

HSBC Bank Egypt S.A.E.

Annual Report and Accounts 2025

HSBC Bank Egypt SAE (HBEG) is a 94.54 per cent subsidiary of HSBC Holdings plc and part of the HSBC Group. Headquartered in London, the HSBC Group is one of the world's largest banking and financial services organizations and one of the world's most valuable brands. HSBC is listed on the London, Hong Kong, New York and Bermuda stock exchanges.

HSBC has been supporting customers for more than 160 years through an international network in 57 countries and territories around the world.

HSBC provides a comprehensive range of banking products and services to meet the financial needs of more than 41 million personal, wealth and corporate customers through its global businesses: International Wealth and Premier Banking (IWPB) and Corporate and Institutional Banking (CIB).

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Report of the Directors

The Board of Directors has the pleasure of presenting the Annual Report of HSBC Bank Egypt SAE (HBEG) for the year ended 31 December 2025.

Economic Review and Future Outlook

Despite ongoing regional political tensions and pronounced global market volatility, Egypt's economic performance showed strong signs of recovery in 2025 as policy efforts to stabilize prices, domestic and external balances gained further traction. The gains built on an IMF-anchored reform programme initiated in late 2023, focused on liberalization of the foreign currency regime, monetary and fiscal consolidation and a drive to boost the role of the private sector across the economy.

GDP data give some indication of the adjustment underway, with growth averaging 4.4% during fiscal year 2024/25. Excluding the immediate post-pandemic period, the rate of expansion was the strongest since 2018/19, driven by a recovery in domestic demand as household consumption returned to trend rates of expansion. Downward pressure on public capital spending left overall investment subdued but exports rose strongly, boosted by gains in demand for goods and services. Intra-year data showing growth rose to 5% y-o-y in Q4 24/25 from 2.4% in Q1 suggest the economy gained momentum into year-end, even while fiscal and monetary policy remained restrictive.

Despite the strong pick-up in domestic demand, price stability improved with headline inflation falling to an average of 14.2% during calendar 2025 – down more than 14ppt on the average for 2024. Core inflation also fell, dropping 15ppt y-o-y to average 12.2%. The readings remain above the central banks 5-9% target range, and after falling sharply during H1 adjusted more modestly over the second half of the year – a trend that in part reflects the impact of ongoing subsidy cuts mandated by the IMF reform program, as well as the challenge of re-anchoring inflation expectations. Nevertheless, the marked improvement in price stability allowed the central bank to cut its policy rate by more than 700bps during the year, unwind much of the monetary tightening delivered in 2024 when the authorities acted to counter inflation and stabilize the currency. Despite the rate cuts, the real rate remained positive in real terms.

After depreciating sharply in 2024, EGP appreciated in trade weighted and in nominal terms against the dollar during 2025 while FX availability strengthened markedly, and interbank liquidity improved. The gains were anchored by the ongoing reform programme and bolstered by sharp shifts in the balance of payments, notably strong gains in tourism and remittance inflows and a pick-up in non-oil exports which offset higher import spending, reduced Suez Canal receipts and a further deterioration in the energy trade balance. Capital inflows were also strong, lifting central bank FX reserves to a record high at year end and leaving commercial bank net foreign assets in surplus. Improvements in public finances made slower gains, however, with budget deficit remaining high at over 7% of GDP in 2024/25 as increases in the large debt servicing bill outpaced tax revenue gains and downward pressure on wages and capital spending. This heavy debt servicing burden tested the consolidation goals laid out in the 2025/26 into the end of the calendar year, though strong nominal economic growth was sufficient to put public debt on a downward trend as a proportion of GDP.

Business and Operational Activities

Financial performance

For the financial year ending 31 December 2025, the Bank reported profit before tax of EGP 28,084.6m, which is 2 per cent decrease compared to 2024. Profit after tax decreased by 2 percent, reaching EGP20,483.1m.

The Board of Directors proposed a cash distribution of EGP 12,263.2 m to Shareholders (60percent of the profits available for distribution for 2025) representing a coupon of EGP 206.02 per share.

In line with legal requirements, the Board of Directors also proposed a 'full year' distribution of EGP 1,633.3m (7.99 percent of the profits available for distribution for 2025) to the Bank's employees being the profit sharing linked to performance.

As per the CBE Law, the Board of Directors also allocated an amount to Banking System Support and Development Fund of EGP204.4m (1 percent of the profits available for distribution for 2025).

The remaining balance of profits available for appropriation, amounting to EGP 6,198.0 m, will be distributed according to the following regulations:

For supporting the bank's equity

- General Reserve amounting to EGP 1,021.9m
- Retained earnings amounting to EGP 5,176.1m (after deducting the actuarial loss of EGP 139.8M)

Corporate and Institutional Banking (CIB)

- Is an international wholesale bank with significant competitive advantages. It has a powerful deposit franchise with financing capabilities supported by the strength of our balance sheet and our network. It has the products and skills required to serve the global banking needs of international corporate clients, particularly in transaction banking where we continue to invest. This positions us to better capture global and intraregional flows as supply chains reconfigure, new trade routes emerge, economies grow, and customers' expectations of financial services evolve.
- The future economy will require financing and investment in sectors such as advanced technologies, specifically digitalisation, computing, and generative AI, as well as clean energy and healthcare. CIB is well positioned to facilitate this by helping entrepreneurs to secure the capital they need to build the businesses of the future and by supporting our customers as they look to decarbonise.
- In CIB, these include further expanding our international network businesses, notably transaction banking
- At CIB, our ambition is to be the preferred and most trusted international finance partner for our clients. This means being the #1 International Corporate and Institutional Bank in Payments, Trade, FX and Financing.
- We are delivering on that ambition through HSBC's three strategic priorities:
 - Customer-centricity - Our deep product range allows us to meet the most diverse and complex client needs. We hold a strong market leadership position across the high-revenue products that best serve our clients' needs: Payments, Trade, FX and Financing.
 - Strong and sustainable growth - We are making changes to ensure we remain on the path to strong and sustainable growth. Our client-led approach to financing will enable us to become the most relevant wholesale bank for our clients, underpinned by three key enablers: global connectivity, rapid innovation, and strong returns.
 - Simple and agile - We are bringing our CMB and GBM businesses together to create a new, simpler CIB that better serves all our clients. To execute this transition seamlessly, we are focusing on culture and technology.

Markets & Securities Services (MSS):

- Global Markets (GM) provides comprehensive foreign exchange services to corporate, institutional clients and offshore clients. We work on helping our corporate clients to find the best solutions to hedge foreign exchange, interest rate and precious metal exposures along with offering Fixed Income instruments as Treasury Bills and Bonds denominated in Egyptian Pound.
- Key Market player offering EGP hedging tool to Corporate Clients on the back of their commercial trades.
- We are as well the first bank to offer RMB currency for those clients who are trading with China in order to reduce their conversion cost while offering an electronic Foreign Exchange platform where Corporate Clients can execute their FCY requirements online.
- HBEG GM works closely with their Regional and Global counterparts to fulfil our institutional and Securities Services client base requirements in terms of sovereign debt and to ensure smooth entry and exit to and from the local market. From a Balance Sheet perspective, Market Treasury interacts actively with different lines of business to provide the required liquidity and to hedge the bank's overall interest rate risk while deploying excess of liquidity to ensure decent return at a minimum risk.

- Securities Services (SSv) business offers Direct Custody and Clearing product (DCC) to 54 global institutional banks and top tier multinational corporate clients with a range of Safe Keeping, Settlement and Asset Servicing Solutions.
- HBEG was one of the first banks to introduce Direct Custody and Clearing (DCC) services in Egypt in April 1996 and the only site in MENA region with full on-shore SSv operations.

Global Trade Services (GTS):

Helps buyers and sellers navigate the world of global trade by providing trade and receivables finance solutions.

- Global Trade Solutions has been central to HSBC's 'opening up a world of opportunity' - we are the world's largest international trade bank, with an unrivalled global presence and recognised for our industry leadership.
- As our customers' businesses evolve, so must GTS. Consequently, we are defining our vision to be the 'Leading Facilitator of Global Commerce' – with commerce referring to all the activities associated with the exchange of goods and services from the manufacturer to the last customer. This reflects our ambition to serve more businesses with a broader range of solutions, beyond financing and risk mitigation.
- We provide the services and financing our client's needs throughout the trade cycle, from the tender process and issuance of a payment order, through to shipment and sales fulfilment, across industries including commodities, global sourcing, technology, and infrastructure.
- GTS offers solutions that support clients with:
 - Working Capital Optimization
 - International Trade Growth
 - Trade Risk Management
 - Supplier Finance Management
 - Sales Finance Management

Global Payments Solutions ('GPS'):

Business provides a full suite of treasury and cash management solutions and consultative services for clients in 56 markets, covering c.90% of the world's GDP

- GPS offers a world-leading payments franchise, with our solutions unlocking the potential of HSBC's network for our clients
- GPS help clients from domestic SMEs to some of the largest multinational corporates in the world to move their money, manage their balances and unlock cash flow and treasury insights.
 - Payables: Paying suppliers and employees or moving money at a global scale in over 130 currencies, with solutions including Real Time Payments and Global Disbursements.
 - Receivables: Manage working capital with streamlined ways to collect money and identify where funds have come from with Virtual Accounts and Receivables Management.
 - Global Liquidity: Maximise cash and optimise interest earnings with solutions including cash balance visibility, cash forecasting, cash pooling and investments.
 - Commercial Cards: Control business expenses and release working capital with purchasing cards, virtual cards, T&E cards and more.

Small and Medium Enterprises (SMEs):

- We will continue to support SMEs through leveraging our international connectivity, product capabilities and through direct balance sheet support.
- Continue focusing on strategic pillars in line with the HSBC strategy with an international footprint and ESG agenda while supporting Egypt's renewable energy transition and New Economy as well as Tech enabled businesses. With a strategy for 2023/2025 to capture growth opportunities in priority sectors/pillars: sustainability, high growth technology, and technology enabled solutions, supply chain and exporters

Key highlights for 2025 include:

- HSBC has continued providing support to Egypt supporting the Ministry of Finance to access liquidity while reducing the government's cost of funding. HSBC has acted as Joint Lead Manager on USD2bn conventional bond in January 2025 and USD1.5bn Senior Unsecured Sukuk in September 2025; a testimony for HSBC being a trusted advisor for Egypt in the international debt capital markets
- Successful launch of the Treasury API, a milestone that enables our clients with API payments, balances, transaction inquiries and seamless integration with digital services and products. Application Programming Interface (API) allows two systems to connect and exchange information instantly. API delivers real time connectivity between banks and the clients.

International Wealth and Personal Banking ('IWPB')

- HSBC International Wealth and Personal Banking continued to deliver strong and robust performance during 2025 despite the considerable geopolitical and economic challenges on both the local and global levels, IWPB proved resilience by delivering a 11% uplift in revenue stream demonstrating its financial strength and stability.
- Our well- designed strategy, which focuses on expanding our prospect pool within targeted segments, is expected to enable growth of our active base to 330K customers by November 2025 reflecting 4.4% Year-over-year (YOY) growth in IWPB portfolio. Mass affluent segment reflects 5.3% YoY growth to represent 26% of IWPB portfolio. This growth was driven by a set of targeted strategic initiatives designed to enhance the quality of customer acquisitions and strengthen overall portfolio positioning.
- On assets, IWPB delivered a record growth in balances for both personal lending & card business by 14% & 32.4% respectively, in addition to growth in cards spend by 36.9%.
- On Liability, IWPB achieved YoY growth in total portfolio of 9.3% and the real growth ratio goes up to 12% if we exclude the FX fluctuation factor.
- On the Digital front, 82.5% of our new to bank customer are online registered where our customers performed almost 1.9M online transactions and services using our digital channels in 2025.
- We ensure the delivery of our products and services in a fair and transparent manner and giving our customers the tools to raise their voice and responding to their needs with the suitable solutions and products.
- From Financial Inclusion perspective, we launched the Financial Wellbeing HUB on our Public website, offering relevant financial education content that allow our customers and staff to become more financially resilient and have better financial health and security.
- IWPB continues to embed disability inclusion and accessibility into our culture, upskilling our teams through training and engaging with subject matter experts.

Risk Management

- The Banks' activities involve, to varying degrees, the analysis, evaluation, acceptance, and active management of risks. The key financial risks which the bank is exposed to are retail , wholesale credit risk, market risk, and liquidity and funding risk. The bank is also exposed to non-financial risk in various forms (including Resilience risk, Financial Crime and Fraud Risk, People Risk, Regulatory Compliance Risk, Legal Risk, and Financial Reporting and Tax risks).
- We aim to use a comprehensive risk management approach across the bank underpinned by our culture and values. This is outlined in our risk management framework, including the key principles and practices that we employ in managing material risks, both financial and non-financial. We actively review and enhance our risk management framework and our approach to managing risk, through our activities regarding people and capabilities; governance; reporting and management information. The key aspects of the risk management framework, include governance, structure, our risk management tools and our culture, which together help align employee behavior with our risk appetite. Key components of our risk management framework

Risk culture

- The banks' strong risk governance reflects the importance placed by the Board on managing risks effectively. It is supported by a clear policy framework of risk ownership and by the accountability of all staff for identifying, assessing, and managing risks within the scope of their assigned responsibilities. This personal accountability, reinforced by the governance structure, experience and mandatory learning, helps to foster a disciplined and constructive culture of risk management and control throughout the bank and one that supports and encourages the behaviors of good judgement, speaking up and accountability.

Risk Appetite

- Our risk appetite encapsulates the consideration of financial and non-financial risks. The risk appetite is expressed in both quantitative and qualitative terms and continues to evolve and expand its scope as part of the regular review process. The Board periodically reviews and approves the group's risk appetite statement to ensure it remains fit for purpose.
- We formally articulate our risk appetite through our Risk Appetite Statements ('RAS'). Setting out our risk appetite ensures that we agree a suitable level of risk for our strategy. In this way, risk appetite informs our financial planning process and helps senior management to allocate capital to business activities, services, and products.

Risk Environment

- We continued to actively manage the risks related to macroeconomic and geopolitical uncertainties. In addition, we sought to enhance our risk management through enhancing our processes, framework, and reporting capabilities to improve the control and oversight aiming to maintain our operational resilience and meet new and evolving regulatory requirements. We continued to make progress with climate risk through implementation of climate-related risk policies and processes. We use a top and emerging risks process to provide a forward-looking view of issues with the potential to threaten the execution of our strategy or operations over the medium to long term. We proactively assess the internal and external risk environment and our top and emerging risks, as necessary.

People Management & Development

People Insights

HBEG total headcount as of end of as of end of December 2025 is 1,535 FTEs compared to 1,610 as of end of December 2024. Females represent 40.4% of the overall headcount, which is same as of end of December 2024. As part of our Diversity and Inclusion agenda, we have maintained the 5% country requirement of hiring People with Registered Disabilities in 2025.

