

**HSBC BANK EGYPT S.A.E.**

**REVIEW REPORT AND INTERIM  
CONDENSED SEPARATE FINANCIAL  
STATEMENTS  
FOR THE PERIOD ENDED 31 March 2024**

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Baker Tilly Mohamed Hilal - Wahid Abdel Ghaffar  
Public Accountants & Consultants

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Accountants & Auditors

Translation of audit report  
originally issued in Arabic

Limited Review Report on the interim condensed separate financial statements

To/ the Board of Directors of HSBC Bank Egypt "S.A.E"

**Introduction**

We have reviewed the accompanying interim condensed separate statement of financial position of HSBC Bank Egypt "S.A.E" as of 31 March 2024 and the related interim condensed separate statements of income, comprehensive income, cash flows and changes in equity for the three month period then ended. Management is responsible for the preparation and fair presentation of these interim condensed separate financial statements in accordance with the rules of preparation and presentation of banks' financial statements approved by the Central Bank of Egypt's board of directors on 16 December 2008 as amended by regulations issued on 26 February 2019 and its subsequent interpretive instructions and the resolution of Central Bank of Egypt's board of directors on 3 May 2020 regarding issuing interim condensed financial statements and in light of the applicable Egyptian laws and regulations. Our responsibility is limited to expressing a conclusion on these interim condensed separate financial statements based on our review.


**Scope of Review**

We conducted our review in accordance with the Egyptian Standard on review engagements No. (2410) "Review of interim financial statements performed by the Independent Auditor of the Entity". A review of interim condensed separate financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters in the bank, and applying analytical and other limited review procedures. A review is substantially less in scope than an audit conducted in accordance with Egyptian Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit, and accordingly, we do not express an audit opinion on these interim condensed separate financial statements.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed separate financial statements are not prepared, in all material respects, in accordance with the rules of preparation and presentation of banks' financial statements approved by the Central Bank of Egypt's board of directors on 16 December 2008 as amended by regulations issued on 26 February 2019 and its subsequent interpretive instructions and the resolution of Central Bank of Egypt's board of directors on 3 May 2020 regarding issuing interim condensed financial statements and in light of the applicable Egyptian laws and regulations.

Cairo: May 28, 2024

  
Amr Wahid Abdel Ghaffar  
R.A.A. (29566)  
F.R.A. (406)

Baker Tilly Mohamed Hilal - Wahid Abdel Ghaffar  
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Auditors

  
Kamel Magdy Saleh  
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Saleh, Barsoum & Abdel Aziz - Grant Thornton  
Accountants & Auditors



**Translation of financial statements**  
**originally issued in Arabic**

**HSBC BANK-EGYPT S.A.E**

**Separate statement of financial position 31 March 2024**

**(All amounts in EGP 000)**

	<b>Note</b>	<b>31 March 2024</b>	<b>31 December 2023</b>
<b><u>Assets</u></b>			
Cash and balances with Central Bank of Egypt		17,728,029	17,475,283
Due from banks		111,457,186	110,350,468
Financial assets at fair value through profit or loss		71,308	27,789
Loans and advances to banks	( 10)	215,290	134,790
Loans and advances to customers	( 11)	50,934,373	36,977,417
Financial derivatives		59,313	40,949
Financial investments	( 12)	6,017,664	6,074,742
Treasury bills	( 13)	82,999,844	71,811,980
Investment in subsidiary	( 14)	12,046	12,046
Intangible assets	( 15)	890,649	954,276
Other assets	( 16)	7,263,658	3,210,942
Investment property	( 18)	43,122	45,215
Fixed assets	( 17)	1,052,615	1,039,889
Deferred tax assets		155,180	162,100
<b>Total assets</b>		<b>278,900,277</b>	<b>248,317,886</b>
<b><u>Liabilities and shareholders' equity</u></b>			
<b><u>Liabilities</u></b>			
Due to banks		5,122,539	10,865,934
Customers' deposits	( 19)	215,842,661	184,064,919
Financial derivatives		57,135	185,643
Subordinated loans	( 27)	2,072,000	2,072,000
Other liabilities	( 20)	18,608,613	13,760,603
Other provisions	( 21)	767,345	805,955
Current income tax liabilities		1,683,170	3,596,379
Defined benefits obligations liabilities		667,308	629,704
<b>Total liabilities</b>		<b>244,820,771</b>	<b>215,981,137</b>
<b><u>Shareholders' equity</u></b>			
Issued and paid-up capital	( 22)	5,000,000	5,000,000
Reserves	( 23)	6,689,768	4,878,622
Retained earnings	( 23)	22,389,738	22,458,127
<b>Total shareholders' equity</b>		<b>34,079,506</b>	<b>32,336,749</b>
<b>Total liabilities and shareholders' equity</b>		<b>278,900,277</b>	<b>248,317,886</b>

The accompanying notes from (1) to (29) form an integral part of these separate financial statements and are to be read therewith. These separate financial statements were approved by the board of directors on 23 May 2024 and Signed on their behalf by

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Rodney Todd Wilcox  
(Deputy Chairman and CEO)

Auditors' report attached

**HSBC BANK-EGYPT S.A.E**
**Separate statement of income**

<b>(All amounts in EGP 000)</b>	<b>Note</b>	<b>For the period ended</b>	
		<b>31 March 2024</b>	<b>31 March 2023</b>
Interest income from loans and similar income		9,104,628	4,925,923
Interest expense on deposits and similar expense		(1,216,454)	(1,250,716)
<b>Net interest income</b>		<b>7,888,174</b>	<b>3,675,207</b>
Fees and commissions income		717,898	626,357
Fees and commissions expense		(167,640)	(125,855)
<b>Net fees and commissions income</b>		<b>550,258</b>	<b>500,502</b>
Net trading income		187,866	105,478
Financial investment income / (Loss)		124,118	6,684
Expected credit loss charges	( 8)	(333,018)	(309,806)
Administrative expenses		(1,605,374)	(1,114,383)
Other operating income (expenses)		702,515	(14,191)
<b>Profit before income tax</b>		<b>7,514,539</b>	<b>2,849,491</b>
Income tax expenses		(1,960,879)	(853,463)
<b>Net profit for the period</b>		<b>5,553,660</b>	<b>1,996,028</b>
<b>Earnings per share (EGP/Share)</b>		<b>83.97</b>	<b>30.18</b>

The accompanying notes from (1) to (29) form an integral part of these separate financial statements and are to be read therewith.

**HSBC BANK-EGYPT S.A.E**
**Separate statement of comprehensive income**

<b>(All amounts in EGP 000)</b>	<b>Note</b>	<b>For the period ended</b>	
		<b>31 March 2024</b>	<b>31 March 2023</b>
Net profit for the period		5,553,660	1,996,028
Changes on fair value of financial investment through OCI		386,464	109,426
Deferred tax for financial investment at FVOCI		(6,040)	(64,144)
Expected credit loss on financial investment at fair value through OCI	( 8)	205,120	92,447
<b>Total impact related to other comprehensive income</b>		<b>585,544</b>	<b>137,729</b>
<b>Total other comprehensive income</b>		<b>6,139,204</b>	<b>2,133,757</b>

The accompanying notes from (1) to (29) form an integral part of these separate financial statements and are to be read therewith.

## HSBC BANK-EGYPT S.A.E

## Separate statement of cash Flows

(All amounts in EGP 000)

For the period ended For the period ended

31 March 2024

31 March 2023

**Cash Flows from Operating Activities**

Net profit before income tax

7,514,539

2,849,491

**Adjustments to reconcile net profit to net cash flows from operating activities**

Depreciation and amortization

106,481

69,809

Expected credit losses of other assets

(1,010)

1,690

Expected credit losses of customers

109,190

200,825

Expected credit losses of cash

-

(191)

Expected credit losses of due from banks

19,718

15,035

Expected credit losses of financial Investments

205,120

92,447

Other provisions (Formed)

20,262

246,547

Other provision (Used)

(4,694)

(1,534)

Other Provisions no longer required

(324,421)

(828)

Revaluation differences for provisions in foreign currency other than loans provision

270,244

15,791

(Gain) / Loss from sale of investments

(124,118)

(6,684)

Pension fromed during the period

54,146

71,967

FVOCI investments exchange revaluation differences

(816,384)

(275,823)

**Operating income before changes in Assets & liabilities from operating activities****7,029,073****3,278,542****Net changes in assets and liabilities**

Cash and balances with Central Bank of Egypt

(3,184,155)

(6,522,479)

Loans and advances to customers

(14,066,145)

(4,797,874)

Loans and advances to banks

(80,500)

7,599

Trading financial assets

(43,519)

51,247

Other assets

(3,935,200)

(110,968)

Due to banks

(5,743,395)

2,826,744

Customers' deposits

31,777,742

17,867,753

Other liabilities

4,725,450

544,006

Financial derivatives (net)

(146,872)

85,380

Defined benefits obligations

(16,542)

26,237

Income tax paid

(3,874,088)

(1,306,264)

**Net cash flows generated from operating activities****12,441,849****11,949,923****Cash flows from investing activities**

Payments to purchase fixed assets

(169,994)

(122,479)

Proceeds from sale of fixed assets

-

43,163

Payments for purchase of financial investments at FVOCI

(150,337)

-

Proceeds from sales of financial investments at FVOCI

1,153,442

5,809,061

Payments to purchase Treasury bills

(72,925,105)

(44,383,131)

Proceeds from sale of Treasury bills

60,215,814

35,080,844

**Net cash flows generated from investing activities****(11,876,180)****(3,572,542)****Cash flows from financing activities**

Dividends paid

(4,273,887)

(548,543)

**Net cash flows used in financing activities****(4,273,887)****(548,543)**

Net change in cash and cash equivalents during the period

(3,708,218)

7,828,838

Cash and cash equivalents at the beginning of the period

123,726,909

72,298,611

**Cash and cash equivalents at the end of the period****120,018,691****80,127,449****Cash and cash equivalents are represented in:**

Cash and balances with Central Bank of Egypt

17,728,029

16,189,792

Due from Banks

111,524,180

80,045,401

Treasury bills

82,999,844

50,933,293

Balance with Central Bank of Egypt as statutory reserve

(27,575,055)

(24,344,283)

Treasury bills of maturity more than 3 months from date of acquisition

(64,658,307)

(42,696,754)

**Cash and cash equivalents****120,018,691****80,127,449**

The accompanying notes from (1) to (29) form an integral part of these separate financial statements and are to be read therewith.

