards	24,800	3,945	16,481	45,226
Mortgage Loans	3,315	7,196	1,108	11,619
Total carrying amount	17,258,766	471,284	197,418	17,927,468
Expected credit losses	(39,118)	(32,418)	(195,006)	(266,542)
Net carrying amount	17,219,648	438,866	2,412	17,660,926
Collaterals	4,167,762	335,459	1,122	4,504,343

EFG Holding Company
(Egyptian Joint Stock Company)

Notes to the consolidated financial statements for the year ended 31 December 2025 (Continued)

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

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

EFG Holding Company
(Egyptian Joint Stock Company)

Notes to the consolidated financial statements for the year ended 31 December 2025 (Continued)

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

				EGP Thousands
Due From Banks				
31 December 2025				
Order of Expected Credit Losses				
Credit Rating	Stage 1 12 Month	Stage 2 Lifetime	Stage 3 Lifetime	Total
Standard monitoring	8,141,365	--	--	8,141,365
Total carrying amount	8,141,365	--	--	8,141,365
Expected credit losses	(3,873)	--	--	(3,873)
Net carrying amount	8,137,492	--	--	8,137,492

				EGP Thousands
Financial Investments				
31 December 2025				
Order of Expected Credit Losses				
Credit Rating	Stage 1 12 Month	Stage 2 Lifetime	Stage 3 Lifetime	Total
Standard monitoring	29,361,551	--	--	29,361,551
Total carrying amount	29,361,551	--	--	29,361,551
Expected credit losses	(92,728)	--	--	(92,728)
Net carrying amount	29,268,823	--	--	29,268,823

				EGP Thousands
Other Assets				
31 December 2025				
Order of Expected Credit Losses				
Credit Rating	Stage 1 12 Month	Stage 2 Lifetime	Stage 3 Lifetime	Total
Standard monitoring	3,177,452	--	--	3,177,452
Total carrying amount	3,177,452	--	--	3,177,452
Expected credit losses	(21,641)	--	--	(21,641)
Net carrying amount	3,155,811	--	--	3,155,811

EFG Holding Company
(Egyptian Joint Stock Company)

Notes to the consolidated financial statements for the year ended 31 December 2025 (Continued)

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

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

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

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

EFG Holding Company
(Egyptian Joint Stock Company)

Translation of consolidated financial statements originally issued in Arabic

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

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

Corporate Loans	31 December 2025			<u>EGP</u> <u>Thousands</u> Total ECL
	Stage 1	Stage 2	Stage 3	
	12 months ECL	Life time ECL	Life time ECL	
Balance as of 1 January 2025	525,427	468,763	1,054,238	2,048,428
New financial assets purchased or issued	170,651	177,832	10	348,493
Financial assets matured or derecognized	(154,299)	(38,454)	(21,935)	(214,688)
Transfer to stage 1	1,733	(1,733)	--	--
Transfer to stage 2	(28,491)	28,491	--	--
Transfer to stage 3	(610)	(2,089)	2,699	--
Changes in the probability of default	(222,680)	239,933	(5,156)	12,097
Write- off during the year	--	--	(129,146)	(129,146)
Proceeds from previously written off debts	--	--	20,150	20,150
Foreign exchange differences	(8,069)	(6,554)	(33,033)	(47,656)
Balance as of 31 December 2025	283,662	866,189	887,827	2,037,678

EFG Holding Company
(Egyptian Joint Stock Company)

Notes to the consolidated financial statements for the year ended 31 December 2025 (Continued)

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

31 December 2024

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

EFG Holding Company
(Egyptian Joint Stock Company)

Notes to the consolidated financial statements for the year ended 31 December 2025 (Continued)