Benefits & Wellbeing

- Promoting our benefits to elevate our Employee Value Proposition (EVP) remains one of our top priorities. The strength of our benefits was visible when we reviewed them against the new Labour Law requirements, resulting in minor enhancements, as most of our benefits already exceed the labour law. The below key enhancements were introduced in our benefits starting 2025:
 - As part of HSBC Global Minimum Standards of Benefits, we enhanced our paternity leave entitlement to be 20 working paid leave days per child, in addition to the unification of the annual leave balance, all employees are entitled to 30 paid working leave days, regardless of their tenure and/or years of experience.
 - We reviewed our Profit Share Down Payment (PSDP) scheme in terms of amount per band, resulting in 50% uplift to the quarterly payment amount across GCB4-7 effective January 2025, in addition to including GCB8 employees under the scheme.
 - Additional enhancements were implemented to our medical insurance table of benefits, including:
 - Doubling the plan limit of our non-executives (GCB 6-8).
 - Increasing Dental and Eye Care limits.
 - Adding durables such as (Hearing aids, Smart Diabetes Devices, Crutches, etc..) under the medical coverage (all plans) for up to 100k per insured member.
 - The Life Insurance coverage cap has been increased.
 - An on-site pharmacy has been established in the Head Office, making it easier for employees to access essential medications and healthcare needs.
 - Wellbeing initiatives continued in 2025 with four major campaigns delivered to our employees namely: "Tumour Markers", "Know Your numbers", "Breast Cancer Awareness" and "Prostate Cancer Awareness".

Regulatory Changes

- This year witnessed two notable regulatory changes, outlined below:
 - **Issuance of the New Labour Law No.14 of 2025:**

The newly issued labour law No. 14 of 2025 has been published in the Egyptian official gazette on 3rd of May 2025. HBEG HR and Legal have conducted a comprehensive gap analysis comparing the provisions of the new labour law with the erstwhile labour law No.12 of 2003, highlighting the major changes which have been shared with action owners ensuring compliance before the law came into force on 1st of September 2025.
 - **CBE Circular 189 - Banking Code of Conduct:**

The Central Bank of Egypt (CBE) has issued circular 189 - Banking Code of Conduct (CoC) on 27th of March 2025. HBEG HR has conducted a comprehensive gap analysis comparing the requirements of the CBE CoC with the erstwhile HSBC's Global Code of Conduct (GCoC), highlighting the major changes which have been shared with action owners ensuring compliance before the circular came into force on 26th of September.

Branding

- One of the key highlights of 2025, led by the Learning team, was hosting two important visits at HSBC Head Office in Canary Wharf, London, detailed below:
 - **'Future Leaders'** is a programme organized by the Egyptian Banking Institute (EBI) and the Central Bank of Egypt (CBE). The audience is a group of 45 highly skilled banking professionals from the Egyptian Banking Sector who were brought together to spend one full day at the office connecting with HSBC Speakers from different areas, discussing the most up-to-date norms and sharing best practices. Topics covered during the visit are Wealth Management, Cash Management, Capital Markets and Advisory, Corporate Banking, and GTS.
 - **'Board Members Study Tour'**, also organized by the Egyptian Banking Institute (EBI) and the Central Bank of Egypt (CBE). There was a group of 12 Current and aspiring Board Members from the EBI and other Banks in Egypt who met with Jose Meade (Pepe), HSBC Non-Executive Director. The objective of the visit was to gain a deeper understanding of what differentiates HSBC globally, particularly in the areas of governance, strategy, and innovation.

Talent Acquisition

- In October 2025, we launched our new Talent Acquisition (TA) systems, SuccessFactors and eightfold.ai, in Egypt. These new systems are part of our wider Talent Acquisition and Onboarding (TAO) Transformation Programme which will enable new ways of working. The new AI-driven tech brings benefits to stakeholders across the TA life cycle. Candidates will upload their CV or profile and be matched with open roles based on their skills.
- Our new system is powered by market-leading AI technology that enables us to deliver better services for our candidates, colleagues, hiring managers and recruiters. This transition is the initial phase of a multi-year journey to radically enhance our hiring approach, to enable us to:
 - Make every hire count.
 - Secure the skills needed for the future.
 - Deliver a streamlined, efficient, and high-quality TA service.

Chief Operating Office

- The Chief Operating Office (COO) works closely with the Executive Management Team and Business Heads to align the Bank's operating capabilities with its strategic objectives. Through disciplined execution and strong governance, the COO ensures that operational capacity supports sustainable growth, regulatory compliance, and evolving customer expectations.
- During 2025, the COO office focused on strengthening operational resilience, enhancing process efficiency, and ensuring regulatory and internal compliance across the Bank. The office acts as a central governance and execution arm supporting the Bank's strategic objectives.

Operations and Servicing

- Operations is a core pillar of the Bank's value delivery, responsible for ensuring the efficient, secure, and seamless execution of end-to-end processes across products, channels, and customer segments. Operating under the COO's oversight, the function remains focused on service reliability, operational resilience, cost efficiency, and maintaining a strong risk and control discipline.
- During the year, Operations continued to strengthen its capabilities across key areas whereby Client Servicing improved overall effectiveness, Payments Operations enhanced straight-through processing performance, and Retail Operations contributed to efficiency gains through initiatives aimed at reducing paper-based outputs.

- In parallel, Operation remained focused on delivering key regulatory and strategic initiatives in line with Central Bank requirements, including the implementation of major transformation programs such as ISO20022 and Image-based Clearing.
- Efforts were also directed toward improving operational resilience by reducing manual processes, increasing the adoption of digital transactions, and strengthening contingency and recovery arrangements, including SWIFT-related readiness. Through close collaboration with the business and technology teams, Operations continues to support improved customer experience and the Bank's sustainable growth.

Real Estate Services

- In 2025, the Bank continued to advance its real estate and facilities strategy with a strong emphasis on environmental sustainability, operational efficiency, and employee well-being.
- As part of its commitment to environmental sustainability, Real Estate Services team offset our electricity consumption to renewable resources by issuing International Renewable Energy Certificates (I-RECs), covering our total forecasted electricity consumption for 2025 from Ras Gharib Wind Generation Field. The Bank plans to maintain this commitment by continuing to consume green electricity in 2026 and outer years.
- The Bank also continued to optimize its real estate footprint during 2025 by subletting surplus space in the Head Office and disposing of non-operational freehold properties.
- During the year, the function also delivered a range of infrastructure projects strengthening our resilience and implementing security upgrades in line with regulatory requirements. In addition, a refresh program was completed across a number of branches to uplift the customer and employee experience, ensuring our network maintains high standards of functionality, safety and security measures, alongside the successful delivery of the annual assets' replacement program across the whole portfolio.
- In Parallel, additional office capacity was created through targeted space expansion within HSBC Global Services Centre (GSC), enabling the premises to accommodate future hiring requirements while improving space utilization and workplace flexibility. The enhanced layout supports efficient desk-sharing models and leverages contingency facilities to maximize year-around usage.
- 2025 also marked the inauguration of HSBC Lions – Stephen and Stitt – at both the Maadi Head Office and the GSC in Smart Village. These iconic statues symbolize the Bank's long-standing presence in Egypt and reinforce its commitment to cultural heritage and brand identity.

Cyber Security

- Cyber-Security and fraud risks continue to be a key focus area for us, fostering secure and stable platforms for our customers remains a top priority. Our Global world class cyber security professionals continue to provide end-to-end security solutions including proactive 24/7x365 monitoring, technical analysis, threat response, and cyber intelligence aligning with HSBC group and Egypt regulatory framework/matrix.
- We continue to monitor changes to the cyber-threat landscape and take proactive measures with the aim of reducing any impact on our customers.
 - Prevent, detect, and mitigate : We invest in business and technical controls to help prevent, detect and mitigate cyber threats. Our cybersecurity controls follow a 'defense in depth' approach, leveraging multiple security layers, and recognizing the complexity of our environment. Our ability to detect and respond to attacks through round-the-clock security operations center capabilities is intended to help reduce the impact of attacks.
 - Policy and governance : We have a robust suite of cybersecurity policies, procedures, and key controls to help with the effective oversight and management of the organization. Our cybersecurity capabilities are periodically assessed against standards issued by the National Institute of Standards and Technology and by independent third parties, and we proactively collaborate with regulators to participate in regular testing activities. HSBC Egypt SAE cybersecurity capabilities have been rated as 'High' maturity during the Central Bank of Egypt cybersecurity framework assessment exercise. In

addition, HSBC engages external independent third parties to support our penetration and threat-led penetration testing.

- Cyber training and awareness : Our aim is to equip every colleague with the appropriate tools and behaviors they need to keep our organization and customers' data safe. We provide cybersecurity training and awareness to all our people, ranging from our top executives to IT developers to front-line branch staff around the world, and we deliver targeted training to staff that are identified as having elevated cyber risk exposure

Protective Security

- The bank maintains a strong focus on safeguarding its people, customers, operations, and assets by continuously assessing the physical security environment and ongoing monitoring of the geopolitical developments and associated risks. These efforts support the maintenance of safe, secure, and resilient operating environment across all locations.
- During 2025, the function conducted a comprehensive assessment to evaluate the compliance levels and identify remediation priorities.
- Furthermore, the Protective Security team provides end-to-end security coverage through continuous monitoring, incident management and threat response capabilities operating on a 24/7 basis, in coordination with relevant local authorities where required. In parallel, the Business Continuity and Incident Management team ensures that response and recovery plans are established, regularly tested, and capable of supporting operations within defined maximum disruption thresholds during any incidents.

Procurement and External Third-Party Risk Management

- In response to the evolving market conditions, the procurement team maintained close collaboration with external suppliers to deliver optimal commercial outcomes for the Bank and its clients. Building on prior efficiencies, the team managed to reduce supplier onboarding timelines for standard engagements, alongside enhanced on-time payment performance to vendors, consistently exceeding Group service level targets.
- Moreover, continued to advance digital procurement processes, including request-to-pay automation and the expanded adoption of electronic payment solutions. These enhancements, supported by improved analytics and digital integration across sourcing and spending activities, further boosted operational efficiency.
- In parallel, sustainability consideration remained embedded within procurement activities in line with the Bank's sustainability strategy, ensuring responsible sourcing practices and alignment with environmental, social, and governance principles.
- Additionally, in collaboration with the COO Office team, Procurement successfully concluded a partnership with a leading smart transportation provider, delivering an efficient daily commuting solution for employees. This initiative contributed to improving employee convenience, addressed operational challenges such as parking capacity, and reinforced the Bank's commitment to provide a supportive and attractive working environment.

Performance Services and Business Risk Management

- The Performance Services and Business Risk Management functions within the COO Office oversee the key business management activities and coordination of the day-to-day entity-level COO responsibilities including performance reporting, governance of regulatory change projects, acting as the bank's cost management and procedures governance focal point, in addition to the management of the enterprise risk & controls framework.
- Throughout 2025, the team spearheaded several initiatives to enable business development and improve customer experience, through the delivery of automated solutions & streamlined processes, aiming to reduce operational risk, optimize cost and data integrity.

- Moreover, during the year, an entity Risk Culture Plan was designed. The plan focused on ensuring that appropriate risk management practices, effective control implementation, and sufficient risk awareness are embedded across the organization. A number of actions were introduced to promote consistent risk behaviors, strengthen first-line ownership, and enhance risk-informed decision-making.
- We continue our efforts to further enhance the Bank's processes and risk governance through improved automation, standardized practices, and a strengthened oversight of regulatory obligations across the organization.

Compliance Function

- The compliance is led by the Chief Compliance Officer (CCO) who is responsible for overseeing and managing both functions (regulatory compliance and financial crime compliance). The Chief Compliance Officer plays an important role in enabling the bank to operate within its risk appetite, by ensuring efficient and effective risk and control management in relation to regulatory compliance and financial crime. CCO achieves this by providing regulatory & financial crime risks expertise, providing advice and challenge to management regarding all related matters; projects, policies, and procedures to achieve compliance with relevant rules, regulations, laws, and standards of conduct and maintaining robust risk governance focused on material risk and issues, and evolving a culture of continuous and consistent risk management.
- The Compliance function aims to continue to embed a sustainable approach to compliance risk management, including simplifying compliance risk related processes where possible. alongside this, the function will seek to develop and deliver an intelligence-led risk management capability, leveraging data and using advanced analytics and emerging technology, further to support HSBC to balance revenue and risk as the Group returns to growth mode. More generally, the Compliance function seeks to develop capabilities and activities in a way that aligns with and operates to industry-leading standards.
- The purpose and vision of the Compliance function is to protect our customers, protect the organization and protect the integrity of the financial markets in which we operate.
- To deliver on this purpose we are agile and responsive in a dynamic, constantly changing environment: where criminals get smarter and more determined, technology advances, customer expectations change, and the regulatory environment continues to evolve.

Financial Crime Risk:

- HSBC is stably running an effective financial crime risk management framework as managing financial crime risk is becoming business as usual. HSBC has a global worldwide structure that is designed to enable managing financial crime risk effectively across the bank and to continue to strengthen financial crime detection and mitigation controls while committed to high ethical standards. Our Financial Crime Policy covering Anti-Money Laundering, Proliferation Financing, Sanctions, Anti-Bribery and Corruption, Internal & External Fraud, and Tax Transparency risks aim to ensure awareness and effective management of such risks as and when identified by the bank to appropriately safeguard our business & customers against them.
- The Compliance team works to satisfy the requirements of implementing a consistent, comprehensive approach in assessing Financial Crime Risk. This includes working on enhancing and simplifying governance under the business-as-usual status. HSBC embarked on a process of simplifying the financial crime policies and adapting a service-based operating model where expertise is consolidated into global functional capabilities to best operate up to consistent standards and provides additional insight and support to global businesses.
- HBEG Financial Crime Compliance team continued to support the business and customers during 2025 in the middle of the surrounding ever changing exceptional economic and political circumstances and as threats to the global financial system grow, will continue to provide the required guidance and advice to the business to support and protect customers and employees while ensuring full compliance to regulatory requirements and prudent risk management standards.
- HSBC Bank Egypt remains committed to fighting financial crime and remains with the aspiration to be the industry leader in this area and continue to serve and protect our clients and the environment in which we operate.

Regulatory Compliance (RC) Risk:

- The Regulatory Compliance (RC) sub-function provides independent, objective oversight and challenge and promotes a compliance-orientated culture.
- The RC Statement of Purpose says: “We understand the regulatory landscape and work with the business to help them identify and manage their regulatory compliance risks. We provide independent and objective oversight and challenge, and promote a compliance-orientated culture, supporting the business in delivering fair outcomes for customers and achieving HSBC’s strategic objectives.”
- The risk that we fail to observe the letter and spirit of regulations and standards of good market practice relating to the provision of banking and financial services and incur fines, penalties, and damage to our business consequently. Regulatory Compliance risk captures the risks associated with Breaching our Regulatory duty to clients and other counterparties, Regulatory Licensing and Permissions, Inappropriate Market conduct and Unauthorized Trading. This includes but is not limited to:
 - Conflict Management, Market Abuse, Information Barriers
 - New and ongoing product management and electronic communication.
 - Client Assets Protection and Customers’ Investment Management.
 - Regulatory and Conduct Post Sales Servicing.
 - Mis-selling and Complaint Handling.
 - Relationship with Regulators, Response to Regulatory Change, Regulatory Reporting and Unauthorized Trading.
- HBEG Regulatory Compliance team continued to support the bank by ensuring adherence to all regulatory changes despite all the challenges and the rapidly evolving regulatory landscape in Egypt, the team continued to deliver timely support and ensure full compliance to all new regulatory requirements.