## HSBC BANK-EGYPT S.A.E

## Separate statement of change in equity at 31 March 2024

(All amounts in EGP 000)			Issued and paid up capital	Amounts reserved under capital increase	General reserve	Legal reserve	Capital reserve	Reserve for excess over par value - issuance premium	Fair value reserve	General risk reserves	General bank risk reserves	Retained earnings	Total
	Note												
<b>Balances as of 31 December 2022</b>													
Dividends paid for year 2022			5,000,000	-	2,513,464	1,397,782	51,752	6,728	(656,372)	491,666	89,661	11,168,174	20,062,855
Transferred to general reserve			-	-	-	-	-	-	-	-	-	(548,543)	(548,543)
Transferred to capital reserve			-	-	-	274,272	-	-	-	-	-	(274,272)	-
<b>Items included in Other comprehensive income</b>													
Net change in FV financial investments at fair value through other comprehensive income			-	-	-	-	-	-	439,975	-	-	-	439,975
Deferred tax for financial investment through OCI			-	-	-	-	-	-	(28,070)	-	-	-	(28,070)
ECL for change in fair value of financial investments through other comprehensive income			-	-	-	-	-	-	23,492	-	-	-	23,492
<b>Net change in other comprehensive income</b>													
Transfer to Banking System Support and Development Fund			-	-	-	-	-	-	435,397	-	-	-	435,397
Net profit for the year ended 31 December 2023			-	-	-	-	-	-	-	-	-	12,275,788	12,275,788
Actuarial loss			-	-	-	-	-	-	-	-	-	166,106	166,106
<b>Balances as of 31 December 2023</b>													
<hr/>													
<b>Balances as of 31 December 2023</b>													
Dividends paid for year 2023	( 24)		5,000,000	-	2,787,736	1,672,054	51,752	6,728	(220,975)	491,666	89,661	22,458,127	32,336,749
Transferred to legal reserve	( 23)		-	-	-	612,801	-	-	-	-	-	(4,273,887)	(4,273,887)
Transferred to general reserve	( 23)		-	-	612,801	-	-	-	-	-	-	(612,801)	-
<b>Items included in Other comprehensive income</b>													
Net change in FV financial investments at fair value through other comprehensive income			-	-	-	-	-	-	386,464	-	-	-	386,464
Deferred tax for financial investment through OCI			-	-	-	-	-	-	(6,040)	-	-	-	(6,040)
ECL for change in fair value of financial investments through other comprehensive income			-	-	-	-	-	-	205,120	-	-	-	205,120
<b>Net change in other comprehensive income</b>													
Transfer to Banking System Support and Development Fund	( 23)		-	-	-	-	-	-	585,544	-	-	-	585,544
Net profit for the year ended 31 March 2024			-	-	-	-	-	-	-	-	-	(122,560)	(122,560)
<b>Balances as of 31 March 2024</b>													
<hr/>													
<b>Balances as of 31 March 2024</b>													
			5,000,000	-	3,400,537	2,284,855	51,752	6,728	364,569	491,666	89,661	22,389,738	34,079,506

The accompanying notes from (1) to (29) form an integral part of these separate financial statements and are to be read therewith.

Notes to the interim condensed separate financial statements - for the three months ended 31 March 2024  
(In the notes, all amounts are shown in thousands of Egyptian pounds unless otherwise stated)

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## 1. Background

HSBC Bank Egypt SAE provides retail, corporate and investment banking services in the Arab Republic of Egypt through 47 branches and 7 small units served by more than 1,701 staff at the date of the financial position.

HSBC Bank Egypt SAE is established according to the Investment Law, in accordance with the decision no.60 for year 1982 taken by the minister of investment and international co-operation and published in "El Waqaa El Masria" newspaper on 17 May 1982 in the Arab Republic of Egypt. The head office is located in Cairo. The Bank started its operation on the 15<sup>th</sup> of December 1982. The Bank's shares have been delisted from the Egyptian stock exchange market on the 31<sup>st</sup> December 2009.

The interim condensed separate financial statements for the period ended 31 March 2024 have been approved for issuance by the Board of Directors on 23 May 2024 in light of the related Egyptian laws & regulations.

## 2- Basis of preparation of financial statements

The interim condensed separate financial statements are prepared in accordance with the Central Bank of Egypt's (CBE) instructions approved by its Board of Directors on 16 December 2008 as amended by regulations issued on 26 February 2019 and its subsequent interpretive instructions and Central Bank of Egypt board of Directors resolution on 3 May 2020 regarding issuing interim condensed financial statements for banks and with the requirements of applicable Egyptian Laws & Regulations.

The interim condensed separate financial statements of the Bank have been prepared in accordance with the relevant domestic laws and the Egyptian accounting standards.

The interim condensed separate financial statements do not include all the information and disclosures required in the annual separate financial statements and should be read along with the Bank's annual separate financial statements for the year ended 31 December 2023. In addition, results for the three months' period ended 31 March 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024. The accounting policies used in preparation the interim condensed separate financial statements are consistent with those used in preparing the bank's financial statements on 31 December 2023.

## 3- Fair Value hierarchy

Fair values of financial assets and liabilities are determined according to the following hierarchy:

Level 1 – valuation technique using quoted market price: financial instruments with quoted prices for identical instruments in active markets that the bank can access at the measurement date.

Level 2 – valuation technique using observable inputs, whether direct (such as prices) or indirect (derived from prices). This category includes instruments that are valued using market prices listed on active markets, financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

Level 3 – valuation technique with significant unobservable inputs: financial instruments valued using valuation techniques where one or more significant inputs are unobservable. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Notes to the interim condensed separate financial statements - for the three months ended 31 March 2024  
(In the notes, all amounts are shown in thousands of Egyptian pounds unless otherwise stated)

### 3- Fair Value hierarchy (Continued)

	<b>31 March 24</b>	
	<b>Level 2</b>	<b>Total</b>
	<b>EGP '000</b>	<b>EGP '000</b>
<b>Recurring fair value measurements</b>		
Financial Investments at fair value through OCI	86,655,215	86,655,215
Financial assets at fair value through profit or loss	71,308	71,308
Financial Derivatives Assets	59,313	59,313
Financial Derivatives Liability	(57,135)	(57,135)
	<b>31 December 23</b>	
	<b>Level 2</b>	<b>Total</b>
	<b>EGP '000</b>	<b>EGP '000</b>
<b>Recurring fair value measurements</b>		
Financial Investments at fair value through OCI	72,344,546	72,344,546
Financial assets at fair value through profit or loss	27,789	27,789
Financial Derivatives Assets	40,949	40,949
Financial Derivatives Liability	(185,643)	(185,643)

### 4. Financial risk management and financial instruments

The Bank's activities are exposed to a variety of financial risks: credit risk, liquidity risk, and market risk (including currency risk, interest rate risk, and price risk) The interim condensed separate financial statements do not include all financial risk management information and disclosures required in the annual financial statements. They should be read in conjunction with the separate annual financial statements as at 31 December 2023.

#### A- Credit Risk

The Bank is exposed to the credit risk, which is the risk resulting from failure of one party to meet its contractual obligations towards the Bank. The credit risk is considered to be the most significant risk for the Bank. The Bank sets specific procedures to manage that risk. The credit risk in the lending and investments activities that are representing the Bank's assets contains debt instruments. The credit risk is also found in off-balance sheet financial instruments, like loan commitment. The managing and monitoring process on credit risk is centralized at credit risk team management at the risk department, which prepares reports for the Board of Directors and heads of units on a regular basis.

#### A.1.Credit risk measurement

##### Loans and advances to banks and customers

Loans to customers and banks, financial investments debt securities, current accounts and deposits at banks are considered financial assets exposed to credit risk represented in the inability of those parties to settle part or whole of their indebtedness on the date of maturity.

The following table shows the rating scale which reflects the range of default probabilities or payment delays by each credit rating category, which means that credit positions may transfer from one rating to other depending on the change in the expected degree of risk. The customer's rating and the rating process are reviewed when necessary. The Bank evaluates the rating process and their expectations regarding the customers' defaults.

#### Bank's internal ratings scale

<b><u>Rating description</u></b>	<b><u>Rating</u></b>
Performing loans	1-6
Regular watching	7
Watch list	8
Non-performing loans	9-10

Notes to the interim condensed separate financial statements - for the three months ended 31 March 2024  
(In the notes, all amounts are shown in thousands of Egyptian pounds unless otherwise stated)

## A.2. Impairment and provisioning policies

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

### Credit quality of financial instruments

All loans and advances in the Bank are classified according to asset quality. Regular accounts include all facilities that demonstrate good financial conditions, risk factors and ability to repay in accordance with the original terms of the approval granted.