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

Retail Loans	31 December 2025			
	Stage 1	Stage 2	Stage 3	<u>EGP</u>
	12 months ECL	Life time ECL	Life time ECL	<u>Thousands</u> Total ECL
Balance as of 1 January 2025	40,232	9,388	148,911	198,531
New financial assets purchased or issued	10,120	9,248	28,949	48,317
Financial assets matured or derecognized	(2,230)	(165)	25,839	23,444
Transfer to stage 1	30,547	(2,758)	(27,789)	--
Transfer to stage 2	(857)	2,371	(1,514)	--
Transfer to stage 3	(223)	(3,362)	3,585	--
Changes in the probability of default	(38,442)	17,644	103,865	83,067
Write- off during the period	--	--	(102,292)	(102,292)
Proceeds from previously written off debts	--	--	15,406	15,406
Foreign exchange differences	(29)	52	46	69
Balance as of 31 December 2025	39,118	32,418	195,006	266,542

EFG Holding Company
(Egyptian Joint Stock Company)

Notes to the consolidated financial statements for the year ended 31 December 2025 (Continued)

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

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

EFG Holding Company
(Egyptian Joint Stock Company)

Notes to the consolidated financial statements for the year ended 31 December 2025 (Continued)

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

Due From Banks	31 December 2025			
	Stage 1	Stage 2	Stage 3	<u>EGP</u>
	12 months ECL	Life time ECL	Life time ECL	<u>Thousands</u> Total ECL
Balance as of 1 January 2025	4,012	--	--	4,012
New financial assets purchased or issued	26,569	--	--	26,569
Financial assets matured or derecognized	(18,554)	--	--	(18,554)
Changes in the probability of default	(7,741)	--	--	(7,741)
Foreign exchange differences	(413)	--	--	(413)
Balance as of 31 December 2025	3,873	--	--	3,873
	31 December 2024			
Balance as of 1 January 2024	2,716	--	--	2,716
New financial assets purchased or issued	23,137	--	--	23,137
Financial assets matured or derecognised	(13,995)	--	--	(13,995)
Changes in the probability of default	(8,159)	--	--	(8,159)
Foreign exchange differences	313	--	--	313
Balance as of 31 December 2024	4,012	--	--	4,012

EFG Holding Company
(Egyptian Joint Stock Company)

Notes to the consolidated financial statements for the year ended 31 December 2025 (Continued)

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

Financial Investments at AC	31 December 2025			<u>EGP</u>
	Stage 1	Stage 2	Stage 3	<u>Thousands</u>
	12 months ECL	Life time ECL	Life time ECL	Total ECL
Balance as of 1 January 2025	63,034	--	--	63,034
New financial assets purchased or issued	28,090	--	--	28,090
Financial assets matured or derecognized	(22,989)	--	--	(22,989)
Changes in the probability of default	9,144	--	--	9,144
Foreign exchange differences	(3,948)	--	--	(3,948)
Balance as of 31 December 2025	73,331	--	--	73,331
	31 December 2024			
Balance as of 1 January 2024	40,120	--	--	40,120
New financial assets purchased or issued	65,296	--	--	65,296
Financial assets matured or derecognised	(3,626)	--	--	(3,626)
Changes in the probability of default	(62,459)	--	--	(62,459)
Foreign exchange differences	23,703	--	--	23,703
Balance as of 31 December 2024	63,034	--	--	63,034

EFG Holding Company
(Egyptian Joint Stock Company)

Notes to the consolidated financial statements for the year ended 31 December 2025 (Continued)

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

Financial Investments at fair value through Other Comprehensive income	31 December 2025			<u>EGP</u>
	Stage 1	Stage 2	Stage 3	<u>Thousands</u>
	12 months ECL	Life time ECL	Life time ECL	Total ECL
Balance as of 1 January 2025	33,747	--	--	33,747
New financial assets purchased or issued	8,220	--	--	8,220
Financial assets matured or derecognised	(6,058)	--	--	(6,058)
Changes in the probability of default	(15,711)	--	--	(15,711)
Foreign exchange differences	(801)	--	--	(801)
Balance as of 31 December 2025	19,397	--	--	19,397
	31 December 2024			
Balance as of 1 January 2024	30,314	--	--	30,314
New financial assets purchased or issued	13,872	--	--	13,872
Financial assets matured or derecognised	(13,770)	--	--	(13,770)
Changes in the probability of default	(410)	--	--	(410)
Foreign exchange differences	3,741	--	--	3,741
Balance as of 31 December 2024	33,747	--	--	33,747