Whistleblowing:

HSBC Group wants employees and stakeholders to have confidence in speaking up when they observe unlawful or unethical behavior. HSBC Bank Egypt SAE leverage on HSBC Group’s policies which offer a range of speak-up channels to listen to the concerns of individuals and have a zero-tolerance policy for acts of retaliation

Conflicts of Interest:

- HSBC takes all appropriate steps to identify and prevent all conflicts of interest, or "Conflicts, or otherwise manage them appropriately. Where Conflicts are present, Global Businesses must ensure that they do not disadvantage the interests of existing Clients unfairly in favor of HSBC, its Workers, or prospective Clients.
- HSBC has no appetite for failing to identify and manage material conflicts of interest appropriately. Where failures are identified, these will be addressed promptly and efficiently.

Customer Protection

HSBC Customer protection unit, aligned with CBE regulations, continues to focus on the following key areas:

- Treating customers fairly.
- Disclosure and transparency in regard to features and pricing of all products and services offered by HSBC.
- Efficient complaints handling process.
- Enhancing the banking culture awareness.
- Protecting our customers’ data and information security.

Acknowledgment

Based on the financial results of 2025, the Board would like to extend their congratulations and thanks to the HSBC Egypt staff for their efforts and achievements

Shareholding

HSBC Bank Egypt SAE is a 94.5 per cent owned subsidiary of HSBC Holdings plc through HSBC Holdings B.V. The shareholding structure is as follows:

HSBC Holdings BV	94.5443%
Misr Insurance Company	2.7287%
Misr Life Insurance Company	2.3566%
Others	0.3704%

Equity Investments

HSBC Bank Egypt also holds minority interests in the following companies:

- Egyptian Mortgage Refinance Company (EMRC)
- The Egyptian Credit Bureau (ESTEALAM) (I-Score)
- Misr Company for Clearing, Settlement and Depository (MCDR)
- HSBC Securities Egypt S.A.E. (under liquidation)
- Swift Company
- Kol Yom' Money Market Fund

Corporate Governance

- Corporate Governance at banks is of paramount importance to ensure sound practices, promoting transparency and efficiency, in consistency with the law. The HBEG Board ('The Board') and the management are committed to the long-term success of the Bank and generating stable and sustainable returns for the shareholders. Standards of Corporate Governance, in particular those defined by Central Bank of Egypt ('CBE') and other regulatory bodies, are fundamental in supporting HBEG to facilitate better execution of activities and creating sustainable shareholder value, without overlooking the interests of other stakeholders in the Bank and the business community at large.
- HBEG has a comprehensive range of policies and procedures in place designed to help ensure that it is well managed. HBEG is continuously developing its Corporate Governance Framework ('The Framework') to meet the highest standards by leading professional bodies and regulatory authorities. The Framework outlines a consistent approach across the Bank infused into its culture and will be reviewed on a periodic basis by the Board of Directors. HBEG as a whole, along with The Board, Senior Management and employees are collectively responsible for integrating the Corporate Governance Framework into their day-to-day activities. The Board sets the "tone at the top", the management ensures that the Corporate Governance Framework is implemented through a robust set of policies and procedures, and employees follow the Corporate Governance requirements in their day-to-day business.
- HBEG is committed to complying with the highest standards of corporate governance principles, which is reflected in the relationships and responsibilities of the management, the Board and the shareholders in line with local regulatory requirements and global requirements of the HSBC Group. HBEG's Governance policies and practices cover all aspects of the Bank's daily operations including the creation and execution of strategies, the definition and application of risk appetite parameters and setting the balance between shareholders' obligations and depositors' interests. HBEG Management ensures that the daily activities of the Bank's operations are executed in a secure manner and in compliance with the prevailing laws and regulations.
- HBEG's commitment to organizational governance is evidenced by:
 - The composition of the HBEG Board of Directors and the inclusion of independent, non-executive Directors.
 - The clear definition of Directors' duties.

- The operation and composition of Board's committees including the Audit Committee, the Risk Committee, the Governance and Nomination Committee and the Salaries and Remuneration Committee.
- The frequency of meetings of the Board and of the Board's Committees in line with local regulatory requirements.
- The internal control framework, reflected in the structure and operation of the Bank.
- The adoption and implementation of internal policies and procedures covering all business aspects.
- The existence of transparent communication and disclosure channels.
-

The Board of Directors

The following changes took place to the HBEG Board of Directors during 2025:

Resignations

- Resignation of Mr. Nadim Ghanem, HSBC Bank Egypt S.A.E. Independent, Non-Executive Director, effective from close of business of 12 June 2025.

Appointments

- Appointment of Mr. Ayman Soliman, HSBC Bank Egypt S.A.E. Independent, Non-Executive Director, effective from 27 May 2025.
- Appointment of Mr. Faris Al Ghannam, HSBC Bank Egypt S.A.E. non-executive director (NED) representing HSBC, effective from 25 September 2025.

Mr. Nasser Alshaali

Non- Executive Chairman (since September 2021)

Nasser Alshaali was appointed HSBC Bank Egypt Chairman effective 7th of September 2021.

Mr. Alshaali's career spans 24 years with executive and board level experience in a range of private and public posts. He served as CEO of the Dubai International Financial Center, Managing Director of Sabertia Capital Partners, Executive Director at Stra-tical Associates in Dubai, and is currently Advisor to the Gulf Craft Group.

As COO, Mr. Alshaali helped establish the Dubai International Financial Exchange, before merging with Nasdaq. He also worked with Dubai government's "The Executive Office" in the setup of "Dubai Media Incorporated" (DMI), and economic expansion initiatives such as Dubai Internet City, Dubai Media City, and 13 others in diverse industries.

Mr. Todd Wilcox

Executive Director (since June 2020)

Todd Wilcox is HSBC Bank Egypt Deputy Chairman and Chief Executive Officer.

Mr. Wilcox has an extensive international banking experience, the last 19 years of which have been with HSBC in a series of leadership roles.

He spent the first 2 years of his career with HSBC Canada helping to expand the Group's operations in western Canada before moving to HSBC Bermuda as Head of Retail Banking and Marketing in 2008.

In 2011, Mr. Wilcox was appointed as Chief Risk Officer for Asia-Pacific overseeing 11 markets in the region. He also served as Chief Operating Officer for Risk across all Asian markets over the same period.

He was appointed as Chief Executive Officer Brunei for the Hong Kong and Shanghai Banking Corporation Limited in 2012.

In August 2016, he moved to China as Senior Executive Vice President and Deputy Chief Executive Officer of HSBC China and Executive Director of the Board, where he helped running all of HSBC's operations in China.

Prior to joining HSBC, Mr. Wilcox worked for Royal Bank of Canada for 16 years in a wide range of business and functional roles.

Mr. Wilcox was born in Calgary. He holds a Bachelor's degree in Economics from the University of Calgary and a Master's degree in Business Administration from the University of Western Ontario.

Mrs. Lamyaa El Bahy

Executive Director (since June 2019)

Mrs. Lamyaa El Bahy is the Chief Financial Officer of HSBC Bank Egypt.

She joined the Finance Department of HSBC Bank Egypt as a Financial Analyst in 1989. Since joining the bank, she has held various roles in the Finance Department and is accountable for a diversified range of finance activities including Operational Accounting, Group & Regulatory Reporting, Assets & Liabilities Management, Management Information, Planning & Analysis, in addition to full in-house tax services.

Lamyaa El Bahy chairs the Assets and Liabilities Committee of the bank.

In April 2014, she was appointed as a Director on the Board of HSBC Electronic Data Services S.A.E. She is also a member of the Supervisory Committee for the HSBC Bank Egypt Money Market Fund.

She holds a B.A. in Economics from the Faculty of Economics and Political Science, Cairo University.

Mr. Faris Al Ghannam

Non-Executive Director (since 25 September 2025)

Faris AlGhannam is currently Chief Executive Officer and Board Member of HSBC Saudi Arabia and a member of HSBC Middle East, North Africa and Turkey Executive Committee.

Prior to this, Faris was leading the investment banking, capital markets and issuer services business and operations for HSBC in the Kingdom of Saudi Arabia.

Before joining HSBC, Faris worked for several years at another banking institution in London, the United Kingdom covering capital markets in the UK and EMEA.

Faris is a Director on the board of HSBC Bank Egypt and is also an Independent Director of Board and Chairman of the Audit Committee of a leading pharmaceutical manufacturer in MENA region, as well as an Independent Director of the Board of a leading consumers company in the Kingdom and a Board of Director of Al-Tamayyuz Finance & Accounting Excellence Academy.

Faris is a member of the Finance Program Board for College of Business Administration, Prince Sultan University.

Faris holds an MBA from the Jones School of Business at Rice University and a BSc in Accounting from Prince Sultan University (first honors).

Mrs. Julia Dunn (since March 2024)

Julia joined HSBC in May 2021 as HSBC's UK Chief Risk Officer and was promoted to General Manager in May 2022. In May 2025 Julia was successfully promoted into the expanded role of Chief Risk and Compliance Officer for HSBC UK, with the additional responsibility across Regulatory Compliance and Financial Crime.

Julia is responsible for leading the HSBC UK Risk and Compliance function, which includes setting and managing the organisation's risk exposure and being accountable for holistic risk oversight on an enterprise-wide basis for

areas within her remit, including impacts on conduct outcomes and provision of advice, guidance, and challenge to the First LOD. Julia reports directly to the HSBC UK CEO and Group Chief Risk and Compliance Officer.

Julia sits on the Global Risk Executive Committee, the HSBC UK Executive Committee and the Board of HSBC Egypt. She also sits on the PRA Practitioner Panel.

Prior to her current role Julia was the Group Chief Risk Officer for Nationwide Building Society where she spent 9 years. She spent 13 years with the Financial Services Authority during the Great Financial Crisis in both supervisory and enforcement roles. In her final role at the Regulator, Julia was Director of Retail Banking Supervision. Her early career was spent at PricewaterhouseCoopers where she trained to be a Chartered Accountant.

Julia is a huge champion of diversity and inclusion and is the Executive Sponsor for the Ability network in HSBC UK.

Mrs. Hanan Abdel Meguid
Independent, Non-Executive Director (since July 2021)

Mrs. Hanan Abdel Meguid is a known figure in the Middle East Internet world. She leads Kamelizer, an angel investment studio that aims to accelerate the Egypt startup scene, leveraging her twenty-five+ years of experience in technology and entrepreneurship.

Mrs. Hanan has served as Chief Executive Officer of Orascom Telecom Ventures (OTVentures) and as Vice President for digital transformation in the American University in Cairo (AUC). She led known projects in the digital transformation of governments across the Middle East region. Hanan contributed to boards both regional and global. She started her journey in 1996 in LINKdotNET, where she contributed immensely to its success and growth.

Mrs. Hanan is an active member of the Egypt entrepreneurship community; who believes that technology is a necessity and not a convenience in our region. She spends a lot of her time supporting startups and Women founders with disruptive business models using technology to improve quality of life.

Mr. Ayman Soliman
Independent Non-Executive Director (since 27 May 2025)

Ayman Soliman embarked on his journey as the Managing Partner and Co-founder of Morpho Investments on September 1st, 2024. With a distinguished career spanning over 26 years, Ayman has demonstrated exceptional leadership and strategic vision across various high-stakes roles.

Before launching Morpho Investments, he was the founding CEO of the Sovereign Fund of Egypt (TSFE), where he spearheaded transformative strategies closing USD 6 billion in transactions over a short span from launch. Prior to that, he spent over ten years as CEO of Gemini Holding, a family office, where he oversaw landmark deals totaling more than USD 31 billion.

Ayman's extensive experience includes managing over 200 companies across diverse sectors, showcasing his adeptness in global investments, complex asset management, and mega transactions.

His career began in investment banking, followed by roles as a private equity fund manager and later, as a leader in a multisector family office.

His expertise spans telecoms, technology, banking and non banking financial services, insurance, resource mining, real estate, and industrial development.

Over the past 17 years, Ayman Soliman served as a board member of a wide range of companies with various capacities inclusive of Orascom Investment Holding, Beltone Financial, Lamanca Holding (Gold mining), Euronews plc, RiverBank (Digital Bank in Europe), Auerbach Grayson (USA), Texegy (Oil & Gas USA), Ora Developers BV (Real estate), Nile Sugar Co. (Egypt), Ezdehar Fund, Bank NXT (Arab Investment bank in Egypt), Non-executive Vice Chairman of Misr Insurance Holding company, and The Egyptian Satellite Co. (Nilesat) to name a few.

Ayman Soliman is currently a board member of The Suez Canal Economic Zone, the Chairman of Egyptian Private Equity and Venture Capital Association (EPEAV), Non-Executive Board Member of HSBC Egypt Bank, and Arab

Developers Holding. Ayman holds an MA. in International Business & Finance and a BSc. in Economics with a Minor in Computer Science from the American University in Cairo.

His educational background, combined with his extensive professional experience, underscores his commitment to excellence and innovation.

Ayman Soliman is known for his strategic mindset, passion for driving growth, and dedication to fostering sustainable development. His leadership style is characterized by a collaborative approach, empowering teams to achieve their full potential while navigating complex challenges with agility and foresight.

Mrs. Maha Abdel Razek

Independent, Non-Executive Director (since April 2022)

Ms. Maha is currently the CEO for Misr Real Estate Assets Management co., serves as a Non-Executive Board member at Egyptian Real Estate Fund.

She started her professional career in the USA at Citibank, Vanguard Financial Institution and Washington Mutual, working in the primary and secondary mortgage market as well as managing several branches and SMEs in Southern and Northern California.

After moving back to Egypt in 2020 She headed the Retail Branches and Wealth Management at AAIB, started the mortgage department at HSBC Bank Egypt and bank Audi Egypt and was Managing Director at Al Oula Mortgage company and consultant of minister of local development.

She sat on a number of Boards including Egyptian Mortgage Federation, Al Ahly Mortgage company, Misr Real Estate Development as well as Sharia Board at Audi bank.

Ms. Maha was the Ambassador of Goodwill 2016 and was an active member at United Nations World Tourism Organization (UNWTO). She was a member of Investment committee of Endowments Authority (Awkaf), member of Egypt National Competitiveness Council (ENCC).

Ms. Maha was a board member, elected vice chairperson and treasurer for Protocol Foundation of Orange County (California), overseeing business development and marketing analysis to promote business and cultural interaction between international visitors and the residents of Orange Country (California).

Ms. Maha currently trains professionals at the Egyptian Banking institute (EBI) and training at Arab Academy for Banking Financial and Sciences, and previously at the AUC, Ain-Shams University and OUDA. She also developed the retail curriculum approved by the Supreme Council of Universities-Egypt in cooperation with the American University in Cairo (AUC) and previously trained in the USA on how to assimilate with foreign cultures as well as understand the business protocol in the Middle East.

Mr. Tamer El Raghy

Independent, Non-Executive Director (since July 2022)

Mr. Tamer has over 25 years of investment, entrepreneurial and innovation experience in Africa, Middle East, USA and Europe. As the MD of ARAF, an impact VC fund that invests in Agri startups with business models that help farmers adapt to climate change.

he led the team that invested in 14 companies which impacted more than two million farmers in East and West Africa.