Credit Review and Risk Identification teams regularly review exposures and processes in order to provide an independent, rigorous assessment of the credit risk management framework across the HSBC Bank, reinforce secondary risk management controls and share best practice. Internal audit, as a tertiary control function, focuses on risks with a global perspective and on the design and effectiveness of primary and secondary controls, carrying out oversight audits via the sampling of global/regional control frameworks, themed audits of key or emerging risks and project audits to assess major change initiatives.

The five credit quality classifications defined below each encompass a range of more granular, internal credit rating grades assigned to wholesale and retail lending businesses, as well as the external ratings attributed by external agencies to debt securities.

### Credit quality classification

Quality classification	Debt securities and other bills External credit rating	Wholesale lending internal credit rating	Retail lending internal credit rating
Strong	A– and above	CRR0.1 to CRR2	Band 1 and 2
Good	BBB+ to BBB–	CRR3	Band 3
Satisfactory	BB+ to B and unrated	CRR4 to CRR5	Band 4 and 5
Sub-standard	B– to C	CRR6 to CRR8	Band 6
Impaired	Default	CRR9 to CRR10	Band 7

1. Customer risk rating.

2. 12-month point-in-time ('PIT') probability weighted probability of default ('PD').

### Gross provisions to net loans

<u>31 March 24</u>	Loans and advances to customers	Allowance / provision for ECL %
Stage 1	42.70%	0.11%
Stage 2	52.54%	8.59%
Stage 3	4.76%	82.38%
	100.00%	8.48%
<u>31 December 23</u>	Loans and advances to customers	Allowance / provision for ECL %
Stage 1	36.17%	0.19%
Stage 2	57.27%	7.44%
Stage 3	5.60%	83.24%
	100.00%	9.79%

Notes to the interim condensed separate financial statements - for the three months ended 31 March 2024  
(In the notes, all amounts are shown in thousands of Egyptian pounds unless otherwise stated)

	Non-credit impaired				Credit impaired		Total	
	Stage 1		Stage 2		Stage 3			
	Gross carrying / nominal amount	Allowance for ECL	Gross carrying / nominal amount	Allowance for ECL	Gross carrying / nominal amount	Allowance for ECL	Gross carrying / nominal amount	Allowance for ECL
	EGP '000	EGP '000	EGP '000	EGP '000	EGP '000	EGP '000	EGP '000	EGP '000
At 01 January 2024	14,826,101	(28,809)	23,475,375	(1,746,031)	2,690,097	(2,239,316)	40,991,573	(4,014,156)
Transfers from Stage 1 to Stage 2	(338,722)	(124,996)	339,843	119,591	-	-	1,121	(5,405)
Transfers from Stage 2 to Stage 1	928,226	463,300	(1,023,794)	(427,610)	-	-	(95,568)	35,690
Transfers from stage 2 to Stage 3	-	-	(13,026)	(1,691)	13,026	1,691	-	-
Transfers from Stage 3 to stage 2	-	-	44,173	41,371	(43,055)	(40,253)	1,118	1,118
ECL(Charges)/Reversal	-	(335,534)	-	(498,113)	-	96,041	-	(737,606)
Balance Volume movement	8,349,746	-	6,418,373	-	(11,631)	-	14,756,488	-
At 31 March 2024	23,765,351	(26,039)	29,240,944	(2,512,483)	2,648,437	(2,181,837)	55,654,732	(4,720,359)

	Non-credit impaired				Credit impaired		Total	
	Stage 1		Stage 2		Stage 3			
	Gross carrying / nominal amount	Allowance for ECL	Gross carrying / nominal amount	Allowance for ECL	Gross carrying / nominal amount	Allowance for ECL	Gross carrying / nominal amount	Allowance for ECL
	EGP '000	EGP '000	EGP '000	EGP '000	EGP '000	EGP '000	EGP '000	EGP '000
At 01 January 2023	15,186,969	(40,806)	23,424,423	(1,116,637)	2,292,752	(1,822,283)	40,904,144	(2,979,726)
Transfers from Stage 1 to Stage 2	(2,138,852)	(24,047)	2,063,156	22,326	-	-	(75,696)	(1,721)
Transfers from Stage 2 to Stage 1	952,570	8,438	(835,870)	(8,685)	-	-	116,700	(247)
Transfers from stage 2 to Stage 3	-	-	(77,321)	(6,592)	77,354	(4,045)	33	(10,637)
Transfers from Stage 3 to stage 2	-	-	15,239	4,960	(15,236)	(4,960)	3	-
ECL(Charges)/Reversal	-	27,606	-	(641,403)	-	(408,028)	-	(1,021,825)
Balance Volume movement	825,414	-	(1,114,252)	-	335,227	-	46,389	-
At 31 December 2023	14,826,101	(28,809)	23,475,375	(1,746,031)	2,690,097	(2,239,316)	40,991,573	(4,014,156)

**31-Mar-24**

Item	Gross balance subject to ECL	Expected credit Loss			
		Stage one	Stage two	Stage three	Total ECL
Balances at central banks	15,075,696	-	-	-	-
Due from banks	111,739,470	66,981	12	-	66,993
Loans and Advances to Customers	55,654,732	26,039	2,512,483	2,181,837	4,720,359
Accrued revenues	1,183,725	-	-	-	-
Financial investment	89,017,508	243,067	-	-	243,067
commitment and contingent liabilities	81,796,542	42,810	479,861	118,155	640,826
<b>Total</b>	<b>354,467,673</b>	<b>378,897</b>	<b>2,992,356</b>	<b>2,299,992</b>	<b>5,671,245</b>

**31-Dec-23**

Item	Gross balance subject to ECL	Expected credit Loss			
		Stage one	Stage two	Stage three	Total ECL
Balances at central banks	15,464,092	-	-	-	-
Due from banks	110,532,533	47,263	12	-	47,275
Loans and Advances to Customers	40,991,573	28,809	1,746,031	2,239,316	4,014,156
Accrued revenues	840,910	72	2,869	-	2,941
Financial investment	77,886,722	37,947	-	-	37,947
commitment and contingent liabilities	60,944,276	25,192	573,932	99,023	698,147
<b>Total</b>	<b>306,660,106</b>	<b>139,283</b>	<b>2,322,844</b>	<b>2,338,339</b>	<b>4,800,466</b>

Notes to the interim condensed separate financial statements - for the three months ended 31 March 2024  
(In the notes, all amounts are shown in thousands of Egyptian pounds unless otherwise stated)

### A.3. Measurement module banking general risk

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

The Bank calculates the provisions required for impairment of assets exposed to credit risk, including commitments relating to credit on the basis of rates determined by CBE. In case, the provision for impairment losses according to credit worthiness rules issued by CBE exceeds the provision required according to discounted cash flow and historical default rates methods, this increase shall be debited from the retained earnings and credited to the 'general banking risk reserve' under the equity caption. This reserve is regularly adjusted with this increase and decrease, to equal the amount of increase and decrease in the two provisions. This reserve is not distributable. Note (23) shows the 'general banking risk reserve' movement during the period.

Below is a statement of institutional worthiness according to internal ratings, compared to CBE ratings and rates of provisions needed for assets impairment related to credit risk

<b>CBE classification</b>	<b>CBE Categorization</b>	<b>CBE Rating</b>
1	Low risk	-
2	Average risk	1%
3	Satisfactory risk	1%
4	Reasonable risk	2%
5	Acceptable risk	2%
6	Marginally	3%
7	Watch list	5%
8	Substandard	20%
9	Doubtful	50%
10	Bad debts	100%

Credit characteristics that are used to determine the staging are different from ORR customer classification.

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#### A.4. Maximum limits for credit risk before collaterals

	<b><u>31-Mar-24</u></b>	<b><u>31-Dec-23</u></b>
	<b><u>EGP '000</u></b>	<b><u>EGP '000</u></b>
<b><u>Balance sheet items exposed to credit risks</u></b>		
Due from banks	111,524,180	110,397,743
Financial investment at FVPL	71,308	27,789
Loans and advances to banks	215,290	134,790
<b>Loans and advances to customers:</b>		
<b><u>Retail loans:</u></b>		
Overdrafts	59,909	58,091
Credit cards	2,882,521	2,739,865
Personal loans	9,463,616	7,722,116
Mortgage loans	361	425
<b><u>Corporate loans:</u></b>		
Overdrafts	3,725,139	2,797,696
Direct loans	27,725,805	19,196,626
Syndicated loans	11,797,381	8,476,754
Financial derivative instruments	59,313	40,949
<b>Financial investments:</b>		
Debt instruments	88,931,406	77,817,732
Other assets	1,183,725	840,910
<b>Total</b>	<b><u>257,639,954</u></b>	<b><u>230,251,486</u></b>
<b><u>Off-balance sheet items exposed to credit risk</u></b>		
Loan commitments and other irrevocable commitments related to credit	4,317,429	2,704,374
Letters of credit	3,125,209	2,539,149
Letters of guarantee	74,353,904	55,700,753
<b>Total</b>	<b><u>81,796,542</u></b>	<b><u>60,944,276</u></b>

The above table represents the maximum limit for credit risk as of 31 March 2024 and 31 December 2023, without taking into consideration any collateral. For on-balance-sheet items, amounts stated depend on net carrying amounts shown in the balance sheet.

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### A.5. Concentration of risks of financial assets exposed to credit risk.

#### Geographical sectors

The following table represents a breakdown of the Bank's significant credit risk limits at their carrying amounts distributed by geographical sector.