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

Credit Guarantees

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

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

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

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

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

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

Written-off financial instruments (loans)

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

Modifications of loans terms and rescheduling

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

EFG Holding Company
(Egyptian Joint Stock Company)

Notes to the consolidated financial statements for the year ended 31 December 2025 (Continued)

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

Reduction and risk avoidance policies

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

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

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

Guarantees

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

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

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

EFG Holding Company
(Egyptian Joint Stock Company)

Notes to the consolidated financial statements for the year ended 31 December 2025 (Continued)

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

Derivatives

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

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

Master netting arrangements

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

Credit related commitments

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

EFG Holding Company
(Egyptian Joint Stock Company)

Notes to the consolidated financial statements for the year ended 31 December 2025 (Continued)

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

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

Expected credit loss measurement policy

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

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

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

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

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

EFG Holding Company
(Egyptian Joint Stock Company)

Notes to the consolidated financial statements for the year ended 31 December 2025 (Continued)

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

General Bank Risk Measurement Model

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

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

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

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

EFG Holding Company
(Egyptian Joint Stock Company)

Notes to the consolidated financial statements for the year ended 31 December 2025 (Continued)

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

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

	31 December 2025	31 December 2024
	EGP Thousands	EGP Thousands
Treasury Bills and other Government Securities	12,502,180	13,042,703
Due from banks	8,137,492	11,993,876
Loans and facilities to customers		
Retail Loans		
Personal loans	13,547,692	7,890,500
Credit cards	987,338	375,008
Overdraft	48,737	62,322
Mortgage loans	3,077,159	1,794,933
Corporate Loans		
Overdraft	1,264,530	263,166
Direct loans	24,309,881	14,945,541
Syndicated loans	5,787,668	4,934,238
Suspended interest	(643)	(643)
Unearned interest	(706,376)	(171,488)
Financial Investment		
Debt instruments	16,786,040	10,179,603
Other assets - accrued revenue	1,336,750	989,741
	87,078,448	66,299,500

Off-balance sheet items exposed to credit risk:

	31 December 2025	31 December 2024
	EGP Thousands	EGP Thousands
Loan Commitment	15,431,790	14,182,263
Letters of guarantee	4,513,566	3,611,737
Letters of credit	1,790,308	1,017,394
Acceptances on supplier facilities	1,200,646	357,051
	22,936,310	19,168,445

EFG Holding Company
(Egyptian Joint Stock Company)

Notes to the consolidated financial statements for the year ended 31 December 2025 (Continued)

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

The above table represents the maximum bank exposure to credit risk 31 December 2025 and 31 December 2024 without taking in consideration any collateral held for in-balance sheet items the balances included are based on net carrying amounts as reported in the balance sheet and as shown above 55.39% of the maximum exposure arising from loans and facilities to customers against 45.04% at 31 December 2024; While investments in debt tools represent 33.75% compared to 35.53% on December 31, 2024.

Management is confident in its ability to continue to control and sustain minimal exposure of credit risk to the Bank resulting from both its loan and facility portfolio and debt instruments based on the following:

- 98.09% of the loans and facility portfolio is categorized in the top two grades of the internal rating system against 96.56% on 31 December 2024.
- 90.06% of the loans and facility portfolio without accruals or impairment indicators against 90.59% on 31 December 2024.
- 89.93% of the investments in debt instruments and treasury bills represent the debt instruments on Egyptian Government against 88.28% on 31 December 2024.