Prior to joining ARAF, he led responsAbility AG (rA) Agriculture PE in Africa and Cargill's growth strategy and investment activities in Africa.

He received an MBA from NYU Stern School of Business, a PhD in Materials Engineering from Drexel University and a B.Sc. in Metallurgical Engineering from Cairo University.

The Board Committees

The purpose of HSBC Bank Egypt's corporate structure, headed by the Board of Directors and led by the Chairman, is to deliver sustainable value to its shareholders. The Board sets the strategy for the Bank and approves the risk appetite, capital, and operating plans presented by management to achieve the strategic objectives it has set. Implementation of the strategy set by the Board is delegated to the Executive Committee, led by the Chief Executive Officer. To achieve its strategic objectives, the Board has also appointed a number of Directors and Executive Management to serve on Board Committees. The responsibilities of these committees and its membership are as follows:

Audit Committee

The Audit Committee is responsible for reviewing and monitoring financial and internal audit matters, and for ensuring that effective systems of internal control (including financial control) are in place. The members of the Audit Committee as at 31 December 2025 are Mr. Ayman Soliman (Chairman), Mrs. Julia Dunn and Mr. Tamer El Raghy.

Risk Committee

The Risk Committee has responsibilities to oversee and advise the Board on all high-level risk related matters in relation to risk governance; and to review the effectiveness of the bank's risk management framework and internal control systems. The members of the Risk Committee as at 31 December 2025 are Mrs. Julia Dunn (Chairperson), Mr. Ayman Soliman, Mrs. Hanan Abdel Meguid.

Governance and Nomination Committee

The Governance and Nomination Committee is responsible for leading the process for Board appointments and for identifying and nominating, for approval by the Board, candidates for appointment to the Board in addition to evaluating the bank's governance system. The members of the Governance and Nomination Committee as at 31 December 2025 are Mrs. Maha Abdel Razek (Chairperson), Mr. Tamer El Raghy and Mr. Ayman Soliman.

Salaries and Remuneration Committee

The Salaries and Remuneration Committee considers remuneration matters for the bank in the context of the Group's remuneration policy, proposes the fees for directors for approval by the Board and the shareholders and reviews performance-based remuneration with reference to corporate goals and objectives. The members of the Salaries and Remunerations Committee as at 31 December 2025 are Mrs. Hanan Abdel Meguid (Chairperson), Mrs. Maha Abdel Razek and Mrs. Julia Dunn.

Governance Committees

The Bank's main governance committees are the Risk Management Committee, the Executive Committee, the Assets and Liabilities Committee and the Country Impairment Forum, all of which have direct reporting lines to the Board of Directors and the Board's Committees with exception of the Operating Committee.

Operating Committee (OpCo)

The Operating Committee is an executive management committee that meets at least 6 times a year and operates as a general management committee with regards to the day-to-day management of the bank. The purpose of the Operating Committee is to maintain a reporting and control structure whereby business and functions are accountable to the individual members of the Committee who report to the Chief Executive Officer who chairs the Operating Committee.

Risk Management Committee (RMM)

HBEG Risk Management Meeting (RMM) is a formal governance committee established to provide recommendations and advice to HBEG Chief Risk Officer (CRO) on enterprise-wide risk management of all risks within HBEG. It supports the CRO's individual accountability for the oversight of enterprise risk as set out in the Group's Enterprise Risk Management Framework (ERMF).

RMM serves as the governance body for enterprise-wide risk management with particular focus on risk culture, risk appetite, overall risk profile and integration of risk management into HBEG's strategic objectives and is chaired by CRO. RMM reports to the Risk Committee of the Board of Directors.

Assets and Liabilities Committee (ALCO)

Assets and Liabilities Committee serves as the governance body to consider ALCO issues. ALCO issues are defined as issues and risks with regards to assets, liabilities, capital, liquidity and funding risk, interest rate risk in the banking book, structural foreign exchange risk, structural and strategic equity risk and ALCO books. The purpose of ALCO is to ensure that ALCO issues are captured, monitored and controlled by management. It is an advisory committee, chaired by the Chief Finance Officer (CFO), to support the CFO's individual accountability for ALCO issues in Egypt, and to recommend proposals and decisions for approval to the CFO

Country Impairment Forum (CIF)

The main objective of the Country Impairment Forum is to oversee the calculation processes for impairments to ensure that impairment models are established in line with the IFRS9 policies and to approve the final impairment figures. The Committee ensures that an effective control environment exists around the entire impairment process. The Chief Risk Officer and the Chief Finance Officer co-chair the Country Impairment Forum, which reports to both the Audit and Risk Committees and reports material issues to the Board of Directors.

Auditors' report

To the Shareholders of HSBC Bank Egypt S.A.E

Report on the Separate Financial Statements

We have audited the accompanying separate financial statements of HSBC Bank Egypt S.A.E "the Bank", which comprise the separate financial position as at December 31, 2025 and the related separate 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 Separate Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these separate 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 separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditors' professional judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the bank's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the bank'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 separate 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 separate financial statements.

Opinion

In our opinion, the separate financial statements referred to above present fairly, in all material respects, the separate financial position of the Bank as of December 31, 2025 and of its separate financial performance and its separate cash flows for the year then ended, in accordance with the rules of preparation and presentation of the banks' financial statements, basis of recognition and measurement issued by Central Bank of Egypt on December

16, 2008, as amended by the regulations issued on February 26, 2019 and in light of the prevailing Egyptian laws and regulations relating to the preparation of these separate financial statements.

Report on Legal and Other Regulatory Requirements

Other than what is disclosed in note (11) to the financial statements regarding the penalties imposed by Central Bank of Egypt on the bank, no material contravention, during the financial year ended 31 December 2025, of the provisions of Central Bank of Egypt and the Banking System Law no 194 of 2020 in the light of our audit of the separate financial statements.

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

The separate financial information included in the Board of Directors' report, prepared in accordance with law no. 159 of 1981 and its executive regulations and their amendments, is in agreement with the Bank's books of account insofar as such information is recorded therein.

Cairo; February 12, 2026

Auditors

Amr Wahid Abdel Ghaffar

R.A.A. (29566)

F.R.A. (406)

Kamel Magdy Saleh

R.A.A. (8510)

F.R.A. (69)

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

Saleh, Barsoum & Abdel Aziz - Grant Thornton
Accountants and Auditors

Statement of financial position

HSBC Bank Egypt SAE

Separate statement of financial position as of 31 December 2025

(All amounts in EGP000)

	Note	2025	2024
Assets			
Cash and balances with Central Bank of Egypt (Net)	(15)	22,122,935	12,093,271
Due from banks (Net)	(16)	107,089,695	108,247,939
Financial assets at fair value through profit or loss	(20)	314,345	236,451
Loans and advances to banks (Net)	(17)	-	221,815
Loans and advances to customers (Net)	(18)	53,948,884	52,439,055
Financial derivatives	(19)	158,147	151,351
Financial investments	(21)	81,653,687	31,707,603
Treasury bills	(22)	80,765,575	72,461,745
Investment in subsidiary		-	-
Intangible assets	(24)	1,469,946	1,312,782
Other assets	(25)	3,684,249	3,270,972
Investment property	(27)	30,573	37,339
Fixed assets	(26)	1,241,134	1,195,088
Deferred tax assets	(32)	13,085	82,469
Total assets		352,492,255	283,457,880
Liabilities and shareholders' equity			
Liabilities			
Due to banks	(28)	7,266,419	4,122,409
Customers' deposits	(29)	266,108,821	211,142,814
Financial derivatives	(19)	178,989	136,740
Subordinated loans	(40)	2,072,000	2,072,000
Other liabilities	(30)	11,060,652	8,774,496
Other provisions	(31)	805,692	723,077
Current income tax liabilities		6,251,910	6,417,503
Defined benefits obligations liabilities	(33)	1,177,115	887,926
Total liabilities		294,921,598	234,276,965
Shareholders' equity			
Issued and Paid-up capital	(34)	5,000,000	5,000,000
Reserves	(35)	7,859,970	6,495,782
Retained earnings	(35)	44,710,687	37,685,133
Total shareholders' equity		57,570,657	49,180,915
Total liabilities and shareholders' equity		352,492,255	283,457,880

The accompanying notes from 1 to 43 form an integral part of these financial statements and are to be read therewith.

Statement of income

HSBC Bank Egypt SAE

Separate statement of income for the year ended 31 December 2025

(All amounts in EGP000)

	Note	2025	2024
Interest income from loans and similar income	(6)	42,893,804	38,062,794
Interest expense on deposits and similar expense	(6)	(8,544,883)	(6,399,108)
Net interest income		34,348,921	31,663,686
Fees and commissions income	(7)	4,119,489	3,593,461
Fees and commissions expense	(7)	(1,053,969)	(793,618)
Net fees and commissions income		3,065,520	2,799,843
Dividends	(8)	24,600	22,815
Net trading income	(9)	1,168,094	1,735,078
Financial investment income / (Loss)		43,426	141,545
Expected Credit Loss charges	(12)	25,697	(937,439)
Administrative expenses	(10)	(9,053,015)	(7,050,003)
Other operating income (expense)	(11)	(1,538,688)	178,166
Profit before income tax		28,084,557	28,553,691
Income tax expenses	(13)	(7,601,461)	(7,600,000)
Net profit for the year		20,483,096	20,953,691
Earnings per share (EGP/share)	(14)	315.93	329.01

The accompanying notes from 1 to 43 form an integral part of these financial statements and are to be read therewith.

Statement of comprehensive income

HSBC Bank Egypt SAE

Separate statement of comprehensive income for the year ended 31 December 2025

(All amounts in EGP000)

	Note	2025	2024
Net profit for the Year		20,483,096	20,953,691
Changes on fair value of financial investment through OCI		238,424	256,546
Deferred tax for financial investment at FVOCI		(164,487)	107,452
Expected credit loss on financial investment at fair value through OCI	(12)	11,870	7,793
Actuarial gain /(losses)-net of tax		(139,767)	(84,869)
Total impact related to other comprehensive income		(53,960)	286,923
Net fees and commissions income		20,429,136	21,240,613

The accompanying notes from 1 to 43 form an integral part of these financial statements and are to be read therewith.

Statement of cash flows

HSBC Bank Egypt SAE

Separate statement of cash flows for the year ended 31 December 2025

(All amounts in EGP000)

	Note	2025	2024
Cash Flows from operating activities			
Net profit before income tax		28,084,557	28,553,691
Adjustments to reconcile net profit to net cash flows from operating activities			
Depreciation and amortization		732,090	535,286
Expected credit losses of other assets		(1,513)	167
Expected credit losses of customers		(218,650)	926,207
Revaluation differences for customers in foreign currency		(150,361)	990,916
Dividends received		(24,600)	(22,815)
Expected credit losses of cash		14	5
Expected credit losses of due from banks		182,581	3,267
Expected credit losses of financial Investments		11,870	7,793
Expected credit losses of intangible asstes		(2,377)	-
Other provisions(Formed)		363,738	121,744
Other Provisions (No longer required)		(148,384)	(361,406)
Revaluation differences for provisions in foreign currency other than loans provision		(18,331)	243,528
(Gain) / Loss from sale of fixed assets		(44,394)	(16,371)
Differences in revaluation revaluation differences		13,821	(87,025)
(Gain) / Loss from sale of investments		(43,426)	(141,545)
Pension fromed during the period		266,204	141,631
FVOCI investments exchange revaluation differences		4,343,047	(996,778)
Operating income before changes in Assets and liabilities		33,345,886	29,898,295
Net decrease (increase) in assets and liabilities			
Cash and balances with Central Bank of Egypt		(9,948,006)	2,065,989
Loans and advances to customers		(1,140,818)	(17,347,888)
Loans and advances to banks		-	-
Trading financial assets		(77,894)	(208,662)
Other assets		(237,230)	(266,494)
Due to banks		3,144,010	(6,743,525)
Customers' deposits		54,966,007	27,077,895
Other liabilities		2,076,783	(5,108,667)
Financial derivatives (net)		35,453	(159,305)

Defined benefits obligations	22,985	116,591
Utilized from other provision	(114,408)	(86,744)
Income tax paid	(7,848,427)	(4,591,793)
Net cash flows generated from operating activities	74,224,341	24,645,692
Cash flows from investing activities		
Payments to purchase fixed assets	(485,034)	(364,772)
Proceeds from sale of fixed assets	49,963	18,915
Payments to purchase intangible assets	(621,226)	(671,894)
Payments for purchase of financial investments at FVOCI	(55,688,403)	(36,469,392)
Proceeds from sales of financial investments at FVOCI	5,706,640	12,198,450
Payments to purchase Treasury bills	(185,067,677)	(157,781,457)
Proceeds from sale of Treasury bills	168,739,535	142,172,214
Proceeds from dividends received	24,600	22,815
Net cash flows used in generated from investing activities	(67,341,602)	(40,875,121)
Cash flows from financing activities		
Dividends paid	(11,830,020)	(4,273,887)
Net cash flows used in financing activities	(11,830,020)	(4,273,887)
Net change in cash and cash equivalents during the year	(4,947,281)	(20,503,316)
Cash and cash equivalents at the beginning of the year	103,223,593	123,726,909
Cash and cash equivalents at the end of the year	98,276,312	103,223,593
Cash and cash equivalents are represented in:		
Cash and balances with Central Bank of Egypt	22,122,955	12,093,276
Due from Banks	107,948,824	108,298,481
Treasury bills at fair value through OCI	80,765,575	72,262,441
Balance with Central Bank of Egypt as statutory reserve	(32,272,917)	(22,324,911)
Deposits with Central Bank of Egypt more than 3 months	(834,000)	-
Treasury bills at fair value through OCI of maturity more than 3 months from date of acquisition	(79,454,125)	(67,105,694)
Cash and cash equivalents	98,276,312	103,223,593

The accompanying notes from 1 to 43 form an integral part of these financial statements and are to be read therewith.