	Cairo	Alexandria and Delta	Upper Egypt Sinai and Red sea	Other countries	Total EGP000
Due from banks	47,045,622	-	-	64,478,558	111,524,180
Financial assets at fair value through profit or loss	71,308	-	-	-	71,308
Loans and advances to bank	-	-	-	215,290	215,290
<u>Loans and advances to customers</u>					
<b>Retail:</b>					
Overdrafts	46,401	13,138	370	-	59,909
Credit cards	2,882,521	-	-	-	2,882,521
Personal loans	8,365,428	826,779	271,409	-	9,463,616
Mortgage loans	361	-	-	-	361
<b>Corporate:</b>					
Overdrafts	3,725,139	-	-	-	3,725,139
Direct loans	27,725,805	-	-	-	27,725,805
Syndicated loans	11,797,381	-	-	-	11,797,381
Derivative financial instruments	59,313	-	-	-	59,313
<b>Financial investment:</b>					
Debt instruments	77,159,839	-	-	11,771,567	88,931,406
Other assets	1,102,848	76,883	3,995	-	1,183,726
<b>Total as of 31 March 2024</b>	<b>179,981,966</b>	<b>916,800</b>	<b>275,774</b>	<b>76,465,415</b>	<b>257,639,955</b>
<b>Total as of 31 December 2023</b>	<b>177,493,478</b>	<b>678,525</b>	<b>220,965</b>	<b>51,858,517</b>	<b>230,251,485</b>

#### Business sectors

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

	Industrial sector	Commercial sector	Service sector	Governmental sector	Other activities	Individuals	Total EGP000
Due from banks	-	-	-	111,524,180	-	-	111,524,180
Financial investment at fair value through profit or loss	-	-	-	71,308	-	-	71,308
Loans and advances to banks	-	-	-	-	215,290	-	215,290
<u>Loans and advances to customers</u>							
<b>Retail:</b>							
Overdrafts	-	-	-	-	-	59,909	59,909
Credit cards	-	-	-	-	-	2,882,521	2,882,521
Personal loans	-	-	-	-	-	9,463,616	9,463,616
Mortgage loans	-	-	-	-	-	361	361
<b>Corporate:</b>							
Overdrafts	1,598,241	1,126,533	1,000,365	-	-	-	3,725,139
Direct loans	16,006,898	4,119,374	7,599,533	-	-	-	27,725,805
Syndicated loans	3,293,308	-	261,429	7,693,228	549,416	-	11,797,381
Derivative financial instruments	-	-	59,313	-	-	-	59,313
<b>Financial investment:</b>							
Debt instruments	-	-	-	88,931,406	-	-	88,931,406
Other assets	-	-	-	-	1,183,726	-	1,183,726
<b>Total as of 31 March 2024</b>	<b>20,898,447</b>	<b>5,245,907</b>	<b>8,920,640</b>	<b>208,220,122</b>	<b>1,948,432</b>	<b>12,406,407</b>	<b>257,639,955</b>
<b>Total as of 31 December 2023</b>	<b>12,498,311</b>	<b>4,203,534</b>	<b>8,010,713</b>	<b>193,493,315</b>	<b>1,365,086</b>	<b>10,680,526</b>	<b>230,251,485</b>

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## B. Liquidity risk

Liquidity risk represents the Bank's difficulty in meeting its financial commitments when they fall due and replacing funds when they are withdrawn. This may result in failure in fulfilling the Bank's obligation to repay depositors and fulfilling lending commitments.

### Liquidity Risk Management Organization and Measurement Tools

Liquidity Risk is governed by Asset and Liability Committee (ALCO) and Board Risk Committee subject to provisions of Investment Policy Guide.

#### Board Risk Committee:

Provides oversight of risk management functions and assesses compliance to the set risk strategies and policies approved by the Board of Directors through periodic reports submitted by the Risk Group. The committee makes recommendations to the with regards to risk management strategies and policies (including those related to capital adequacy, liquidity management, various types of risks: credit, market, operation, compliance, reputation and any other risks the Bank may be exposed to).

#### Asset & Liability Committee (ALCO):

Optimizes the allocation of assets and liabilities, taking into consideration expectations of the potential impact of future interest rate fluctuations, liquidity constraints, and foreign exchange exposures. ALCO monitors the Bank's liquidity and market risks, economic developments, market fluctuations, and risk profile to ensure ongoing activities are compatible with the risk/ reward guidelines approved by the Board of Directors.

The Bank's liquidity management process carried out by the bank treasury department includes:

- Daily funding managed by monitoring future cash flows to ensure that all requirements can be met when due. This includes availability of liquidity as they due or to be borrowed to customers. To ensure that the Bank reaches its objective, the Bank maintains an active presence in global money markets.
- The Bank maintains a portfolio of highly marketable and diverse assets that are assumed to be easily liquidated in the event of an unforeseen interruption of cash flow.
- Monitoring liquidity ratios in relation with internal requirements and CBE requirements.
- Managing loans' concentration and dues.

Monitoring and reporting take the form of cash flow measurement and projections for the next working day, week and month respectively, as these are key periods for liquidity management. The starting point of calculating these expectations is analyzing the financial liabilities dues and expected financial assets collections.

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

### Off-balance sheet items

According to the table below and note (25):

#### 31-Mar-24

	Up to 1 year	Over 1 year and less than 5 years	More than 5 years	Total EGP000
Loan commitments and other irrevocable commitments related to credit	4,317,429	-	-	4,317,429
Letters of credit	1,030,657	-	-	1,030,657
Letters of guarantee	68,506,986	-	-	68,506,986
Operating lease commitments	10,878	15,946	1,749	28,573
<b>Total</b>	<b>73,865,950</b>	<b>15,946</b>	<b>1,749</b>	<b>73,883,645</b>

#### 31-Dec-23

	Up to 1 year	Over 1 year and less than 5 years	More than 5 years	Total EGP000
Loan commitments and other irrevocable commitments related to credit	2,704,374	-	-	2,704,374
Letters of credit	874,671	-	-	874,671
Letters of guarantee	50,189,447	-	-	50,189,447
Operating lease commitments	14,253	16,501	2,498	33,252
<b>Total</b>	<b>53,782,745</b>	<b>16,501</b>	<b>2,498</b>	<b>53,801,744</b>

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## C. Market risk

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

The Bank Treasury is responsible for managing the market risks arising from trading and non-trading activities which are monitored by two separate teams. Regular reports about market risk are submitted to the Board of Directors and each business unit head yearly.

Trading portfolios include transactions where the Bank deals direct with clients or with the market; no trading portfolios primarily arise from managing assets and liabilities interest rate price relating to retail transactions. Non-trading portfolios also include foreign exchange risk and equity instruments risks arising from the Bank's held-to-maturity and available-for-sale investments portfolios.

## 5.Regulatory Disclosures

### A. Capital management

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

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

Capital adequacy and uses are reviewed according to the regulatory authority's requirements (CBE) by the Bank's management through model based Basel committee for banking control instructions. These data are submitted to CBE on a quarterly basis.

- CBE requires the following from the Bank:
- Maintaining EGP 5 billion as a minimum requirement for the issued and paid-up capital
- Maintaining a ratio between capital elements and asset and contingent liability elements weighted by risk weights at 10 % or more.

#### **The numerator in capital adequacy comprises the following two tiers:**

**Tier 1:** It is the basic capital comprising (going concern capital and additional going concern capital)

**Tier 2:** It is the gone concern capital comprising:

- 45% of the increase between the fair value and carrying amount for (fair value reserve if positive, available-for-sale investments, held-to-maturity investments, investments in subsidiaries)
- 45% of the special reserves
- 45% of positive foreign currency reserves
- Hybrid instruments
- Loans (deposits) subordinated.
- Provision for impairment losses for loans and contingent liabilities (not exceeding 1.25% of total assets and contingent liabilities applying the risk weights, the provision for the non-performing loans, contingent liabilities) must be enough to face any liabilities it formed for.

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**The denominator of the capital adequacy comprises:**

- 1) Credit risk
- 2) Market risk
- 3) Operation risk

Assets are weighted by risk in a range from 0% to 100%. Classification is made according to the debit party for each asset to reflect the related credit risk, taking into consideration cash guarantees. The same treatment is used for the off-balance sheet amounts after making relevant adjustments to reflect the contingent nature and the potential loss for these amounts.

The Bank complied with all internal requirements during the last years. The schedule below shows the calculation of the capital adequacy according to Basel II:

	<b><u>31-Mar-24</u></b> <b><u>EGP000</u></b>	<b><u>31-Dec-23</u></b> <b><u>EGP000</u></b>
<b>Capital</b>		
<b>Tier 1 after disposals (going concern capital) (1)</b>		
Share capital	5,000,000	5,000,000
Reserves	5,737,145	4,511,543
General risk reserve	491,666	491,666
Retained earnings	19,557,371	16,276,886
Change In fair value for investment at fair value through OCI	364,570	(220,975)
Total disposals from going concern capital	(1,919,407)	(2,118,456)
<b>Total going concern capital after disposals (common equity)</b>	<b>29,231,345</b>	<b>23,940,664</b>
<b>Tier 1</b>		
<b>Tier 2 after disposals (going concern capital)</b>		
Subordinated (deposits) loans	937,600	1,297,600
Impairment losses & provision for performing loans and advances and contingent liabilities	378,897	139,282
<b>Total Tier 2 after disposals (going concern capital)</b>	<b>1,316,497</b>	<b>1,436,882</b>
<b>Total capital adequacy after disposals (1+2)</b>	<b>30,547,842</b>	<b>25,377,546</b>
<b>Risk (credit, market and operation)</b>		
Credit risk	100,674,557	67,604,160
Excess of top 50 customers' exposures	23,381,362	17,419,400
Capital requirements for market risk	429,122	23,661
Capital requirements for operation risk	11,775,686	8,865,824
<b>Total credit, market and operation risk</b>	<b>136,260,727</b>	<b>93,913,045</b>
<b>Capital adequacy ratio (%)</b>	<b>22.42%</b>	<b>27.02%</b>

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## B.Leverage financial ratio

The table below summarizes the leverage financial ratio:

	<b>31-Mar-24</b>	<b>31-Dec-23</b>
	<b>EGP000</b>	<b>EGP000</b>
<b>Tier 1 after disposals (going concern capital)</b>	<b>29,231,345</b>	<b>23,940,664</b>
Total on-balance sheet exposures, derivatives contracts and financial papers operations	277,120,955	246,210,806
Total off-balance sheet exposures	46,453,891	35,240,680
<b>Total exposures on balance sheet and off-balance sheet</b>	<b>323,574,846</b>	<b>281,451,486</b>
Leverage financial ratio (%)	9.03%	8.51%

## 6.Significant accounting estimates and assumptions

The Bank makes subjective estimates and judgments that affect the reported amounts of assets and liabilities in the next financial period. Consistent estimations and judgments are continually evaluated and are based on historical experience and other factors, including the expectations of future events that are believed to be reasonable through the available information and circumstances.