Loans and facilities

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

	31 December 2025	31 December 2024
	EGP Thousands	EGP Thousands
Stage 1	48,112,983	29,878,685
Stage 2	2,037,603	1,366,316
Stage 3	1,176,639	1,267,666
Total	51,327,225	32,512,667
Less:		
Expected credit losses	(2,304,220)	(2,246,959)
Suspended interest	(643)	(643)
Unearned interest	(706,376)	(171,488)
Net	48,315,986	30,093,577

EFG Holding Company
(Egyptian Joint Stock Company)

Translation of consolidated financial
statements originally issued in Arabic

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

	31 December 2025							<u>EGP</u> <u>Thousands</u>
	Retail				Corporate			Total loans and facilities to customers
	Overdraft	Credit cards	Personal loans	Mortgage loans	Overdraft	Direct loans	Syndicated loans	
Rating								
Performing /No Dues	47,195	860,110	12,017,364	3,050,551	1,273,693	23,695,459	5,282,719	46,227,091
Past due up to 30 days	472	124,500	1,113,218	26,824	297	799,424	451,908	2,516,643
Past due 30-60 days	253	20,325	294,054	5,516	42	16,640	--	336,830
Past due 60 -90 days	259	8,001	170,713	1,936	61	14,650	275,586	471,206
Impaired	558	17,059	168,012	548	475	777,955	810,848	1,775,455
Total	48,737	1,029,995	13,763,361	3,085,375	1,274,568	25,304,128	6,821,061	51,327,225
Expected Credit Losses	--	(42,657)	(215,669)	(8,216)	(10,038)	(994,247)	(1,033,393)	(2,304,220)
Suspended interest	--	--	(5)	--	--	(638)	--	(643)
Unearned interest	--	--	(700,329)	--	--	(6,047)	--	(706,376)
Total	48,737	987,338	12,847,358	3,077,159	1,264,530	24,303,196	5,787,668	48,315,986

EFG Holding Company
(Egyptian Joint Stock Company)

Notes to the consolidated financial statements for the year ended 31 December 2025 (Continued)

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

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

Restructured loans and facilities

Restructuring activities include extending payment arrangements implementing forced management programs modifying and postponing payments. Policies for implementing restructuring depend on indicators or criteria that indicate that there is a high probability of Continued payments based on the personal judgment of management. These policies are subject to continuous review. It is usual to apply restructuring to long-term loans especially customer financing loans. The restructured loans at 31 December 2025 amounted 2,079,245 EGP thousands compared to 2,122,894 EGP thousand at 31 December 2024.

Written-off loans

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

Debt Instruments and Treasury Bills

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

	<u>EGP Thousands</u>		
	Treasury bills & other		
31 December 2025	Governmental securities	Debt Instruments	Total
	_____	_____	_____
B	12,538,926	16,822,625	29,361,551
31 December 2024	Treasury bills & other		
	Governmental securities	Debt Instruments	Total
	_____	_____	_____
B	13,065,489	10,219,851	23,285,340

EFG Holding Company
(Egyptian Joint Stock Company)

Translation of consolidated financial
statements originally issued in Arabic

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

Activity segments

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

								<u>EGP</u> <u>Thousands</u>
	<u>Commercial</u> <u>activity</u>	<u>Industrial</u> <u>activity</u>	<u>Financial</u> <u>institutions</u>	<u>Real estate</u> <u>companies</u>	<u>Governmental</u> <u>sector</u>	<u>Other</u> <u>Activities</u>	<u>Individuals</u>	<u>Total</u>
Due from banks	--	--	8,137,492	--	--	--	--	8,137,492
Loans and facilities to customers								
Retail loans								
Overdraft	--	--	--	--	--	--	48,737	48,737
Personal loans	--	--	--	--	--	--	13,763,361	13,763,361
Credit Cards	--	--	--	--	--	--	1,029,995	1,029,995
Mortgage loans	--	--	--	--	--	--	3,085,375	3,085,375
Corporate loans								
Overdraft	328	53,101	2	49	--	1,221,088	--	1,274,568
Direct loans	418,878	14,300,690	3,189,642	2,804,931	--	4,589,987	--	25,304,128
Syndicated loans	--	1,383,003	--	2,214,639	202,986	3,020,433	--	6,821,061
Expected Credit Losses	(40,693)	(1,257,316)	(38,955)	(244,498)	--	(456,216)	(266,542)	(2,304,220)
Suspended interest	--	--	--	--	--	(638)	(5)	(643)
Unearned interest	--	--	--	--	--	(6,047)	(700,329)	(706,376)
Financial Investments								
Treasury Bills	--	--	12,502,180	--	--	--	--	12,502,180
Debt instruments	--	--	16,786,040	--	--	--	--	16,786,040
Other assets	--	--	1,336,750	--	--	--	--	1,336,750
Total at 31 December 2025	378,513	14,479,478	41,913,151	4,775,121	202,986	8,368,607	16,960,592	87,078,448
Total at 31 December 2024	229,266	8,738,047	38,810,115	2,667,023	233,896	6,168,095	9,973,549	66,819,991