Statement of changes in the shareholders' equity

Separate statement of changes in equity for the year ended 31 December 2025

(All amounts in EGP 000)

Note	Issued and Paid up capital	General reserve	Legal Reserve	Capital Reserve	Reserve for excess over par value – issuance premium	Fair Value Reserve	General Risk Reserves	General Bank Risk Reserve	Retained Earnings	Total
Balances as of 31 December 2023	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
Dividends paid for year 2023	-	-	-	-	-	-	-	-	(4,273,887)	(4,273,887)
Transferred to legal reserve	-	-	612,801	-	-	-	-	-	(612,801)	-
Transferred to general reserve	-	612,801	-	-	-	-	-	-	(612,801)	-
Transferred to general bank risk reserve	-	-	-	19,767	-	-	-	-	(19,767)	-
<u>Items included in other Comprehensive income</u>										
Net change in FV Financial investments at fair value through OCI	-	-	-	-	-	256,546	-	-	-	256,546
Deferred tax for financial investment through OCI	-	-	-	-	-	107,452	-	-	-	107,452
ECL change in fair Value of investement through OCI	-	-	-	-	-	7,793	-	-	-	7,793
Transfer to Banking System Support and Development Fund	-	-	-	-	-	-	-	-	(122,560)	(122,560)
Net Profit for the year ended 31 December 2024	-	-	-	-	-	-	-	-	20,953,691	20,953,691

Actuarial gain/loss	-	-	-	-	-	-	-	-	(84,869)	(84,869)
Balance as of 31 December 2024	5,000,000	3,400,537	2,284,855	71,519	6,728	150,816	491,666	89,661	37,685,133	49,180,915
Balance as of 31 December 2024	5,000,000	3,400,537	2,284,855	71,519	6,728	150,816	491,666	89,661	37,685,133	49,180,915
Dividend paid for year 2024	(36)	-	-	-	-	-	-	-	(11,830,020)	(11,830,020)
Transferred to legal Reserve	(35)	-	-	215,145	-	-	-	-	(215,145)	-
Transferred to general Reserve	(35)	-	1,046,866	-	-	-	-	-	(1,046,866)	-
Transferred to Capital Reserve	(35)	-	-	-	16,371	-	-	-	(16,371)	-
<u>Items included in other comprehensive income</u>										
Net change in FV financial investments at fair value through other comprehensive income	-	-	-	-	-	238,424	-	-	-	238,424
Deferred tax for financial investment through OCI	-	-	-	-	-	(164,487)	-	-	-	(164,487)
ECL for change in fair Value of investment through OCI	-	-	-	-	-	11,870	-	-	-	11,870
Transfer to Banking System Support and Development Fund	-	-	-	-	-	-	-	-	(209,373)	(209,373)
Net profit for the year ended 31 December 2025	-	-	-	-	-	-	-	-	20,483,096	20,483,096
Actuarial Loss	-	-	-	-	-	-	-	-	(139,767)	(139,767)
Balance as of 31 December 2025	5,000,000	4,447,403	2,500,000	87,890	6,728	236,623	491,666	89,661	44,710,687	57,570,658

The accompanying notes from 1 to 43 form an integral part of these financial statements and are to be read therewith.

Proposed profit of appropriation statement

HSBC Bank Egypt SAE

Separate proposed profit of appropriation statement for the year ended 31 December 2025

(All amounts in EGP 000)

	Note	2025	2024
Net profit for the year (as per income statement)		20,483,096	20,953,691
Less:			
Gain from sale of fixed assets transferred to capital reserve according to law	(11)	(44,394)	(16,371)
Net profit for the year available for appropriation		20,438,702	20,937,320
Add:			
Retained earnings at the beginning of the year	(35)	24,367,359	16,816,311
Actuarial gain / (losses)	(35)	(139,767)	(84,869)
Retained earning balance		24,227,592	16,731,442
Total		44,666,294	37,668,762
Appropriation:			
Legal reserve	(35)	-	215,145
General reserve	(35)	1,021,935	1,046,866
Banking System Support and Development Fund		204,387	209,373
Shareholders' dividends	(36)	12,263,221	10,476,846
Employees' profit share	(36)	1,633,322	1,353,174
Retained earnings at the end of the year		29,543,429	24,367,358
Total		44,666,294	37,668,762

The accompanying notes from 1 to 43 form an integral part of these financial statements and are to be read therewith.

Notes on the accounts

HSBC Bank Egypt SAE

Notes to the separate financial statements for the year ended 31 December 2025

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

1. General information

HSBC Bank Egypt SAE provides retail, corporate and investment banking services in the Arab Republic of Egypt through 43 branches and 7 small units served by 1,615 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 15th of December 1982. The Bank's shares have been delisted from the Egyptian stock exchange market on the 31st December 2009.

The financial statements for the year ended 31 December 2025 have been approved for issuance by the Board of Directors on 09 February 2026 and the shareholders have the right to amend the statements after their issuance.

2. Summary of significant accounting policies

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

A. Basis of preparation of financial statements

The financial statements are prepared in accordance with the rules of preparation and presentation of the banks' financial statements, basis of recognition and measurement issued by Central Bank of Egypt on December 16, 2008 as amended by the regulations issued on February 26, 2019 and in light of the prevailing Egyptian laws and regulations.

B. Subsidiaries

- Subsidiaries are all companies (including special purpose entities) over which the Bank has owned directly or indirectly the power to govern the financial and operational policies and generally, the bank own more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Bank has the ability to control the entity.
- The purchase method is used to account for the acquisition of subsidiaries by the Bank. The cost of an acquisition is measured as the fair value of the assets, or/and asset given or/and equity instruments issued and loans assumed at the date of exchange, plus costs directly attributable to the acquisition. Net assets, including contingent liabilities assumed in a business combination, are measured initially at their fair values at the acquisition date, irrespective of the minority interest. The excess of acquisition cost over the Bank's share fair value in the net assets acquired is recorded as goodwill. If the acquisition cost is less than the fair value of the net assets, the difference is recognized directly in the income statement under the item 'Other operating income / (expenses).
- Investments in subsidiaries in the separate financial statements are accounted for using the cost method. According to this method, investments recorded at cost of acquisition including goodwill and less any impairment losses. Dividends are recorded in the income statement when the right of distribution is authorized.

C. Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns which are different from those of other business segments. A geographical segment is a segment which provides products or services within a particular economic environment that are subject to risks and returns different from those of segments operating in other economic environments.

D. Functional and presentation currency

The Bank presents its financial statements in Egyptian pound and it is the functional and presentation currency.

E. Foreign currency transactions and balances

The Bank keeps its accounting records in Egyptian pound. Foreign currency transactions are translated into Egyptian pound using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities in foreign currencies are retranslated at the end of each period at the exchange rates then prevailing. Foreign exchange gains and losses resulting from settlement of such transactions and valuation differences are recognized in the income statement under the following items:

- Net trading income for the assets/liabilities held for trading.
- Equity derivatives as a qualifying cash flow hedge or as a qualified net investment hedge.
- Other operating income (expenses) for the other items.

Changes in the fair value of monetary financial instruments in foreign currencies classified as investments through OCI (debt instruments) represents valuation differences resulting from changes in cost of the instrument and differences resulted from changes in applicable exchange rates and differences resulting from changes in the instrument fair value. Differences relating to changes in amortized cost are recognized in income statement under 'Interest and similar income', while differences relating to changes in exchange rates are recognized under item 'Other operating income (expenses)'. Differences resulting from changes in fair value are recognized under 'Fair value reserve – through OCI investments' in the equity caption.

Translation differences on non-monetary items carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets such as equities held at fair value through profit or loss are recognized in income statement as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as financial assets at FVOCI are recognized in equity reserves "Net change in investments at FVOCI".

F. Financial assets

The Bank classifies financial assets in the following measurement categories: FVTPL, FVOCI and AC. The classification and subsequent measurement of debt financial assets depends on:

- (i) the Bank's business model for managing the related assets portfolio, and
- (ii) the cash flow characteristics of the asset.

G. Valuation of financial instruments

All financial instruments are recognized initially at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of a financial instrument on initial recognition is generally its transaction price (that is, the fair value of the consideration given or received). However, if there is a difference between the transaction price and the fair value of financial instruments whose fair value is based on a quoted price in an active market or a valuation technique that uses only data from observable markets, the bank recognizes the difference as a trading gain or loss at inception (a 'day 1 gain or loss'). In all other cases, the entire day 1 gain or loss is deferred and recognized in the income statement over the life of the transaction either until the transaction matures or is closed out, the valuation inputs become observable, or the bank enters into an offsetting transaction.

Financial instruments measured at amortized cost

Financial assets that are held to collect the contractual cash flows and that contain contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest, such as loans and advances to banks and customers and some debt securities, are measured at amortized cost. In addition, most financial liabilities are measured at amortized cost. The bank accounts for regular way amortized cost financial instruments using trade date accounting. The carrying value of these financial assets at initial recognition includes any directly attributable transactions costs. If the initial fair value is lower than the cash amount advanced, such as in the case of some leveraged finance and syndicated lending activities, the difference is deferred and recognized over the life of the loan through the recognition of interest income.

Financial assets measured at fair value through other comprehensive income ('FVOCI')

Financial assets held for a business model that is achieved by both collecting contractual cash flows and selling and that contain contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest are measured at FVOCI.

These comprise primarily debt securities. They are recognized on the trade date when the bank enters into contractual arrangements to purchase and are normally derecognized when they are either sold or redeemed. They are subsequently re-measured at fair value and changes therein (except for those relating to impairment, interest income and foreign currency exchange gains and losses) are recognized in other comprehensive income until the assets are sold. Upon disposal, the cumulative gains or losses in other comprehensive income are recognized in the income statement as 'Gains less losses from financial instruments'. Financial assets measured at FVOCI are included in the impairment calculations and impairment is recognized in profit or loss.

Financial instruments designated at fair value through profit or loss

Financial instruments, other than those held for trading, are classified in this category if they meet one or more of the criteria set out below and are so designated irrevocably at inception:

- The use of the designation removes or significantly reduces an accounting mismatch;
- When a group of financial assets and liabilities or a group of financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; and
- Where the financial liability contains one or more non-closely related embedded derivatives.

Designated financial assets are recognized when the bank enters into contracts with counterparties, which is generally on trade date, and are normally derecognized when the rights to the cash flows expire or are transferred. Designated financial liabilities are recognized when the bank enters into contracts with counterparties, which is generally on settlement date, and are normally derecognized when extinguished. Subsequent changes in fair values are recognized in the income statement.

- A. During Q1-2025 trade date accounting policies has been changed into settlement date policies, related to previously mentioned business models, for more information refer to disclosure "43".

H. Netting between financial instruments

Financial assets and liabilities are offset when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

I. Financial Liabilities

Measurement categories

Financial liabilities are classified at Amortized cost, except for:

(i) financial liabilities at FVTPL: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in securities), contingent consideration recognized by an acquirer in a business combination and other financial liabilities designated as such at initial recognition, and

Derecognition

Financial liabilities are derecognized when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

J. 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: 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.

	Level 2	Total
2025	EGP'000	EGP'000
Recurring fair value measurements		
Financial investments at fair value through other comprehensive income	148,320,580	148,320,580
Financial assets at fair value through profit or loss	314,345	314,345
Financial Derivatives - Assets	158,147	158,147
Financial Derivatives - Liabilities	(178,989)	(178,989)

	Level 2	Total
2024	EGP'000	EGP'000
Recurring fair value measurements		
Financial investments at fair value through other comprehensive income	91,450,500	91,450,500
Financial assets at fair value through profit or loss	236,451	236,451
Financial Derivatives - Assets	151,351	151,351
Financial Derivatives - Liabilities	(136,740)	(136,740)

K. Derivative financial instruments

Derivatives are recognised at fair value at the date of the derivative contract and are subsequently revaluated at fair value. Fair values are obtained from quoted market prices in active markets, or according to the recent market deals, or the revaluation methods as the discounted cash flow modules and the pricing lists modules, as appropriate. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

K.1. Derivatives that do not qualify for hedge accounting

Derivative instruments that do not qualify for hedge accounting and changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the income statement under 'Net trading income'.

L. Interest income and expense

Interest income and expense related to bearing interest financial instruments, except for investments at fair value through profit and loss, are recognised using effective interest rate method under 'Interest and similar income' or 'Interest and similar charges'.

The effective interest method is a method of calculating the amortised cost of a financial asset or liability and of allocating the interest income or interest expense over the life of the financial instrument. The effective interest rate is the rate that discounts estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period when it is appropriate to reach the net carrying amount of the financial asset or liability. When calculating the effective interest rate, the Bank estimates cash flows, considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses.

The calculation includes all fees and points paid or received between parties of the contract that are considered part of the effective interest rate. Transaction costs include all other premiums or discounts.

When loans or debts are classified as non-performing or impaired, related interest income is not recognised but is rather carried off-balance sheet in statistical records and is recognised under revenues according to cash basis as per the following:

L.1. When collected and after recovery of all arrears for retail loans, mortgage loans for personal housing and small loans for businesses

L.2. For loans granted to corporates, interest income is recognised on a cash basis after the Bank collects 25 per cent of the scheduling instalments and after the instalments continued to be regular for at least one year. Interest income will not be recognised as revenue until full payment of the loan balance before the rescheduling and client is considered to be performing

M. Fees and commission income

Fees and commissions related to loan and advances are recognised as income when the service is rendered. Fees and commissions income related to non-performing or impaired loans or debts are suspended and are carried off-balance sheet and are recognised under income according to the cash basis when interest income is recognised in accordance with note (H/2) above. Fees and commissions that represent part of the financial asset effective rate are recognised as adjustment to the effective interest rate.

Commitment fees on loans are deferred when there is probability that this loan will be used by the customer, as commitment fees represent compensation for the continuing interference to own the financial asset. Subsequently, it is recognised as adjustment to the effective interest rate of the loan. If the commitment period passed without issuing the loan, commitment fees are recognised as income at the end of the commitment period.

Fees and commissions related to debt instruments measured by fair value are recognised as income at initial recognition. Fees and commissions related to promoting a syndicated loan are recognised as income when the marketing is completed and the loan is fully used or the Bank kept its share of the syndicated loan using the effective interest rate as used by the other participants.

Commissions and fees arising from negotiation or participating in a negotiation to the favour of a third party as in share acquisition arrangements or purchase of securities or purchase or sale of businesses are recognised as income when the transaction is completed. Commissions and fees related to management advisory and other services are recognised as income based on the contract terms, usually on a time-appropriation basis. Long period financial planning and custody services and management fees are recognised over the period in which the service is provided.

N. Dividends' income

Dividends are recognised in the income statement when the Bank's right to receive those dividends is established.

O. Sale and Re-purchase agreements, purchase and Re-sale agreements

Financial instruments sold according to Sale and Re-purchase agreements are presented in the assets in Treasury bills & other governmental instruments in the financial position. The liability (repurchase agreements) is presented deducted from the balances of treasury bills and other government securities in the balance sheet, in addition to balances due to banks (due to the Central Bank of Egypt). Difference between face value & purchase amount is recorded as interest realized over the contractual period using effective interest method.

P. Impairment of financial assets

Expected Credit Loss

Credit-impaired (stage 3)

The Bank determines that a financial instrument is credit-impaired and in stage 3 by considering relevant objective evidence, primarily, whether:

- Contractual payments of either principal or interest are past due for more than 90 days;
- There are other indications that the borrower is unlikely to pay such as that a concession has been granted to the borrower for economic or legal reasons relating to the borrower's financial condition; and
- The loan is otherwise considered to be in default.

If such unlikelihood, even where regulatory rules permit default to be defined based on 90 days past due. Therefore, the definitions of credit-impaired and default are aligned as far as possible so that stage 3 represents all loans which are considered defaulted or otherwise credit-impaired.

Interest income is recognized by applying the effective interest rate to the amortized cost amount, i.e. gross carrying amount less ECL allowance.

Write-off

Financial assets (and the related impairment allowances) are normally written off, either partially or in full, when there is no realistic prospect of recovery. Where loans are secured, this is generally after receipt of any proceeds from the realization of security. In circumstances where the net realizable value of any collateral has been determined and there is no reasonable expectation of further recovery, write-off may be earlier.