The preparation of these interim condensed separate financial statements requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income, and expense. Actual results may differ from the estimates.

In preparing these condensed separate interim financial statements, the significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the annual separate financial statements for the year ended 31 December 2023.

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## 7.Segment analysis

### A) By activity segment

31-Mar-24

	Corporate	Investment	Retail	Other activities	Total EGP000
<b>Income and expenses according to activity segment</b>					
Income by activity segment	5,714,115	2,051,070	1,891,511	(203,766)	9,452,930
Expenses by activity segment	(776,961)	(152,919)	(649,679)	(25,814)	(1,605,373)
Provisions	(283,402)	(44,591)	(6,660)	1,636	(333,018)
<b>Profit before tax</b>	<b>4,653,752</b>	<b>1,853,560</b>	<b>1,235,172</b>	<b>(227,944)</b>	<b>7,514,539</b>
Tax	(1,220,728)	(296,549)	(443,602)	-	(1,960,879)
<b>Profit for the period</b>	<b>3,433,024</b>	<b>1,557,011</b>	<b>791,570</b>	<b>(227,944)</b>	<b>5,553,660</b>
<b>Assets and liabilities according to activity segment</b>					
Assets of activity segment	50,725,760	202,703,410	12,495,775	12,975,332	278,900,277
<b>Total assets</b>	<b>50,725,760</b>	<b>202,703,410</b>	<b>12,495,775</b>	<b>12,975,332</b>	<b>278,900,277</b>
Liabilities of activity segment	99,804,782	15,207,087	105,713,622	24,095,279	244,820,770
<b>Total liabilities</b>	<b>99,804,782</b>	<b>15,207,087</b>	<b>105,713,622</b>	<b>24,095,279</b>	<b>244,820,770</b>

31-Mar-23

	Corporate	Investment	Retail	Other activities	Total EGP000
<b>Income and expenses according to activity segment</b>					
Income by activity segment	2,296,978	852,145	1,303,971	66,305	4,519,399
Expenses by activity segment	(401,566)	(88,642)	(395,703)	(228,472)	(1,114,383)
Provisions	(399,659)	(140,491)	(8,479)	(6,896)	(555,525)
<b>Profit before tax</b>	<b>1,495,753</b>	<b>623,012</b>	<b>899,789</b>	<b>(169,063)</b>	<b>2,849,491</b>
Tax	(332,703)	(145,807)	(141,490)	(233,463)	(853,463)
<b>Profit for the period</b>	<b>1,163,050</b>	<b>477,205</b>	<b>758,299</b>	<b>(402,526)</b>	<b>1,996,028</b>
<b>Assets and liabilities according to activity segment</b>					
Assets of activity segment	44,416,392	140,087,442	8,406,771	11,762,826	204,673,431
<b>Total assets</b>	<b>44,416,392</b>	<b>140,087,442</b>	<b>8,406,771</b>	<b>11,762,826</b>	<b>204,673,431</b>
Liabilities of activity segment	88,626,408	5,780,266	75,054,601	13,618,941	183,080,216
<b>Total liabilities</b>	<b>88,626,408</b>	<b>5,780,266</b>	<b>75,054,601</b>	<b>13,618,941</b>	<b>183,080,216</b>

Notes to the interim condensed separate financial statements - for the three months ended 31 March 2024  
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## B) Analysis according to the geographical segment

### 31-Mar-24

	Cairo	Alexandria & Delta	Upper Egypt, Sinai & Red sea	Total EGP000
<b>Income and expenses according to geographical segment</b>				
Income by geographical segment	9,127,310	286,346	39,275	9,452,931
Expenses by geographical segment	(1,569,222)	(27,491)	(8,661)	(1,605,374)
Provisions	(378,679)	45,855	(194)	(333,018)
<b>Profit before tax</b>	<b>7,179,409</b>	<b>304,710</b>	<b>30,420</b>	<b>7,514,539</b>
Tax	(1,869,745)	(83,212)	(7,922)	(1,960,879)
<b>Profit for the period</b>	<b>5,309,664</b>	<b>221,498</b>	<b>22,498</b>	<b>5,553,660</b>
<b>Assets and liabilities according to geographical segment</b>				
Assets of geographical segment	272,187,476	6,037,274	675,527	278,900,277
<b>Total assets</b>	<b>272,187,476</b>	<b>6,037,274</b>	<b>675,527</b>	<b>278,900,277</b>
Liabilities of geographical segment	224,191,116	15,794,495	4,835,160	244,820,771
<b>Total liabilities</b>	<b>224,191,116</b>	<b>15,794,495</b>	<b>4,835,160</b>	<b>244,820,771</b>

### 31-Mar-23

	Cairo	Alexandria & Delta	Upper Egypt, Sinai & Red sea	Total EGP000
<b>Income and expenses according to geographical segment</b>				
Income by geographical segment	4,302,696	192,799	23,904	4,519,399
Expenses by geographical segment	(1,094,474)	(15,852)	(4,057)	(1,114,383)
Provisions	(468,015)	(87,599)	89	(555,525)
<b>Profit before tax</b>	<b>2,740,207</b>	<b>89,348</b>	<b>19,936</b>	<b>2,849,491</b>
Tax	(820,731)	(26,761)	(5,971)	(853,463)
<b>Profit for the period</b>	<b>1,919,476</b>	<b>62,587</b>	<b>13,965</b>	<b>1,996,028</b>
<b>Assets and liabilities according to geographical segment</b>				
Assets of geographical segment	198,129,324	5,248,928	1,295,179	204,673,431
<b>Total assets</b>	<b>198,129,324</b>	<b>5,248,928</b>	<b>1,295,179</b>	<b>204,673,431</b>
Liabilities of geographical segment	168,146,337	10,691,986	4,241,893	183,080,216
<b>Total liabilities</b>	<b>168,146,337</b>	<b>10,691,986</b>	<b>4,241,893</b>	<b>183,080,216</b>

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**8. Expected credit (charges)**

	<b><u>31-Mar-24</u></b>	<b><u>31-Mar-23</u></b>
	<b><u>EGP000</u></b>	<b><u>EGP000</u></b>
Loans and advances to customers	(109,190)	(200,825)
Cash and balances with Central Bank	-	191
Due from Banks	(19,718)	(15,035)
Financial Investments at fair value through OCI	(205,120)	(92,447)
Other assets	1,010	(1,690)
Net	<b><u>(333,018)</u></b>	<b><u>(309,806)</u></b>

**9. Earnings per share**

Earnings per share are calculated by dividing profit related to the shareholders by the ordinary shares' weighted average issued during the period after, excluding the average repurchased shares during the period/year and kept as Treasury stocks.

	<b><u>31-Mar-24</u></b>	<b><u>31-Mar-23</u></b>
	<b><u>EGP000</u></b>	<b><u>EGP000</u></b>
Net profit distributable for the period	5,553,660	1,996,028
Employees' profit share (estimated)	(555,366)	(199,603)
<b>Net Profit attributable to shareholders of the bank</b>	<b><u>4,998,294</u></b>	<b><u>1,796,425</u></b>
Common shares issued - weighted average (1,000 shares)	59,524	59,524
Earnings per share/EGP	<b><u>83.97</u></b>	<b><u>30.18</u></b>

- The bank increased its paid-up capital on 31 March 2022, and number of shares reached 59,523,810 shares with the same nominal value per share, which is 84 Egyptian pounds. The increase was made by deduction from the retained earnings and bonus shares were issued in exchange for that increase, and accordingly the number of shares was adjusted at the beginning of the presented financial period in application of the Egyptian Standard (22) paragraph 28.