Market risk

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

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

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

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

Types of market risks:

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

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

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

EFG Holding Company
(Egyptian Joint Stock Company)

Notes to the consolidated financial statements for the year ended 31 December 2025 (Continued)

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

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

Methods for measuring market risk:

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

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

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

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

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

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

EFG Holding Company
(Egyptian Joint Stock Company)

Notes to the consolidated financial statements for the year ended 31 December 2025 (Continued)

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

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

Measuring Exchange rate risk:

- The bank applies the value at risk (parametric VAR) method to estimate the market risk of existing positions and the maximum expected loss based on several assumptions for various changes in market conditions. The value at risk (VAR) is a statistical prediction of the potential loss resulting from adverse market movements and expresses the maximum value that the bank can lose using a 99% confidence coefficient meaning that there is a 1% probability that the actual loss will be greater than the value of the expected loss.
- The VAR model assumes a ten-day holding period before closing open positions.

- Three steps to apply VAR as a measurement approach for foreign exchange risk and cost of capital:

- 1- The bank is expected to calculate its expected losses on a daily basis.
- 2- The bank compares the VAR value at the end of the month with the average daily VAR for 60 days and calculates the capital charge based on the larger value of the two.
- 3- To adequately calculate the cost of capital the bank must conduct a back test by comparing actual daily losses with the calculated value of risk.

Value at risk according to risk type

	EGP Thousands			EGP Thousands		
	31 December 2025			31 December 2024		
	Average	Higher	Lower	Average	Higher	Lower
Foreign Currency Exchange risk	1,284	4,345	138	1,597	4,035	108

EFG Holding Company
(Egyptian Joint Stock Company)

Translation of consolidated financial statements originally issued in Arabic

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

Foreign exchange fluctuation risk

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

31 December 2025	EGP	USD	EUR	GBP	Other Currencies	<u>EGP</u> <u>Thousands</u> Total
Financial Assets						
Cash and balances with Central Bank	9,933,828	53,060	20,348	4,990	10,119	10,022,345
Due from banks	4,995,869	2,556,316	452,891	112,166	20,250	8,137,492
Loans and facilities to customers	43,135,044	5,096,548	84,006	264	124	48,315,986
Financial Investments						
Financial Investments at fair value through other comprehensive income	9,596,556	756,150	5,613	--	--	10,358,319
Financial Investments at amortized cost	8,446,148	8,857,581	100,337	--	--	17,404,066
Financial Investments at Fair value through profit or loss	1,807,931	--	--	--	--	1,807,931
Financial Investments in associates	553	--	--	--	--	553
Other Financial Assets	1,179,596	153,254	3,831	60	9	1,336,750
Total financial assets at 31 December 2025	79,095,525	17,472,909	667,026	117,480	30,502	97,383,442

EFG Holding Company
(Egyptian Joint Stock Company)

Notes to the consolidated financial statements for the year ended 31 December 2025 (Continued)

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

						<u>EGP</u> <u>Thousands</u>
31 December 2025	EGP	USD	EUR	GBP	Other Currencies	Total
Financial liabilities						
Due to banks	2,555,129	300,424	10,341	--	32,988	2,898,882
Customers' deposits	61,205,751	17,299,410	673,928	117,441	25,505	79,322,035
Other loans	110,683	--	--	--	--	110,683
Other financial liabilities	507,550	43,155	167	1	--	550,873
Total financial liabilities at 31 December 2025	64,379,113	17,642,989	684,436	117,442	58,493	82,882,473
Net financial position at 31 December 2025	14,716,412	(170,080)	(17,410)	38	(27,991)	14,500,969
Net financial position at 31 December 2024	6,766,112	(137,809)	(13,507)	107	(20,390)	6,594,513