Renegotiation

Loans are identified as renegotiated and classified as credit-impaired when we modify the contractual payment terms due to significant credit distress of the borrower. Renegotiated loans remain classified as credit-impaired until there is sufficient evidence to demonstrate a significant reduction in the risk of non-payment of future cash flows and retain the designation of renegotiated until maturity or derecognized.

A loan that is renegotiated is derecognised if the existing agreement is cancelled and a new agreement is made on substantially different terms or if the terms of an existing agreement are modified such that the renegotiated loan is a substantially different financial instrument. Any new loans that arise following derecognised events in these circumstances are considered to be purchased or originated credit-impaired (POCI) and will continue to be disclosed as renegotiated loans.

Other than originated credit-impaired loans, all other modified loans could be transferred out of stage 3 if they no longer exhibit any evidence of being credit-impaired and, in the case of renegotiated loans, there is sufficient evidence to demonstrate a significant reduction in the risk of non-payment of future cash flows, over the minimum observation period, and there are no other indicators of impairment. These loans could be transferred to stage 1 or 2 based on the mechanism as described below by comparing the risk of a default occurring at the reporting date (based on the modified contractual terms) and the risk of a default occurring at initial recognition (based on the original, unmodified contractual terms). Any amount written off as a result of the modification of contractual terms would not be reversed.

Loan modifications that are not credit-impaired

Loan modifications that are not identified as renegotiated are considered to be commercial restructuring. Where a commercial restructuring results in a modification (whether legalized through an amendment to the existing terms or the issuance of a new loan contract) such that group's rights to the cash flows under the original contract have expired, the old loan is derecognized and the new loan is recognized at fair value. The rights to cash flows are generally considered to have expired if the commercial restructure is at market rates and no payment-related concession has been provided.

Significant increase in credit risk (stage 2)

An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting period by considering the change in the risk of default occurring over the remaining life of the financial instrument. The assessment explicitly or implicitly compares the risk of default occurring at the reporting date compared to that at initial recognition, taking into account reasonable and supportable information, including information about past events, current conditions and future economic conditions. The assessment is unbiased, probability-weighted, and to the extent relevant, uses forward-looking information consistent with that used in the measurement of ECL. The analysis of credit risk is multifactor. The determination of whether a specific factor is relevant and its weight compared with other factors depends on the type of product, the characteristics of the financial instrument and the borrower, and the geographical region. Therefore, it is not possible to provide a single set of criteria that will determine what is considered to be a significant increase in credit risk and these criteria will differ for different types of lending, particularly between retail and wholesale.

However, unless identified at an earlier stage, all financial assets are deemed to have suffered a significant increase in credit risk when 30 days past due. In addition, wholesale loans that are individually assessed, typically corporate and commercial customers, and included on a watch or worry list are included in stage 2.

For wholesale portfolios, the quantitative comparison assesses default risk using a lifetime probability of default which encompasses a wide range of information including the obligor's customer risk rating, macroeconomic condition forecasts and credit transition probabilities. Significant increase in credit risk is measured by comparing the average PD for the remaining term estimated at origination with the equivalent estimation at reporting date (or that the origination PD has doubled in the case of origination CRR greater than 3.3).

The significance of changes in PD was informed by expert credit risk judgment, referenced to historical credit migrations and to relative changes in external market rates. The quantitative measure of significance varies depending on the credit quality at origination as follows:

Origination CRR to	Significance trigger- PD to increase by
0.1–1.2	15bps
2.1–3.3	30 bps
Greater than 3.3 and not impaired	2x

For loans initiated prior to the adoption of IFRS 9, the quantitative comparison with the current limits based on the deterioration of the additional credit risk classification as shown in the table below.

For loans originated prior to the implementation of IFRS 9, the origination PD does not include adjustments to reflect expectations of future macroeconomic conditions since these are not available without the use of hindsight. In the absence of this data, origination PD must be approximated assuming through-the-cycle (TTC) PDs. For these loans, the quantitative comparison is supplemented with additional CRR deterioration based thresholds as set out in the table below:

**Origination CRR as significant
CRR grade notches deterioration
Deterioration (stage 2) (> or equal to)**

**Additional significance criteria – Number
required to identify as significant credit**

0.1	5 notches
1.1–4.2	4 notches
4.3–5.1	3 notches
5.2–7.1	2 notches
7.2–8.2	1 notch
8.3	0 notch

For certain portfolios of debt securities where external market ratings are available and credit ratings are not used in credit risk management, the debt securities will be in stage 2 if their credit risk increases to the extent they are no longer considered investment grade. Investment grade is where the financial instrument has a low risk of incurring losses, the structure has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil their contractual cash flow obligations.

For retail portfolios, default risk is assessed using a reporting date 12-month PD derived from credit scores which incorporate all available information about the customer. This PD is adjusted for the effect of macroeconomic forecasts for periods longer than 12 months and is considered to be a reasonable approximation of a lifetime PD measure. Retail exposures are first segmented into homogeneous portfolios, generally by country, product and brand. Within each portfolio, the stage 2 accounts are defined as accounts with an adjusted 12-month PD greater than the average 12-month PD of loans in that portfolio 12 months before they become 30 days past due. The expert credit risk judgments are that no prior increase in credit risk is significant. This portfolio-specific threshold identifies loans with a PD higher than would be expected from loans that are performing as originally expected and higher than that which would have been acceptable at origination. It therefore approximates a comparison of origination to reporting date PDs.

Unimpaired and without significant increase in credit risk – (stage 1)

ECL resulting from default events that are possible within the next 12 months (12-month ECL) are recognised for financial instruments that remain in stage 1.

Purchased or originated credit-impaired (POCI)

Financial assets that are purchased or originated at a deep discount that reflects the incurred credit losses are considered to be POCI.

This population includes the recognition of a new financial instrument following a renegotiation where concessions have been granted for economic or contractual reasons relating to the borrower's financial difficulty that otherwise would not have been considered. The amount of change-in-lifetime ECL is recognised in profit or loss until the POCI is derecognised, even if the lifetime ECL are less than the amount of ECL included in the estimated cash flows on initial recognition.

Movement between stages

Financial assets can be transferred between the different categories (other than POCI) depending on their relative increase in credit risk since initial recognition. Financial instruments are transferred out of stage 2 if their credit risk is no longer considered to be significantly increased since initial recognition based on the assessments described above. Except for renegotiated loans, financial instruments are transferred out of stage 3 when they no longer exhibit any evidence of credit impairment as described above. Renegotiated loans that are not POCI will continue to be in stage 3 until there is sufficient evidence to demonstrate a significant reduction in the risk of non-payment of future cash flows, observed over a minimum one-year period and there are no other indicators of impairment. For loans that are assessed for impairment on a portfolio basis, the evidence typically comprises a history of payment performance against the original or revised terms, as appropriate to the circumstances. For loans that are assessed for impairment on an individual basis, all available evidence is assessed on a case-by-case basis.

Measurement of ECL

The assessment of credit risk, and the estimation of ECL, are unbiased and probability-weighted, and incorporate all available information which is relevant to the assessment including information about past events, current conditions and reasonable and supportable forecasts of future events and economic conditions at the reporting date. In addition, the estimation of ECL should take into account the time value of money.

In general, the bank calculates ECL using three main components, a probability of default, and a loss given default and the exposure at default (EAD).

The 12-month ECL is calculated by multiplying the 12-month PD, LGD and EAD. Lifetime ECL is calculated using the lifetime PD instead.

The 12-month and lifetime PDs represent the probability of default occurring over the next 12 months and the remaining maturity of the instrument respectively.

The EAD represents the expected balance at default, taking into account the repayment of principal and interest from the balance sheet date to the default event together with any expected drawdowns of committed facilities. The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realized and the time value of money.

The bank leverages the Basel II IRB framework where possible, with recalibration to meet the differing IFRS 9 requirements as follows:

O. Impairment of financial assets (Continued)

The ECL for wholesale stage 3 is determined on an individual basis using a discounted cash flow ('DCF') methodology. The expected future cash flows are based on the credit risk officer's estimates as of the reporting date, reflecting reasonable and supportable assumptions and projections of future recoveries and expected future receipts of interest. Collateral is taken into account if it is likely that the recovery of the outstanding amount will include realization of collateral based on its estimated fair value of collateral at the time of expected realisation, less costs for obtaining and selling the collateral. The cash flows are discounted at a reasonable approximation of the original effective interest rate. For significant cases, cash flows under four different scenarios are probability-weighted by reference to the three economic scenarios applied more generally by the Bank and the judgment of the credit risk officer in relation to the likelihood of the workout strategy succeeding or receivership being required. For less significant cases, the effect of different economic scenarios and work-out strategies are approximated and applied as an adjustment to the most likely outcome.

Critical accounting estimates and judgements

The calculation of the bank's ECL under IFRS 9 requires the bank to make a number of judgements, assumptions and estimates. The most significant are set out below:

Judgements Estimates:

- Defining what is considered to be a significant increase in credit risk.
- Determining the lifetime and point of initial recognition of overdrafts and credit cards.
- Selecting and calibrating the PD, LGD and EAD models, which support the calculations, including making reasonable and supportable judgements about how models react to current and future economic conditions.
- Selecting model inputs and economic forecasts, including determining whether sufficient and appropriately weighted economic forecasts are incorporated to calculate unbiased expected loss.

Period over which ECL is measured

Expected credit loss is measured from the initial recognition of the financial asset. The maximum period considered when measuring ECL (be it 12-month or lifetime ECL) is the maximum contractual period over which the bank is exposed to credit risk. For wholesale overdrafts, credit risk management actions are taken no less frequently than on an annual basis and therefore this period is to the expected date of the next substantive credit review. The date of the substantive credit review also represents the initial recognition of

the new facility. However, where the financial instrument includes both a drawn and undrawn commitment and the contractual ability to demand repayment and cancel the undrawn commitment does not serve to limit group's exposure to credit risk to the contractual notice period, the contractual period does not determine the maximum period considered. Instead, ECL is measured over the period the group remains exposed to credit risk that is not mitigated by credit risk management actions. This applies to retail overdrafts and credit cards, where the period is the average time taken for stage 2 exposures to default or close as performing accounts, determined on a portfolio basis and ranging from between two and six years. In addition, for these facilities it is not possible to identify the ECL on the loan commitment component separately from the financial asset component. As a result, the total ECL is recognised in the loss

Allowance for the financial asset unless the total ECL exceeds the gross carrying amount of the financial asset, in which case the ECL is recognised as a provision.

Credit-impaired (Stage 3)

A financial instrument is credit-impaired when there is observable data that the following events have taken place, which on their own or in combination would have a detrimental impact on its cash flows.

- Significant financial difficulty of the issuer or the borrower, eg known cash flow difficulties experienced by the borrower, or deterioration in the financial condition or outlook of the borrower such that its ability to repay is considered doubtful;
- A breach of contract, such as a default or past due event, eg contractual payments of either principal or interest being past due for more than 90 days;
 - a) It is becoming probable that the borrower will enter bankruptcy or other financial reorganization;
 - b) Where relevant, the disappearance of an active market for that financial asset because of financial difficulties (experienced by the issuer); and
 - c) A concession granted to the borrower for economic or legal reasons relating to the borrower's financial difficulty that HSBC would not otherwise consider, eg forgiveness or postponement of principal, interest or fees, where the concession is not insignificant.

It should be noted that a downgrade of an entity's external credit rating is not, of itself, evidence of impairment, although it may be evidence of impairment when considered with other available information.

A financial instrument that is not Purchased or originated credit impaired (POCI) and meets any these criteria will be allocated to Stage 3. If the financial instrument no longer meets these criteria, it will be transferred to other stages as appropriate.

Definition of default

IFRS 9 requires an assessment of the extent of increase in credit risk of a financial instrument since initial recognition. This assessment is performed by considering the change in the risk of default occurring over the remaining life of the financial instrument as a result, the definition of default is important.

IFRS 9 does not specifically define default but requires it to be applied on a consistent basis with internal credit risk management practice for the relevant instruments and consider qualitative factors where appropriate. In addition, IFRS 9 also introduces a rebuttable presumption that default does not occur later than when a financial asset is 90 days past due unless there is reasonable and supportable information to demonstrate that a more lagging criterion is more appropriate.

In addition, default is defined under Basel for regulatory reporting purposes. The Basel regulation provides a clear definition by referring to the number of days past due and criteria for unlikelihood to pay. The criteria for unlikelihood to pay are similar to the definition of credit-impaired under IFRS 9 and in general, default for regulatory reporting purposes does not occur later than when a financial asset is 90 days past due as well.

In view of the above, HSBC has decided to align the IFRS 9 definition of default and Basel definition of 'default' whenever possible. HSBC has decided not to rebut the presumption introduced by IFRS 9, i.e. default does not occur later than when a financial asset is 90 days past due. The use of the same default definition ensures that a single and consistent view of credit risk is applied for internal risk management, regulatory capital, and impairment calculations. In addition, since the criteria for credit-impaired under IFRS 9 can be interpreted

consistently with the accounting default definition, all accounting defaults are considered to be credit-impaired and all credit-impaired assets are considered to be defaulted for accounting purposes.

Upgrading from Stage 2 to Stage 1:

The financial asset shall not be moved from Stage 2 to Stage 1 before meeting all the quantitative and qualitative elements of Stage 1 and full repayment of past-dues (principal & interest), and after the lapse of 3 months of regular repayment and fulfillment of Stage 1 requirements.

Upgrading from Stage 3 to Stage 2:

The financial asset shall not be moved from Stage 3 to Stage 2 before meeting all the following conditions:

1. Meeting all the quantitative and qualitative elements of Stage 2.
2. Paying 25 per cent of the outstanding balances of the financial asset after paying the reserved/suspended interest, as the case may be
3. Punctual payment for 12 months at least.

Future Economic inputs

The Bank employs several forward-looking global economic scenarios to determine its expected future external distributions. These scenarios represent our view of anticipated economic conditions and employ a consensus economic scenario approach. This approach is sufficient to calculate an unbiased expected loss in most economic environments. It comprises the "most likely outcome" (the central scenario) and three less likely "external" scenarios, referred to as the positive scenario, the negative/downward scenario, and additional negative scenarios. The central scenario is used in the annual operating planning process and will also be used, with regulatory adjustments, in stress testing across the institution.

The positive, negative, and additional negative scenarios were developed following a standardized process supported by a scenario narrative reflecting the major and emerging risks currently present at the bank, and in consultation with external and internal experts. The probability weight between other scenarios and Central scenario was fixed with the Central scenario being assigned a weighting of 70%, the Downside scenario 10%, the Upside 10% and Additional Downside 5% each.

The relationship between the external and central scenarios will generally be determined by the central scenario itself, with the difference between the external and central scenarios being based on the severity of the economic downturn, as measured by the dispersion of expected external distributions among professional industry forecasts. In reality, the external scenarios are economically plausible with the rest of the world and will not necessarily be as severe as the scenarios used in stress tests.

The forecast period is five years, after which the forecasts revert to a view based on the average of past experiences. The spread between the central and external scenarios is based on a consensus-based distribution of the projected GDP for the Arab Republic of Egypt. Economic factors include, but are not limited to, GDP, unemployment, interest rates, and commercial property prices in all countries where the Bank operates. Generally, the consequences of assessing credit risk and the resulting expected credit loss outputs will be weighted using standard probability weights. This probability weight may be applied directly or the effect of probability weighting may be applied periodically, at least annually, and then applied as an adjustment to the central economic forecasts. The central economic forecasts are updated quarterly.