**10. Loans and advances to banks**

	<b><u>31-Mar-24</u></b>	<b><u>31-Dec-23</u></b>
	<b><u>EGP000</u></b>	<b><u>EGP000</u></b>
Term loans	215,290	134,790
Current balances	9,284	-
Non-current balances	206,006	134,790
	<b><u>215,290</u></b>	<b><u>134,790</u></b>

Notes to the interim condensed separate financial statements - for the three months ended 31 March 2024  
(In the notes, all amounts are shown in thousands of Egyptian pounds unless otherwise stated)

# 11. Loans and advances to customers

	<b><u>31-Mar-24</u></b>	<b><u>31-Dec-23</u></b>
	<b><u>EGP000</u></b>	<b><u>EGP000</u></b>
<b>Retail:</b>		
Overdrafts	59,909	58,091
Credit cards	2,882,521	2,739,865
Personal loans	9,463,616	7,722,116
Mortgage loans	361	425
<b>Total</b>	<b><u>12,406,407</u></b>	<b><u>10,520,497</u></b>
<b>Corporate loans including small loans:</b>		
Overdrafts	3,725,139	2,797,696
Direct loans	27,725,805	19,196,626
Syndicated loans	11,797,381	8,476,754
<b>Total</b>	<b><u>43,248,325</u></b>	<b><u>30,471,076</u></b>
<b>Total loans and advances to customers</b>	<b><u>55,654,732</u></b>	<b><u>40,991,573</u></b>
Less: expected credit loss " ECL "	(4,720,359)	(4,014,156)
<b>Net</b>	<b><u>50,934,373</u></b>	<b><u>36,977,417</u></b>

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**Expected credit loss:**

The expected credit losses movement for loans and advances to customers classified according to their types is as follows:

**31-Mar-24**

	<b>Retail</b>				
	<b>Overdrafts</b>	<b>Credit cards</b>	<b>Personal loans</b>	<b>Mortgage loans</b>	<b>Total EGP000</b>
Balance at beginning of the year	1,311	16,967	23,985	-	42,263
Expected credit losses charged/(reversed)	(50)	2,437	4,017	-	6,404
Amounts written off during the year	(181)	(4,158)	(5,056)	-	(9,395)
Amounts recovered during year	-	2,717	1,580	-	4,297
Foreign revaluation difference related to provision	15	-	595	-	610
<b>Balance at the end of the period</b>	<b>1,095</b>	<b>17,963</b>	<b>25,121</b>	<b>-</b>	<b>44,179</b>

	<b>Corporate</b>			
	<b>Overdrafts</b>	<b>Direct loans</b>	<b>Syndicated loans</b>	<b>Total EGP000</b>
Balance at beginning of the year	584,899	3,157,592	229,401	3,971,892
Expected credit losses (charged)/(reversed)	197,082	(94,296)	-	102,786
Amounts written off during the year	(76,885)	-	-	(76,885)
Amounts recovered during the year	-	36	-	36
Foreign revaluation difference related to provision	281,548	396,803	-	678,351
<b>Balance at the end of the period</b>	<b>986,644</b>	<b>3,460,135</b>	<b>229,401</b>	<b>4,676,180</b>

**31-Dec-23**

	<b>Retail</b>				
	<b>Overdrafts</b>	<b>Credit cards</b>	<b>Personal loans</b>	<b>Mortgage loans</b>	<b>Total EGP000</b>
Balance at beginning of the year	2,523	18,343	25,863	-	46,729
Expected credit losses charged/(reversed)	(1,206)	3,815	9,175	-	11,784
Amounts written off during the year	(56)	(15,115)	(17,806)	-	(32,977)
Amounts recovered during year	-	9,924	6,326	-	16,250
Foreign revaluation difference related to provision	50	-	427	-	477
<b>Balance at the end of the year</b>	<b>1,311</b>	<b>16,967</b>	<b>23,985</b>	<b>-</b>	<b>42,263</b>

	<b>Corporate</b>			
	<b>Overdrafts</b>	<b>Direct loans</b>	<b>Syndicated loans</b>	<b>Total EGP000</b>
Balance at beginning of the year	481,755	2,221,841	229,401	2,932,997
Expected credit losses (charged)/(reversed)	206,195	976,894	-	1,183,089
Amounts written off during the year	(393,519)	(9,008)	-	(402,527)
Amounts recovered during the year	-	518	-	518
Foreign revaluation difference related to provision	290,468	(32,653)	-	257,815
<b>Balance at the end of the year</b>	<b>584,899</b>	<b>3,157,592</b>	<b>229,401</b>	<b>3,971,892</b>

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## 12. Financial investments

	<u>31-Mar-24</u>	<u>31-Dec-23</u>
	<u>EGP000</u>	<u>EGP000</u>
<b><u>Financial investments at fair value through OCI</u></b>		
Equity instruments unlisted	48,234	32,869
Debt instruments listed Government Bonds (at fair value)	3,569,269	4,459,912
Debt instruments unlisted (Mutual fund)	37,868	36,120
<b>Financial investments at fair value through OCI</b>	<b>3,655,371</b>	<b>4,528,901</b>
	<b>3,655,371</b>	<b>4,528,901</b>
Current balances	3,655,371	4,306,115
Non-current balances	-	222,786
<b>Fixed-income debt instruments</b>	<b>3,655,371</b>	<b>4,528,901</b>
<b><u>Financial assets at amortized cost</u></b>		
Debt instruments listed - Governmet bonds	2,362,293	1,545,841
<b>Total financial investments</b>	<b>6,017,664</b>	<b>6,074,742</b>

### Financial Investments at fair value through other comprehensive income rather than T-Bills

	<u>EGP000</u>
<b><u>31-Mar-24</u></b>	
<b>Balance at beginning of the period</b>	<b>6,074,742</b>
Additions	150,337
Disposals (sale/redemption)	(1,153,442)
Monetary assets revaluation	816,384
Loss from change in fair value	129,643
<b>Balance at end of the period</b>	<b>6,017,664</b>
<b><u>31-Dec-23</u></b>	
<b>Balance at beginning of the year</b>	<b>15,061,265</b>
Additions	25,684
Disposals (sale/redemption)	(9,558,112)
Monetary assets revaluation	202,275
Loss from change in fair value	343,630
<b>Balance at end of the year</b>	<b>6,074,742</b>

### Financial Investments details

	Fair Value	Fair Value	Cost / Amortized Cost	Cost / Amortized Cost
	<u>31-Mar-24</u>	<u>31-Dec-23</u>	<u>31-Mar-24</u>	<u>31-Dec-23</u>
	<u>EGP000</u>	<u>EGP000</u>	<u>EGP000</u>	<u>EGP000</u>
Equity instruments unlisted	48,234	32,869	25,536	25,536
Debt instruments listed (at FMV)	3,569,269	4,459,912	3,736,600	4,739,178
Mutual Fund (Unlisted)	37,868	36,120	9,142	9,142
Debt instruments listed - Governmet bonds	2,362,293	1,545,841	2,362,293	1,545,841
	<b>6,017,664</b>	<b>6,074,742</b>	<b>6,133,571</b>	<b>6,319,697</b>

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### 13. Treasury bills

	T.Bills through OCI		T.Bills at amortized cost		Total	
	31-Mar-24	31-Dec-23	31-Mar-24	31-Dec-23	31-Mar-24	31-Dec-23
	EGP000	EGP000	EGP000	EGP000	EGP000	EGP000
Treasury bills – Egyptian	71,228,277	50,514,614	-	3,996,336	71,228,277	54,510,950
Treasury bills – United states of America	11,771,567	13,892,122	-	-	11,771,567	13,892,122
Treasury bills – France	-	3,408,908	-	-	-	3,408,908
<b>Total</b>	<b>82,999,844</b>	<b>67,815,644</b>	<b>-</b>	<b>3,996,336</b>	<b>82,999,844</b>	<b>71,811,980</b>

#### Treasury bills represent the following:

	T.Bills through OCI		T.Bills at amortized cost		Total	
	31-Mar-24	31-Dec-23	31-Mar-24	31-Dec-23	31-Mar-24	31-Dec-23
	EGP000	EGP000	EGP000	EGP000	EGP000	EGP000
91 days maturity	18,341,537	20,244,783	-	-	18,341,537	20,244,783
182 days maturity	38,609,216	39,268,619	-	3,996,336	38,609,216	43,264,955
273 days maturity	3,298,885	-	-	-	3,298,885	-
364 days maturity	22,750,206	8,302,242	-	-	22,750,206	8,302,242
<b>Total</b>	<b>82,999,844</b>	<b>67,815,644</b>	<b>-</b>	<b>3,996,336</b>	<b>82,999,844</b>	<b>71,811,980</b>

Treasury bills includes EGP 816,154 thousand related to end of service compensation benefits and related Treasury bills fair value reserve (9,996) thousand (End of Service Treasury bills amounted to EGP 789,770 thousand as of 31 December 2023)

Treasury bills fair value reserve reached EGP 185,095 as of 31 March 2024 against EGP (71,726) as of 31 December 2023 (with net change of EGP 256,821 thousand).

Notes to the interim condensed separate financial statements - for the three months ended 31 March 2024  
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#### 14. Investment in subsidiary

A.

	<u>31-Mar-24</u>	<u>31-Dec-23</u>
	<u>EGP000</u>	<u>EGP000</u>
Cost	35,517	35,517
Impairment	(23,471)	(23,471)
<b>Net</b>	<b>12,046</b>	<b>12,046</b>

B. The Extraordinary General Assembly of the company decided on November 1, 2021 to put the company under liquidation and appoint a liquidator, and a provision for impairment of EGP 23 471 thousand has been formed.

C. The following table shows the percentage of HSBC Securities - Egypt's "under liquidation" balance sheet on December 31, 2022 from HSBC's consolidated balance sheet.