EFG Holding Company
(Egyptian Joint Stock Company)

Translation of consolidated financial
statements originally issued in Arabic

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

Interest rate risk

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

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

31 December 2025							<u>EGP</u> <u>Thousands</u>
	<u>Up to 1 month</u>	<u>More than 1 month to 3 months</u>	<u>More than 3 months to 1 year</u>	<u>More than 1 year to 5 years</u>	<u>More than 5 years</u>	<u>Without interest</u>	<u>Total</u>
Financial Assets							
Cash and balances with Central Bank	--	--	--	--	--	10,022,345	10,022,345
Due from banks	5,964,728	1,934,974	50,864	--	--	186,926	8,137,492
Loans and facilities to customers	7,135,332	23,067,677	5,687,998	11,355,933	4,080,285	(3,011,239)	48,315,986
Financial Investments							
Financial Investments at fair value through other comprehensive income	444,102	6,108,161	2,626,104	897,855	--	282,097	10,358,319
Financial Investments at amortized cost	1,271,909	6,469,490	858,215	8,877,783	--	(73,331)	17,404,066
Financial Investments at Fair value through profit or loss	209,102	500,461	1,098,368	--	--	--	1,807,931
Financial Investments in associates	--	--	--	--	--	553	553
Other Financial Assets	--	--	--	--	--	1,336,750	1,336,750
Total financial assets at 31 December 2025	15,025,173	38,080,763	10,321,549	21,131,571	4,080,285	8,744,101	97,383,442

EFG Holding Company
(Egyptian Joint Stock Company)

Notes to the consolidated financial statements for the year ended 31 December 2025 (Continued)

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

							<u>EGP</u> <u>Thousands</u>
31 December 2025	Up to 1 month	More than 1 month to 3 months	More than 3 months to 1 year	More than 1 year to 5 years	More than 5 years	Without interest	Total
Financial liabilities							
Due to banks	2,648,555	--	--	--	--	250,327	2,898,882
Customers' deposits	17,263,540	13,641,558	15,000,681	24,934,834	5,094	8,476,328	79,322,035
Other Loans	--	--	--	--	110,683	--	110,683
Other financial liabilities	--	--	--	--	--	550,873	550,873
Total financial liabilities at 31 December 2025	<u>19,912,095</u>	<u>13,641,558</u>	<u>15,000,681</u>	<u>24,934,834</u>	<u>115,777</u>	<u>9,277,528</u>	<u>82,882,473</u>
31 December 2025	<u>(4,886,922)</u>	<u>24,439,205</u>	<u>(4,679,132)</u>	<u>(3,803,263)</u>	<u>3,964,508</u>	<u>(533,427)</u>	<u>14,500,969</u>
31 December 2024	<u>(7,698,307)</u>	<u>17,403,253</u>	<u>(4,701,163)</u>	<u>(1,379,192)</u>	<u>2,472,404</u>	<u>497,518</u>	<u>6,594,513</u>

Liquidity risk

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

Measuring Liquidity Risk:

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

EFG Holding Company
(Egyptian Joint Stock Company)

Notes to the consolidated financial statements for the year ended 31 December 2025 (Continued)

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

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

Liquidity Gap:

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

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

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

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

	31 December 2025	31 December 2024
	EGP Thousands	EGP Thousands
Total amount of high-quality liquid assets (1)	29,411,503	22,539,597
Total Cash outflows	17,086,653	18,080,788
Considerable total cash inflows within the set limit (value less than: total cash inflows 75% of total cash outflows)	(10,851,391)	(11,420,652)
Net cash outflows (2)	6,235,262	6,660,136
Liquidity coverage ratio (1/2)	471,70%	338,43%

EFG Holding Company
(Egyptian Joint Stock Company)