Critical accounting estimates and judgments

In determining ECL, management is required to exercise judgment in defining what is considered to be a significant increase in credit risk and in making assumptions and estimates to incorporate relevant information about past events, current conditions and forecasts of economic conditions. Judgment has been applied in determining the lifetime and point of initial recognition of revolving facilities.

The PD, LGD and EAD models which support these determinations are reviewed regularly in light of differences between loss estimates and actual loss experience, but given that IFRS 9 requirements have only just been applied, there has been little time available to make these comparisons. Therefore, the underlying models and their calibration, including how they react to forward-looking economic conditions, remain subject to review and refinement. This is particularly relevant for lifetime PDs, which have not been previously used

in regulatory modelling and for the incorporation of 'Upside scenarios' which have not generally been subject to experience gained through stress testing.

The exercise of judgment in making estimations requires the use of assumptions which are highly subjective and very sensitive to the risk factors, in particular to changes in economic and credit conditions across a large number of geographical areas. Many of the factors have a high degree of interdependency and there is no single factor to which loan impairment allowances as a whole are sensitive.

Q. Investment property

Investment property represents land and buildings owned by the Bank and used to earn rental income or increase capital. Investment property does not include properties used by the Bank during its normal course of operation or foreclosed assets. The accounting policy for investment property is the same as for fixed assets.

The depreciation of investment property is calculated by using fixed installment method to distribute the cost over the assets' residual values and useful lives as follows:

Buildings	20 Years
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R. Intangible assets

Software (computer programmes)

The expenses related to upgrading or maintenance of computer programmes are to be recognised as expenses in the income statement when incurred. The expenses connected directly with specific software, which are subject to the Bank's control and expected to produce economic benefits exceeding their cost for more than one year, are to be recognised as an intangible asset. The direct expenses include staff cost of software upgrading teamwork, in addition to a suitable portion of respective overhead expenses.

The expenses which lead to the increase or expansion of computer software beyond their original specifications are recognised as an upgrading cost and are added to the original software cost.

The computer software cost recognised as an asset shall be amortised over the expected useful life (not more than five years).

S. Fixed assets

They represent land and buildings related to head office, branches and offices, and all fixed assets are reported at historical cost minus depreciation and impairment losses. The historical cost includes the charges directly related to acquisition of fixed asset items.

Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. Maintenance and repair expenses are charged to other operating expenses during the financial year in which they are incurred.

Land is not depreciated. Depreciation of other assets is calculated using the straight line method to allocate their cost to their residual values over their estimated useful lives as follows:

Buildings	20 years
Leasehold improvements	3 to 10 years or over lease tenor if less
Furniture and safes	10 years
Typewriters calculators and air conditioners	10 years
Motor vehicles	5 years
Computers and core systems	5 years
ATMs	7 years
Fixtures and fitting	3 years

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance sheet date. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The recoverable amount is the higher of the asset's fair value less costs to sell or value in use.

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

T. Impairment of non-financial assets

Assets having no fixed useful life shall not be amortized (Except goodwill), and their impairment shall be tested at least annually. The impairment of amortized assets is studied to determine if there are events or changes in the circumstances indicating that the book value may not be recoverable.

The impairment loss is recognised by the excess amount of book value over the recoverable value. The recoverable value represents net realisable value of the asset or the usage amount, whichever is higher. For the purpose of estimating the impairment, the asset is grouped with the smallest cash generating unit. At each balance sheet date, non-financial assets with impairment have to be reviewed to determine if there is impairment reversal made to the income statement.

U. Leases

The accounting treatment for the finance lease is in accordance with law 95 of year 1995. If the contract entitles the lessee to purchase the asset at a specified date and amount, and the contract term is more than 75 per cent of the asset's expected useful life, or the current value of the total lease payments represents at least 90 per cent of the value of the asset, then this lease is considered finance lease. Other than that, the lease has to be considered operating lease.

U.1 Leasing

For finance leases, the cost of the lease, including the cost of maintenance of the leased assets, is recognized as an expense in the income statement for the period in which it occurred.

If the Bank decides to purchase the right to purchase the leased assets, the cost of the purchase right is capitalized as an asset within the fixed assets and is depreciated over the remaining useful life of the asset in the same way as for similar assets.

Payments under operating lease less any discounts obtained from the lessor are recognized as expenses in the income statement on a straight-line basis over the period of the contract.

U.2 Leasing out

Operating lease assets are accounted for at the fixed assets caption in the balance sheet and depreciated over the asset expected useful life using the same method applicable to similar assets. The lease rent income less any discount granted to the lessee will be recognised in the income statement using the straight-line method over the contract term.

V. Cash and cash equivalents

For the purposes of the cash flows statement, cash and cash equivalents include balances due within three months from the date of acquisition, cash and balances due from the CBE other than the mandatory reserve, and current accounts with banks and Treasury bills

W. Other provisions

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

Where there are a number of similar obligations, the likelihood that an outflow is required to settle an obligation is determined, taking into consideration the group of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any obligation in the group is minimal.

Provisions no longer required are reversed in other operating income (expense). Provisions are measured at the present value of the best estimate of the consideration required to settle the obligations after one year from the financial statement date using the appropriate rate in accordance with the terms of settlement ignoring the tax effect which reflects the time value of money. If the settlement term is less than one year, the provision is booked using the present value unless time consideration has a significant effect.

The assessment of credit risk, and the estimation of ECL, are unbiased and probability-weighted, and incorporate all available information which is relevant to the assessment including information about past events, current conditions and reasonable and supportable forecasts of future events and economic conditions at the reporting date. In addition, the estimation of ECL should take into account the time value of money. Overall, the bank calculates the ECL at the same way shown in previous points.

X. Financial guarantees contracts

Financial guarantees require the Bank to make specified payments to reimburse the holder of the guarantee for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantees are initially recognized at their fair value, which is normally evidenced by the amount of fees received. This amount is amortized on a straight-line basis over the life of the guarantee. At the end of each reporting period, the guarantees are measured at the higher of (i) the amount of the loss allowance for the guaranteed exposure determined based on the expected loss model and (ii) the remaining unamortized balance of the amount at initial recognition. In addition, an ECL loss allowance is recognized for fees receivable that are recognized in the statement of financial position as an asset.

Y. Employees' benefits

End of service benefits

The Bank contributes to the social insurance scheme related to the social insurance authority for the benefit of its employees according to the social insurance law number 79 of 1975 and its amendments. The income statement is charged with these contributions on an accrual basis.

Based on the Bank's internal scheme, employees are granted end of service bonus according to the service year. Provision is provided based on the present value in light of the actuarial assumptions determined at balance sheet date and is recognised in the consolidated profit or loss under the caption of general and administrative expenses. This provision is presented in the balance sheet under 'other provisions caption'.

Share-based payments

HSBC Holding plc (UK) grants shares to eligible employees under a share-based payment scheme, 'equity settled'. HSBC Egypt bears the cost of these shares which are charged in the income statement in light of the bank's shares in the expenses sent from the head office which are paid by the bank.

Z. Income tax

The income tax on the Bank's income or loss at the end of year includes both the current and deferred taxes. Income tax is recognised in the income statement, except income taxes related to shareholders' equity items that are recognised directly in the shareholders' equity.

The income tax is calculated on the net taxable income using the effective tax rate at the balance sheet date in addition to prior year tax adjustments.

Deferred tax is recognised due to the temporary differences resulting from reporting the value of assets and liabilities in one year for tax purpose and in another year for financial accounting purpose. Deferred tax is determined based on the method used to realise or settle the current values of these assets and liabilities using the tax rates prevailing at the balance sheet date.

The deferred tax assets shall be recognised if it is probable that sufficient taxable profits shall be realised in the future whereby the asset can be utilised, and the value of deferred tax assets shall be reduced by the value of portion not yielding the expected tax benefit. However, in case tax benefit is highly expected, the deferred tax assets shall increase to the extent of previous reduction.

AA. Capital

AA.1 Capital cost

Issuance cost directly related to issuing new shares or issuing shares related to acquisition or share options is charged to shareholders' equity of total proceeds net of tax.

AA.2 Dividends

Dividends are recognized as a liability when declared by the General Assembly of shareholders. Those dividends include employees' share in the profits and the Board of Directors' remuneration as prescribed by the articles of association and law.

AB. Custody activities

The Bank practises the custody activities that result in ownerships or management of assets on behalf of individuals, trusts, and retirement benefit plans. These assets and related income are excluded from the Bank's financial statements as they are assets not owned by the Bank.

AC. 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 year and kept as Treasury stocks.

The Bank has no dilutive potential ordinary shares; therefore, the diluted earnings per share equal the basic earnings per share.

AD. Comparative Figures

Comparative figures are reclassified whenever necessary to confirm with the changes in presentation applied in the current period.

3. Financial risk management

The Bank, as a result of the activities it exercises, is exposed to various financial risks. Since the basis of financial activity is to accept risks, some risks or group of risks are analysed, evaluated and managed altogether. The Bank intends to strike a balance between the risk and return and to reduce the probable adverse effects on the Bank's financial performance.

The most important types of risks are credit risk, market risk, liquidity risk and other operating risks. Market risk comprises foreign currency exchange rates, interest rate risk and other pricing risks.

The risk management policies have been laid down to determine and analyse the risks, set limits to the risk and control them through reliable methods and updated systems.

The Bank regularly reviews the risk management policies and systems and amends them to reflect the changes in market, products and services, and the best updated applications.

Those risks are managed by the Risk department in the light of policies approved by Board of Directors. The Risk department determines, evaluates and covers the financial risks, in collaboration with the Bank's various operating units, and the Board of Directors provides written policies for management of risks as a whole, in addition to written policies covering specific risk areas like credit risk, foreign exchange rate risk,

Interest rate risk and using the financial derivative and non-derivative instruments. Moreover, the Risk department is independently responsible for annual review of risk management and control environment.

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

centralised 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, rights and obligations from others 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 Bank minimises the effect of this risk by the following:

- Preparing detailed credit studies about customers and banks before dealing with them to assess and determine the rates of the credit risk rates related to these
- Obtaining adequate guarantees to reduce the possibility of loss in case of a customer or bank default
- Diversifying loans portfolio among various sectors to minimize the concentration of credit risk
- Monitoring and preparing regular studies on customers in order to evaluate their financial and credit position and estimate the required provisions for non-performing balances

Note No. (A/7) shows the sector diversification of the loans and advances portfolio.

- The Bank evaluates the customer risk using internal policies for different customer categories. These policies are updated taking into consideration financial analysis and statistical analysis for each customer category in addition to the personal judgement of the credit officer to reach the appropriate grading. The customers are classified into 10 grading, which are divided into four ratings.

Bank's internal ratings scale

The amount of default represents the outstanding balances at the time when a late settlement occurred, for example the loans expected amount of default represents its book value. For commitments, the default amount represents all actual withdrawals in addition to any withdrawals occurred until the date of the late payment, if any.

The expected losses or specific losses represent the Bank's loss expectation of when the settlement is due, which is loan loss percentage that differs according to the type of facility, the availability of guarantees and any other credit cover.

Debt instruments and Treasury bills

The same methods used for credit customers are used for debt instruments and Treasury bills. They represent better credit method and a readily available source to meet the funding requirements bills. The Bank uses external ratings, such as Standard and Poor's rating, MERIS MODES rating and Fitch rating to manage its credit risk.

A.2. Limiting and preventing risks policies

The Bank manages and controls credit concentrations at the borrowers' level, groups of borrowers' level, industries level and countries level.

The Bank manages the credit risk it undertakes by placing limits on the amount of risk accepted in relation to a single borrower or groups of borrowers and to the geographical and industry segments. Such risks are monitored on a regular basis and subject to an annual or more frequent review when considered necessary. The top management reviews on regular basis the sectoral and country credit concentration.

Exposure to credit risk is also managed through regular analysis of the existing and potential borrowers' ability to meet their obligations and through changing the lending limits where appropriate.

The following are other controls used by the Bank to limit the credit risk:

Collaterals

The Bank uses different methods to limit its credit risk. One of these methods is accepting collaterals against loans and advances granted by the Bank. The Bank implements guidelines for collaterals to be accepted. The major types of collateral against loans and advances are:

- Real estate mortgage
- Business assets mortgage, such as machines and goods
- Financial instruments mortgage, such as debt and equity instruments

The Bank is keen to obtain the appropriate guarantees against corporate entities of long-term finance while individual credit facilities are generally unsecured.

In addition, to minimise the credit loss, the Bank will seek additional collaterals from all counterparties as soon as impairment indicators are noticed for a loan or advance.

The Bank determines type of collaterals held to secure financial assets other than loans and advances according to the nature of the instrument. Generally, debt securities and Treasury bills are unsecured, except for asset-backed securities and similar instruments that are secured by a financial instrument portfolio.

Derivatives

The Bank maintains strict control limits over amounts and terms for the net value of opened derivative positions, ie the difference between purchase and sale contracts. In all cases, the amount subject to credit risk is limited to the current fair value of instruments in which the Bank could gain a benefit from it (ie assets that have positive fair value), which represents a small value of the contract or the notional value. The Bank manages this credit risk, which is considered part of the total customer limit with expected market changes risk all together. Generally, no collateral is obtained for credit risk related to these instruments, except for marginal deposits required by the Bank from other parties.

Settlement risk arises when cash, equity instruments or other financial papers are used in the settlement process or if there is expectation to receive cash, equity instruments or other financial papers. Daily settlement limits are established for each counterparty to cover the aggregate settlement risk arising from the daily Bank transactions.

Master netting arrangements

The Bank further restricts its exposure to credit losses by entering into master netting arrangements with counterparties of significant volume of transactions. Generally, no netting is made between assets and liabilities at the balance sheet date relating to the master netting arrangements as aggregate settlements are made. However, the credit risk related to contracts to the favour of the Bank is reduced by a master netting arrangement as netting will be made with the counterparty to settle all transactions. The value of the credit risk faced by the Bank changes substantially within a short period of time as it is affected by each transaction occurring in the arrangement.

Credit-related commitment

The primary purpose of these commitments is to ensure that funds are available to customer when required. Guarantees and standby letters of credit are of the same credit risks as loans.

Documentary and commercial letters of credit, which are issued by the Bank on behalf of customers, by which authorising a third-party to draw within a certain limit in accordance to specific terms and conditions and guaranteed by the goods under shipment, are of lower risk than a direct loan.

Credit-related commitment represents the unused portion of credit limit of loans, guarantees or letters of credit. With respect to credit risk related to credit-related commitments, the Bank is exposed to probable loss of amount equal to the total unused limit. However, the probable amount of loss is less than the unused limit

commitments as most commitments represent commitments to customers maintaining certain credit standards. The Bank monitors the maturity term of the credit commitments because long-term commitments are of higher credit risk than short-term commitments.

A.3. 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, impairment provisions recognized at the balance sheet date using expected credit loss, 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

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 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.

There is no direct correlation between the internal and external ratings at granular level, except to the extent each falls within a single quality classification.