	<u>Company's country</u>	<u>Company's assets</u>	<u>Company's liabilities (without equity)</u>	<u>Company's revenues</u>	<u>Company's gains</u>
HSBC Securities Egypt Company SAE	<b>Egypt</b>	98.00%	0.01%	0.01%	(0.35%)

#### 15. Intangible assets

	<u>31-Mar-24</u>	<u>31-Dec-23</u>
	<u>EGP000</u>	<u>EGP000</u>
<b>Balance at the beginning of the current year</b>		
Cost	1,397,425	722,744
Accumulated amortization	(440,772)	(223,905)
Impairment provision Charge	(2,377)	-
<b>Net book value at the beginning of the current year</b>	<b>954,276</b>	<b>498,839</b>
	-	-
Additions	-	674,681
Disposals (Cost)	-	-
Amortization	(63,627)	(216,867)
Impairment provision reversal	-	(2,377)
<b>Net book value at the end of the current period</b>	<b>890,649</b>	<b>954,276</b>
	-	-
<b>Balance at the end of the current period</b>		
Cost	1,397,425	1,397,425
Accumulated amortization	(504,399)	(440,772)
Impairment provision Charge	(2,377)	(2,377)
<b>Net book value at the end of the current period</b>	<b>890,649</b>	<b>954,276</b>

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## 16. Other assets

	<b>31-Mar-24</b>	<b>31-Dec-23</b>
	<b>EGP000</b>	<b>EGP000</b>
Accrued revenues	1,183,725	840,910
Prepaid expenses	94,973	37,116
Ownership assets transferred to B&D (net of impairment)	10,293	10,293
Costs of branches under construction	167,070	50,564
Due from CBE from selling GOV. bills and bonds	211,645	1,032,720
Others	5,579,896	1,224,293
Advanced for projects under process	17,987	17,987
Impairment from provision ECL	(1,931)	(2,941)
<b>Total</b>	<b>7,263,658</b>	<b>3,210,942</b>

## 17. Fixed assets

	<b>Land &amp; buildings</b>	<b>Leasehold improvement</b>	<b>Machines and equipment</b>	<b>Others</b>	<b>Total EGP000</b>
<b>Balance at the beginning of the current year</b>					
Cost	347,403	245,585	1,015,048	278,559	<b>1,886,595</b>
Accumulated depreciation	(259,851)	(192,209)	(224,510)	(170,136)	<b>(846,706)</b>
<b>Net book value at the beginning of the current year</b>	<b>87,552</b>	<b>53,376</b>	<b>790,538</b>	<b>108,423</b>	<b>1,039,889</b>
<b>Additions</b>	-	-	41,667	11,821	<b>53,488</b>
<b>Disposals (Cost)</b>	-	-	(1,783)	(7,400)	<b>(9,183)</b>
<b>Disposals (Accumulated depreciation)</b>	-	-	1,783	7,400	<b>9,183</b>
<b>Depreciation for the year</b>	<b>(2,968)</b>	<b>(4,386)</b>	<b>(24,630)</b>	<b>(8,778)</b>	<b>(40,762)</b>
<b>Net book value at the end of the period</b>	<b>84,584</b>	<b>48,990</b>	<b>807,575</b>	<b>111,466</b>	<b>1,052,615</b>
<b>Balance at the end of the current period</b>					
Cost	347,403	245,585	1,054,932	282,980	<b>1,930,900</b>
Accumulated depreciation	(262,819)	(196,595)	(247,357)	(171,514)	<b>(878,285)</b>
<b>Net book value at the end of the current period</b>	<b>84,584</b>	<b>48,990</b>	<b>807,575</b>	<b>111,466</b>	<b>1,052,615</b>

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### 18. Investment property

As per CBE approval dated 9 June 2004, the Bank leased some of its head office floors which are located at Cornish El Nile Maadi and Smart Village.

	<u>31-Mar-24</u>	<u>31-Dec-23</u>
	<u>EGP000</u>	<u>EGP000</u>
<b>Balance at the beginning of the year</b>		
Cost	163,112	163,112
Accumulated depreciation	(117,897)	(110,866)
<b>Net book value at the beginning of the year</b>	<b>45,215</b>	<b>52,246</b>
Depreciation	(2,093)	(7,031)
<b>Net book value at the end of the period</b>	<b>43,122</b>	<b>45,215</b>
<b>Balance at the end of the period</b>		
Cost	163,112	163,112
Accumulated depreciation	(119,990)	(117,897)
<b>Net book value at the end of the period</b>	<b>43,122</b>	<b>45,215</b>

### 19. Customers' deposits

	<u>31-Mar-24</u>	<u>31-Dec-23</u>
	<u>EGP000</u>	<u>EGP000</u>
Demand deposits	107,725,796	94,827,407
Time and call deposits	42,696,657	37,301,979
Certificates of savings and deposits	12,929,759	12,074,237
Saving deposits	43,831,594	31,724,372
Other deposits	8,658,855	8,136,924
	<b>215,842,661</b>	<b>184,064,919</b>
Corporate deposits	111,759,309	106,690,215
Retail deposits	104,083,352	77,374,704
	<b>215,842,661</b>	<b>184,064,919</b>
Non-interest bearing balances	114,689,716	99,884,890
Interest bearing balances	101,152,945	84,180,029
	<b>215,842,661</b>	<b>184,064,919</b>

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**20. Other liabilities**

	<b>31-Mar-24</b>	<b>31-Dec-23</b>
	<b>EGP000</b>	<b>EGP000</b>
Accrued interest	771,757	732,403
Deferred income	109,289	99,343
Accrued expenses	1,463,292	663,579
Creditors	7,549,925	4,259,695
Due to CBE from selling GOV. bills and bonds	9,052,360	6,478,072
Other credit balances	(338,010)	1,527,511
<b>Total</b>	<b>18,608,613</b>	<b>13,760,603</b>

**21. Other provisions**

	<b>Provision for claims</b>		<b>Provision for contingent liabilities (ECL)</b>		<b>Total</b>	
	<b>31-Mar-24</b>	<b>31-Dec-23</b>	<b>31-Mar-24</b>	<b>31-Dec-23</b>	<b>31-Mar-24</b>	<b>31-Dec-23</b>
	<b>EGP000</b>	<b>EGP000</b>	<b>EGP000</b>	<b>EGP000</b>	<b>EGP000</b>	<b>EGP000</b>
Balance at the beginning of the period / year	107,808	69,764	698,147	257,937	805,955	327,701
Formed during the year	20,262	98,679	-	432,468	20,262	531,147
Provisions valuation differences	4,895	2,226	265,349	11,580	270,244	13,806
	<b>132,965</b>	<b>170,669</b>	<b>963,496</b>	<b>701,985</b>	<b>1,096,461</b>	<b>872,654</b>
Used during the period	(4,694)	(61,410)	-	-	(4,694)	(61,410)
No longer required	(1,750)	(1,451)	(322,671)	(3,838)	(324,421)	(5,289)
<b>Balance at the end of the period / year</b>	<b>126,521</b>	<b>107,808</b>	<b>640,825</b>	<b>698,147</b>	<b>767,345</b>	<b>805,955</b>

**22. Paid up capital.**

	<b>Number of shares</b>	<b>Cost of Common Shares</b>	<b>Total</b>	<b>Issuance premium included in other reserve-issuance premium</b>
	<b>EGP000</b>	<b>EGP000</b>	<b>EGP000</b>	<b>EGP000</b>
Balance at the beginning of the current year	59.523810	5,000,000	5,000,000	6,728
<b>At 31 March 2024</b>	<b>59.523810</b>	<b>5,000,000</b>	<b>5,000,000</b>	<b>6,728</b>
Balance at the beginning of the year	59.523810	5,000,000	5,000,000	6,728
<b>Balance at end of year</b>	<b>59.523810</b>	<b>5,000,000</b>	<b>5,000,000</b>	<b>6,728</b>

- According to the extraordinary general assembly's decision on 17 March 2021, it was approved to increase the issued capital to EGP 5,000,000,040 by an increase of EGP 2,204,432,496 representing 26,243,244 shares from retained earnings. Accordingly, the issued and fully paid-up capital is EGP 5,000,000,040 represented in 59,523,810 fully paid shares at par value of EGP 84 each, the authorized capital has been increased to EGP 10,000,000,000 approved from the General Investment Authority.

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**23. Reserves and retained earnings.**

	<b><u>31-Mar-24</u></b>	<b><u>31-Dec-23</u></b>
	<b><u>EGP000</u></b>	<b><u>EGP000</u></b>
<b>Reserves</b>		
General reserve	3,400,537	2,787,736
Legal reserve	2,284,855	1,672,054
Capital reserve	51,752	51,752
Reserve for excess over par value - issuance premium	6,728	6,728
Fair value reserve	364,569	(220,975)
General bank risk reserve	89,661	89,661
General risk reserve	491,666	491,666
<b>Total reserves at the end of the period</b>	<b><u>6,689,768</u></b>	<b><u>4,878,622</u></b>

**Reserves movements during the period are as follows:****A) General reserve**

	<b><u>31-Mar-24</u></b>	<b><u>31-Dec-23</u></b>
	<b><u>EGP000</u></b>	<b><u>EGP000</u></b>
Balance at the beginning of the year	2,787,736	2,513,464
Transferred from prior year profits	612,801	274,272
<b>Balance at the end of the period</b>	<b><u>3,400,537</u></b>	<b><u>2,787,736</u></b>

**B) Legal reserve**

	<b><u>31-Mar-24</u></b>	<b><u>31-Dec-23</u></b>
	<b><u>EGP000</u></b>	<b><u>EGP000</u></b>
Balance at the beginning of the year	1,672,054	1,397,782
Transferred from prior year profits	612,801	274,272
<b>Balance at the end of the period</b>	<b><u>2,284,855</u></b>	<b><u>1,672,054</u></b>

In accordance with local laws, 5% of the net profit shall be transferred to non-distributable reserve until it reaches 50% of the capital.

**C) Capital reserve**

	<b><u>31-Mar-24</u></b>	<b><u>31-Dec-23</u></b>
	<b><u>EGP000</u></b>	<b><u>EGP000</u></b>
Balance at the beginning of the year	51,752	51,752
Transferred from prior year profit	-	-
<b>Balance at the end of the period</b>	<b><u>51,752</u></b>	<b><u>51,752</u></b>

**D) Reserves for excess over par value - issuance premium**

	<b><u>31-Mar-24</u></b>	<b><u>31-Dec-23</u></b>
	<b><u>EGP000</u></b>	<b><u>EGP000</u></b>
Balance at the beginning of the year	6,728	6,728
<b>Balance at the end of the period</b>	<b><u>6,728</u></b>	<b><u>6,728</u></b>

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This reserve represents the difference between the value of shares acquired by the shareholders and employees during capital increase in years 1998 and 1999 (price per share was EGP 168) and its par value (price per share EGP 84) in addition to the gain resulted from sale of Treasury shares in year 2000 after deducting the capital increase that occurred in year 2002.