Translation of consolidated financial
statements originally issued in Arabic

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

Cash Flows Risk Hedge							EGP Thousands
Description / Maturity Date	31 December 2025						Total
	Up to 1 month	More than 1 month to 3 months	More than 3 months to 1 year	More than 1 year to 5 years	More than 5 years	Without interest	
Due to banks	2,651,262	--	--	--	--	253,540	2,904,802
Customers deposits	5,225,356	7,272,869	8,718,999	12,018,303	424,034	51,117,110	84,776,671
Other loans	--	--	--	--	110,683	--	110,683
Other liabilities	--	--	--	--	--	550,873	550,873
Total financial liabilities according to the contractual maturity date	<u>7,876,618</u>	<u>7,272,869</u>	<u>8,718,999</u>	<u>12,018,303</u>	<u>534,717</u>	<u>51,921,523</u>	<u>88,343,029</u>
Total financial assets according to the contractual maturity date	<u>10,642,245</u>	<u>15,338,825</u>	<u>28,645,457</u>	<u>35,892,133</u>	<u>16,499,415</u>	<u>14,013,670</u>	<u>121,031,745</u>

EFG Holding Company
(Egyptian Joint Stock Company)

Translation of consolidated financial
statements originally issued in Arabic

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

Description / Maturity Date	31 December 2024						EGP Thousands
	Up to 1 month	More than 1 month to 3 months	More than 3 months to 1 year	More than 1 year to 5 years	More than 5 years	Without interest	Total
Due to banks	10,578	--	--	--	--	531,532	542,110
Customers deposits	10,964,811	12,160,111	10,796,304	7,794,504	21,726	31,203,389	72,940,845
Other loans	--	--	--	--	119,673	--	119,673
Other liabilities	--	--	--	--	--	1,215,990	1,215,990
Total financial liabilities according to the contractual maturity date	10,975,389	12,160,111	10,796,304	7,794,504	141,399	32,950,911	74,818,618
Total financial assets according to the contractual maturity date	12,274,720	18,635,742	16,740,790	29,859,110	10,479,175	8,597,329	96,586,866

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

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

Capital Management

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

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

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

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

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

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

Tier I after disposals includes the following:

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

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

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

Tier II after disposals

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

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

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

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

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

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

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

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

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

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

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

Financial leverage ratio

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

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

-As a compulsory supervisory percentage as of 2018.

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

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

Financial instruments measured at fair value

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

Loans and facilities to banks

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

Loans and facilities to customers

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

Investments in securities

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

Financial instruments not measured at fair value

Financial investments at amortized cost

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

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

Due from banks

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

Loans and facilities to banks

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

Investments in securities

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

Due to other banks and customers

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

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

Issued debt instruments

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

40- Subsequent events

In late Feb 2026, the US and Israeli hostilities against Iran escalated materially. Public market and specialist reports indicate that commercial shipping through the Strait of Hormuz – a chokepoint that normally carries around one-fifth of global oil and a significant share of Liquefied Natural Gas flows – has been severely disrupted, with tanker traffic largely paused and war-risk insurance premiums elevated. Spot crude benchmarks exhibited sharp volatility during March 2026, with intraday Brent prices briefly approaching \$100–\$119/bbl, while major carriers re-routed or suspended certain Middle East services as security conditions deteriorated.

These developments arose after 31 December 2025 and therefore represent a non-adjusting subsequent event under EAS 7 (Events after the Reporting Period). The Group has not adjusted the amounts recognized in these 2025 financial statements. Management is monitoring second-order effects on clients and portfolios – including market valuations – and has activated the assessment of enhanced monitoring of credit risk (ECL overlays) and fair-value sensitivities for 2026 internal reporting cycles.

While the situation remains fluid and may affect the Group's financial performance and risk profile during 2026, management has not identified a material uncertainty that would cast significant doubt on the Group's ability to continue as a going concern. The Group will continue to reassess macroeconomic assumptions (including market liquidity) and update internal overlays as appropriate.