#### E) Fair value reserve

	<u>31-Mar-24</u>	<u>31-Dec-23</u>
	<u>EGP000</u>	<u>EGP000</u>
Balance at the beginning of the year	(220,975)	(656,372)
Net change in investments FVOCI- T Bills	256,821	96,344
Net change in investments FVOCI- Bonds	111,934	338,407
Net change in investments FVOCI- Mutual funds	1,748	5,223
Net change in investments FVOCI- Equity instruments	15,961	-
Deferred tax for financial investment through OCI	(6,040)	(28,069)
Expected credit loss - Financial investment at FVOCI	205,120	23,492
<b>Balance at the end of the period</b>	<b>364,569</b>	<b>(220,975)</b>

Fair reserve represents the revaluation of financial instruments that measured through other comprehensive income.

#### F) General risk reserves

	<u>31-Mar-24</u>	<u>31-Dec-23</u>
	<u>EGP000</u>	<u>EGP000</u>
Balance at the beginning of the year	491,666	491,666
<b>Balance at the end of the period</b>	<b>491,666</b>	<b>491,666</b>

As per CBE instructed the Special reserve & IFRS 9 reserve have been merged into the General risk reserves.

#### G) General bank risk reserves

	<u>31-Mar-24</u>	<u>31-Dec-23</u>
	<u>EGP000</u>	<u>EGP000</u>
Balance at the beginning of the year	89,661	89,661
Transferred from previous year profit	-	-
<b>Balance at the end of the period</b>	<b>89,661</b>	<b>89,661</b>

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(In the notes, all amounts are shown in thousands of Egyptian pounds unless otherwise stated)

**H) Retained earnings**

	<b><u>31-Mar-24</u></b>	<b><u>31-Dec-23</u></b>
	<b><u>EGP000</u></b>	<b><u>EGP000</u></b>
<b>Movement on retained earnings</b>		
Balance at the beginning of the year	22,458,127	11,168,174
Amounts reserved under capital increase	-	-
Net profit for the year	5,553,660	12,275,788
Dividends for the year	(3,290,476)	-
Employees profit share	(983,411)	(548,543)
Transferred to legal reserve	(612,801)	(274,272)
Transferred to Banking systems support and development Fund	(122,560)	(54,854)
Actuarial Gain /(Losses)	-	166,106
Transferred from capital reserve	-	-
Transferred from general reserve	(612,801)	(274,272)
Transferred from general bank risk reserve	-	-
<b>Balance at the end of the period</b>	<b><u>22,389,738</u></b>	<b><u>22,458,127</u></b>

**24. Dividends**

Payment of dividends is not recorder until being approved by the general assembly. The General assembly that held on 18 March 2024 approved a payment of EGP 55.28 per share as cash dividends for the year 2023 with a total amount of EGP 3,290,476,217 (as per CBE decision, no dividends was paid to shareholders for the year 2022), The general assembly that held on 18 March 2024 approved the distribution of EGP 983,410,816 as employees' distribution related to the profit for year 2023. (The actual employees' dividends distributed for 2022 amount to EGP 548,543,739).

**25. Commitment and contingent liabilities****A) Legal claims**

There are lawsuits filed against the bank as at 31 March 2024. There is provision formed with EGP 202,986 during this period against these lawsuits.

**B) Commitments for loans, guarantees and facilities**

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

	<b><u>31-Mar-24</u></b>	<b><u>31-Dec-23</u></b>
	<b><u>EGP000</u></b>	<b><u>EGP000</u></b>
Acceptances	2,486,048	872,993
Letters of guarantee	74,353,904	55,700,753
Letters of credit (import and export)	3,125,209	2,539,149
Other contingent liabilities	51,997	51,997
Commitments for loans	1,779,384	1,779,384
Cash margin	(7,955,860)	(7,175,784)
<b>Total</b>	<b><u>73,840,682</u></b>	<b><u>53,768,492</u></b>

**C) Commitments for operating lease contracts**

The total minimum lease payments for irrevocable operating leases are as follows:

	<b><u>31-Mar-24</u></b>	<b><u>31-Dec-23</u></b>
	<b><u>EGP000</u></b>	<b><u>EGP000</u></b>
Less than one year	10,878	14,253
More than one year and less than five years	15,946	16,501
More than five years	1,749	2,498
	<b><u>28,573</u></b>	<b><u>33,252</u></b>

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## 26. Related party transactions

The Bank is a subsidiary of parent HSBC Holdings B.V, which owns 94.54% of ordinary shares. The remaining percentage 5.46% is owned by other shareholders.

HSBC Bank Egypt owns 98% of HSBC Securities Egypt (S.A.E).

The Extraordinary General Assembly of the company decided on November 1, 2021 to put the company under liquidation and appoint a liquidator, and a provision for impairment of EGP 23 471 thousand has been formed.

Number of banking transactions with related parties has been conducted in the normal course of the business, including loans, deposits and foreign currency swaps. Dividends have been announced for the parent company, as shown in Note (24).

Related parties' transactions and balances at the end of the financial period are as follows:

### A- Subordinated loans

	HSBC Group	
	31-Mar-24	31-Dec-23
	EGP000	EGP000
<b>Statement of financial position</b>		
Subordinated loans note (40)	2,072,000	2,072,000
<b>Statement of income statement</b>		
Interest expenses	116,472	425,266

### B- Deposits from related parties

	Subsidiaries	
	31-Mar-24	31-Dec-23
	EGP000	EGP000
<b>Due to customers</b>		
Deposits at the beginning of the year	13,408	15,224
Deposits received during the year	-	-
Deposits redeemed during the year	(228)	(1,817)
<b>Deposits at the end of the period</b>	<b>13,180</b>	<b>13,407</b>

### C- Other related party transactions

	HSBC Group	
	31-Mar-24	31-Dec-23
	EGP000	EGP000
<b>Statement of income statement</b>		
Operating lease	13,355	77,212
Head office services revenue	18,987	223,500
Cost of services provided by HSBC Group	(937,048)	(2,814,896)
<b>Total</b>	<b>(904,706)</b>	<b>(2,514,184)</b>

	HSBC Group	
	31-Mar-24	31-Dec-23
	EGP000	EGP000
<b>Statement of financial position</b>		
Due from banks	445,928	408,010
Loans and advances to banks	215,290	134,790
Due to banks	1,425,652	6,395,476
<b>Total</b>	<b>2,086,870</b>	<b>6,938,276</b>

Notes to the interim condensed separate financial statements - for the three months ended 31 March 2024  
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## 27. Subordinated loans

- Subordinated loan, variable interest rate (1) obtained from HSBC holdings BV by EGP 272 million, according to an agreement extension of 15 years. (Starting from December 2013 and ending in December 2028).
- Subordinated loan, variable interest rate (2) obtained from HSBC holdings BV by EGP 1,800 million, according to an agreement extension of 10 years. (Starting from March 2017 and ending in March 2027).

## 28. Mutual funds

### HSBC first Mutual fund (Kol Yom):

The mutual fund is an activity authorized for the Bank by virtue of Capital Market Law No.95 for year1992 and its Executive Regulations. The fund is managed by Hermes for Managing Mutual Funds. The certificates of the fund reached 1,000,000 certificates with an amount of EGP 100,000,000 of which 50,000 certificate (with nominal value of EGP 5,000,000) were allocated to the Bank to undertake the funds' activity.

The Bank held as of 31 March 2023, 78,559 certificates amounting to EGP 9,141,998 with a redeemable value amounting to EGP 37,868,371 against 78,559 certificates amounting to EGP 9,141,998 with redeemable value amounting to EGP 36,120,258 as of 31 December 2023.

The redeemable value of the certificate amounted to EGP 482.04 against EGP 459.79 as of 31 December 2023. The outstanding certificates reached 2,654,432 certificates against 2,567,763 certificates as of 31 December 2023.

According to the fund's management contract and its prospectus, HSBC Egypt shall obtain fee and commission for supervision on the fund and other managerial services rendered by the Bank. Total commission amounted to EGP 2,131 thousand for the period ended 31 March 2024 against EGP 1,235 thousand for the period ended 31 March 2023 under the item of fees and commission income caption in the income statement.

## 29 - Important events

- On the 1st of February 2024, the Monetary Policy Committee (MPC) decided to raise the Central Bank of Egypt's (CBE) overnight deposit rate, overnight lending rate, and the rate of the main operation by 200 basis points to 21.25%, 22.25%, and 21.75%, respectively. The discount rate was also raised by 200 basis points to 21.75% , which may affect the bank's policies in pricing current and future banking products.
- On the 6th of March 2024, the Monetary Policy Committee (MPC) decided to raise the Central Bank of Egypt's (CBE) overnight deposit rate, overnight lending rate, and the rate of the main operation by 600 basis points to 27.25%, 28.25%, and 27.75%, respectively. The discount rate was also raised by 600 basis points to 27.75%, which may affect the bank's policies in pricing current and future banking products.
- Based on the change in the US dollar exchange rate during the month of March from 31 pounds per dollar to 47 pounds per dollar, the values of assets and liabilities of monetary nature in foreign currencies, as well as the income statement, were affected by the results of evaluating the existing currency positions at the date of the financial position.