Given the evolving circumstances and depending on how quickly this on conflict can be resolved, the financial effect of these events cannot be reliably quantified at this time.

41- Significant accounting policies applied

41-1- Basis of consolidation

41-1-1 Business combination

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

41-1-2 Subsidiaries

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

41-1-3 Non-controlling interests

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

41-1-4 Loss of control

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

41-1-5 Interests in equity-accounted investees

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

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

41-1-6 Transactions eliminated on consolidation

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

41-2 Foreign currency

41-2-1 Foreign currency transactions

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

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

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

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

41-2-2 Foreign operations

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

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

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

41-3 Discontinued operation

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

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

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

41-4 Revenue

41-4-1 Gain (loss) on sale of investments

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

41-4-2 Dividend income

Dividend income is recognized when declared.

41-4-3 Custody fee

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

41-4-4 Interest income and expenses

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

41-4-5 Fee and commission income

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

41-4-6 Brokerage commission

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

41-4-7 Management fee

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

41-4-8 Incentive fee

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

41-4-9 Investment property rental income

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

41-4-10 Revenue from micro-finance services

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

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

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

41-4-11 Gains from securitization

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

41-5 Income tax

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

41-5-1 Current tax

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

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

41-5-2 Deferred tax

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

Deferred tax is not recognized for:

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

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

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

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

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

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

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

41-6 Property plant and equipment

41-6-1 Recognition and measurement

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

41-6-2 Subsequent expenditure

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

41-6-3 Depreciation

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

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

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

41-6-4 Reclassification to investment property

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

41-7 Projects under construction

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

41-8 Intangible assets and goodwill

- Goodwill

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

- Research and development

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

- Other intangible assets

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

41-9 Investment property

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

41-10 Assets held for sale

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

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

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

41-11 Financial instruments

41-11-1 Recognition and initial measurement

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

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

41-11-2 Classification and subsequent measurement

Financial assets

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

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

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

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

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

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

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

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

41-11-3 Financial assets – Business model assessment

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

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

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

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

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

41-11-4 Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

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

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

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

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

41-11-5 Financial assets – Subsequent measurement and gains and losses

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

41-11-6 Financial liabilities – Classification subsequent measurement and gains and losses

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

41-11-7 Derecognition

Financial assets

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

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

Financial liabilities

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

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

41-11-8 Offsetting

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

41-11-9 Derivative financial instruments and hedge accounting

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

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

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

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

Cash flow hedges

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

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

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

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

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

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

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

Net investment hedges

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

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

41-12 Share capital

41-12-1 Ordinary shares

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

41-12-2 Repurchase and reissue of ordinary shares (treasury shares)

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

41-13 Legal reserve

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

41-14 Impairment

41-14-1 Non-derivative financial assets

Financial instruments and contract assets

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

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

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

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

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

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

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

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

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

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

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

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

41-14-2 Measurement of ECLs

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

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

41-14-3 Credit-impaired financial assets

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

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

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

41-14-4 Presentation of allowance for ECL in the statement of financial position

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

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

41-14-5 Write-off

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

41-14-6 Non-financial assets

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

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

41-15 Provisions

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

41-16 Treasury bills

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

41-17 Trade and notes receivables debtors and other debit balances

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

41-18 Cash and cash equivalents

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

41-19 Profit sharing to employees

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

41-20 Employees benefits

41-20-1 Share based payments

Equity settled transactions

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

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

41-21 Micro-enterprises Receivables

41-21-1 Credit policy

Funding Consideration

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

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

Client's Life Insurance

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

Client's Following up

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

Impairment loss of micro financed loans

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

41-22 Leases

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

41-22-1 As a lessee

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

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

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

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

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

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

fixed payments including in-substance fixed payments;
variable lease payments that depend on an index or a rate initially measured using the index or rate as at the commencement date;
amounts expected to be payable under a residual value guarantee;
and the exercise price under a purchase option that the Group is reasonably certain to exercise lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

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

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

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

Short-term leases and leases of low-value assets

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

41-22-2 As a lessor

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

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

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

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

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

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

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

41-23 Operating segment

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