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

* Customer risk rating

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

Distribution of loans and facilities to customers for which the impairment requirements of IFRS9 are applicable in terms of credit quality and allocation at the stage.

31 December 2025	Loans and advances to customers	Allowance / provision for ECL
Stage 1	73.3%	0.1%
Stage 2	16.5%	3.4%
Stage 3	10.2%	82.5%
	100%	9.1%
31 December 2024	Loans and advances to customers	Allowance / provision for ECL
Stage 1	56.50%	0.29%
Stage 2	38.50%	15.16%
Stage 3	5%	86.37%
	100%	10.31%

Reconciliation of changes in allowances for loans and advances customers including the loans, advances and financial guarantees.

December 2025	Non Credit impaired				Credit impaired		Total	
	Stage 1		Stage 2		Stage 3		Total	
	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
As at 1 January 2025	33,038,345	(93,848)	22,509,475	(3,412,759)	2,917,931	(2,615,098)	58,465,751	(6,121,705)
Transfer from stage 1 to stage 2	(1,377,024)	(12,384)	1,427,072	16,400	-	-	50,048	4,016
Transfer from stage 2 to stage 1	2,216,811	821,011	(2,383,541)	(1,014,864)	-	-	(166,730)	(193,853)
Transfer from stage 2 to stage 3	-	-	(137,582)	(13,525)	137,582	13,525	-	-
Transfer from stage 3 to stage 2	-	-	91,729	35,067	(91,729)	(35,067)	-	-
ECL(Charges)/Reversal	-	(772,328)	-	4,055,161	-	(2,360,529)	-	922,304
Balance volume movement	9,587,603	-	(11,691,888)	-	3,093,338	-	989,053	-
As at 31 December 2025	43,465,735	(57,549)	9,815,265	(334,520)	6,057,122	(4,997,169)	59,338,122	(5,389,238)

December 2024	Non Credit impaired				Credit impaired		Total	
	Stage 1		Stage 2		Stage 3		Total	
	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
As at 1 January 2024	14,862,101	(28,809)	23,475,375	(1,746,031)	2,690,097	(2,239,316)	40,991,573	(4,014,156)
Transfer from stage 1 to stage 2	(2,573,347)	(505,431)	2,486,076	490,767	-	-	(87,271)	(14,664)
Transfer from stage 2 to stage 1	7,056,535	6,469,890	(7,932,380)	(7,179,418)	-	-	(875,845)	(709,528)
Transfer from stage 2 to stage 3	-	-	(299,237)	(230,804)	283,534	215,101	(15,703)	(15,703)
Transfer from stage 3 to stage 2	-	-	19,467	8,434	(23,673)	(12,640)	(4,206)	(4,206)
ECL(Charges)/Reversal	-	(6,029,498)	-	5,244,293	-	(483,234)	-	(1,268,439)
Balance volume movement	13,729,056	-	4,760,174	-	(32,027)	-	18,457,203	-
As at 31 December 2024	33,038,345	(93,848)	22,509,475	(3,412,759)	2,917,931	(2,520,089)	58,465,751	(6,026,696)

Items affected by IFRS9

31 December 2025					
	Gross balance subject to ECL	Stage One	Stage two	Stage three	Total
Balances at Central Banks	19,874,639	19	-	-	19
Due from banks	107,322,818	25,129	207,994	-	233,123
Loans and advances to Customers	59,338,122	57,549	334,520	4,997,169	5,389,238
Accrued revenues	2,339,580	599	996	-	1,595
Financial Investment	162,183,779	57,610	-	-	57,610
Commitment and Contingent liabilities	84,969,178	49,293	367,512	207,155	623,960
Total	436,028,116	190,200	911,022	5,204,324	6,305,545

31 December 2024					
	Gross balance subject to ECL	Stage One	Stage two	Stage three	Total
Balances at Central banks	9,178,302	5	-	-	5
Due from banks	108,520,296	50,542	-	-	50,542
Loans and advances to Customers	58,465,751	93,848	3,412,759	2,520,089	6,026,696
Accrued revenues	2,069,804	586	2,522	-	3,108
Financial Investment	103,978,809	45,740	-	-	45,740
Commitment and Contingent liabilities	82,713,689	42,939	398,613	136,152	577,704
Total	364,926,650	233,660	3,813,894	2,656,241	6,703,795

Credit Quality classification definitions

'Strong' exposures demonstrate a strong capacity to meet financial commitments, with negligible or low probability of default and/or low levels of expected loss.

'Good' exposures require closer monitoring and demonstrate a good capacity to meet financial commitments, with low default risk.

'Satisfactory' exposures require closer monitoring and demonstrate an average to fair capacity to meet financial commitments, with moderate default risk.

'Sub-standard' exposures require varying degrees of special attention and default risk is of greater concern.

'Impaired' exposures have been assessed as impaired. These also include retail accounts classified as Band 1 to Band 6 that are delinquent by more than 90 days, unless individually they have been assessed as not impaired; and renegotiated loans that have met the requirements to be disclosed as impaired and have not yet met the criteria to be returned to the unimpaired portfolio.

Risk rating scales

The customer risk rating (CRR) 10-grade scale summarizes a more granular underlying 23-grade scale of obligor probability of default (PD). All HSBC customers are rated using the 10- or 23-grade scale, depending on the degree of sophistication of the Basel II approach adopted for the exposure.

Previously, retail lending credit quality was disclosed under IAS 39, which was based on expected-loss percentages. Now, retail lending credit quality is disclosed on an IFRS 9 basis, which is based on a 12-month point-in-time (PIT) probability weighted probability of default (PD).

For debt securities and certain other financial instruments, external ratings have been aligned to the five quality classifications. The ratings of Standard and Poor's are cited, with those of other agencies being treated equivalently. Debt securities with short-term issue ratings are reported against the long-term rating of the issuer of those securities. If major rating agencies have different ratings for the same debt securities, a prudent rating selection is made in line with regulatory requirements.

A.4. 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 35 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

CBE Classification	CBE Categorization	CBE Rating
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 used to determine the staging is different from ORR customer classification.

A.5. Maximum limits for credit risk before collaterals

	2025 EGP'000	2024 EGP'000
Balance sheet items exposed to credit risks		
Due from banks	107,114,824	108,298,484
Financial investment at FVPL	314,345	236,451
Loans and advances to banks	-	221,815
Loans and advances to customers:		
Retail loans:		
Overdrafts	60,389	70,668
Credit cards	5,738,800	4,503,803
Personal loans	13,177,492	11,731,360
Mortgage loans	15	213
Corporate loans:		
Overdrafts	4,847,541	4,799,516
Direct loans	23,917,276	25,330,816
Syndicated loans	11,596,609	12,029,374
Financial derivative instruments	158,147	151,351
Financial investments:		
Debt instruments	162,183,779	103,978,809
Other assets	2,339,580	2,069,804
Total	331,448,797	273,422,464
Off-balance sheet items exposed to credit risk		
Loan commitments and other irrevocable commitments related to credit	20,733,416	2,690,988
Letters of credit	3,135,511	5,443,985
Letters of guarantee	61,100,251	74,578,715
Total	84,969,178	82,713,689

As shown in the previous table, 17.90% of the maximum credit risk exposure arises from loans and facilities to customers, compared to 21.40% as at 31 December 2024.

The previous table represents the maximum exposure limit as at the end of December 2025 and the end of December 2024, without taking into account any collateral. For balance sheet items, the amounts presented are based on the net carrying value disclosed in the balance sheet.

Management is confident in its ability to continue controlling and maintaining the minimum credit risk arising from both the loans and facilities portfolio and debt instruments, based on the following:

A.6. Debt instruments and treasury bills

The table below shows an analysis of debt instruments and Treasury bills (with Egyptian government) according to the rating agencies at the end of the financial year (MERIS-Reuters).

December 2025	Treasury Bills	Investments In Securities	Total
	EGP'000	EGP'000	EGP'000
Caa1	80,765,575	81,732,549	162,498,124
Total	72,262,441	81,732,549	162,498,124

A.7. 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 EGP (000)
Due from banks	55,722,389	-	-	51,392,434	107,114,823
Financial assets at fair value through profit or loss	314,345	-	-	-	314,345
Retail:					
Overdrafts	49,116	10,425	848	-	60,389
Credit cards	5,738,800	-	-	-	5,738,800
Personal loans	9,423,705	3,386,202	367,585	-	13,177,492
Mortgage loans	15	-	-	-	15
Corporate:					
Overdrafts	4,847,541	-	-	-	4,847,541
Direct loans	23,917,276	-	-	-	23,917,276
Syndicated loans	10,784,127	812,482	-	-	11,596,609
Derivative financial instruments	158,147	-	-	-	158,147
Financial investment:					
Debt instruments	159,917,082	-	-	2,266,697	162,183,779
Other assets	2,323,619	10,425	5,536	-	2,339,580
Total as at 31 December 2025	273,196,162	4,219,534	373,969	53,659,131	331,448,796
Total as at 31 December 2024	210,024,976	1,762,410	329,253	61,106,519	273,223,158

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 EGP'000
Due from banks	-	-	-	107,114,824	-	-	107,114,824
Financial investment at fair value through profit or loss	-	-	-	314,345	-	-	314,345
Loans and advances to customers							
Retail:							
Overdrafts	-	-	-	-	-	60,389	60,389
Credit cards	-	-	-	-	-	5,738,800	5,738,800
Personal loans	-	-	-	-	-	13,177,492	13,177,492
Mortgage loans	-	-	-	-	-	15	15
Corporate:							
Overdrafts	1,896,887	1,526,699	1,423,955	-	-	-	4,847,541
Direct loans	15,052,336	1,773,854	7,091,085	-	-	-	23,917,275
Syndicated loans	2,950,975	1,037,069	300,000	6,060,113	1,248,452	-	11,596,609
Derivative financial instruments	-	-	158,147	-	-	-	158,147
Financial investment:							
Debt instruments	-	-	-	162,183,779	-	-	162,183,779
Other assets	-	-	-	-	2,339,580	-	2,339,580
Total as at 31 December 2025	19,900,198	4,337,622	8,973,187	275,673,061	3,588,032	18,976,696	331,448,796
Total as at 31 December 2024	19,875,215	5,254,541	9,083,289	219,252,893	3,228,135	16,529,082	273,223,155

B. 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 periodically.

Trading portfolios include transactions where the Bank deals direct with clients or with the market; non-trading portfolios primarily arise from managing assets and liabilities interest rate price relating to retail transactions. These portfolios include foreign currency risks and equity instruments resulting from investments held to maturity and investments through other comprehensive income.

B.1. Market risk measurement techniques

As part of market risk management, the Bank undertakes various hedging strategies and enters into swaps to match the interest rate risk associated with the fixed-rate long-term loans if the fair value option has been applied. The major measurement techniques used to measure and control market risk are outlined below:

Value at risk

The Bank applies a 'value-at-risk' methodology (VAR) for trading and non-trading portfolios to estimate the market risk of positions held and the maximum expected losses based on several assumptions for various changes in market conditions. The Board sets separate limits for the value of risk that may be accepted by the Bank for trading and non-trading portfolios and monitored by the ALCO committee.

VAR is a statistical estimation of the expected losses on the current portfolio from adverse market movements in which it represents the 'maximum' amount the Bank expects to lose using confidence level of 98 per cent. Therefore, there is a statistical probability of 2 per cent that actual losses could be greater than the VAR estimation. The VAR module assumes that the holding period is 10 days before closing the opening position. It also assumes that market movements during the holding period will be the same as 10 days before. The Bank's assessment of past movements is based on data for the current year. The Bank applies these historical changes in rates, prices, indicators etc directly to its current positions. This approach is called historical simulation. Actual outcomes are monitored regularly to test the validity of the assumptions and factors used in the VAR calculation.

The use of this approach does not prevent losses from exceeding these limits if there are significant market movements.

As VAR is considered a primary part of the Bank's market risk control technique, VAR limits are established by the Board annually for all trading and non-trading transactions and allocated to business units. Actual values exposed to market risk are compared to the limits established by the Bank and reviewed by the ALCO committee.

The average daily VAR for the Bank during the current period was EGP 385,136 thousand against EGP 392,463 thousand for 31 December 2024.

The quality of the VAR model is continuously monitored through examining the VAR results for the trading portfolio, and results are reported to the top management and Board of Directors.

Stress testing

Stress testing provides an indicator of the expected losses that may arise from sharp adverse circumstances. It is designed to match business using standard analysis for specific scenarios. It is carried out by the Bank Treasury. It includes risk factor stress testing where sharp movements are applied to each risk category and tests emerging market stress as emerging market portfolios are subject to sharp movements and special stress, including possible stress events to specific positions or regions, for example, the stress outcome to a region applying a free currency rate.

The results of the stress testing are reviewed by top management and Board of directors.

B.2 VAR summary

Total VAR according to risk type

	2025			2024		
	EGP'000			EGP'000		
	Average	High	Low	Average	High	Low
Foreign exchange risk	382,037	1,759,163	4,433	390,984	5,171,904	6,124
Interest rate risk	3,099	4,290	1,430	1,479	2,943	511
Total VAR	385,136	1,763,453	5,864	392,463	5,174,847	6,635

Trading portfolio VAR by risk type

	2025			2024		
	EGP'000			EGP'000		
	Average	High	Low	Average	High	Low
Foreign exchange risk	382,037	1,759,163	4,433	351,845	5,209,699	4,739
Interest rate risk	524	953	143	128	465	10
Total VAR	382,561	1,760,116	4,576	351,973	5,210,164	4,749

Non-trading portfolio VAR by risk type

	2025			2024		
	EGP'000			EGP'000		
	Average	High	Low	Average	High	Low
Foreign exchange risk	36,421	188,397	95	103,838	968,665	3,359
Interest rate risk	2,813	4,195	1,239	1,375	2,870	550
Total VAR	39,233	192,592	1,335	105,213	971,535	3,909

The above three VAR results are calculated independently from the underlying positions and historical market movements. The aggregate of the trading and non-trading VAR results does not represent the Bank's VAR due to correlations of risk types and portfolio types and their effect. (The above three VAR results are before stress testing.)

B.3 Foreign exchange volatility risk

The Bank is exposed to foreign exchange rate volatility risk in terms of the financial position and cash flows. The Board of Directors sets aggregate limits for foreign exchange in the total value (summation value) for each position at the end of the day and during the day that is controlled on a timely basis. The following table summarises the Bank's exposure to foreign exchange volatility risk at the end of the year. The following table includes the carrying amounts of the financial instruments in their currencies:

(All amounts equivalent in EGP 000)

2025	EGP	USD	EUR	GBP	Other	Total
Financial assets:						
Cash and balances with Central bank	(21,378,717)	(503,675)	(114,359)	(67,032)	(59,152)	(22,122,935)
Due from banks	(42,294,097)	(59,660,652)	(313,311)	(3,957,625)	(864,010)	(107,089,695)
Financial assets at fair value through profit or loss	(314,345)	-	-	-	-	(314,345)
Loans and advances to banks	-	-	-	-	-	-
Loans and advances to customers	(36,572,322)	(8,647,674)	(8,701,541)	(27,346)	-	(53,948,884)
Derivative financial instruments	-	(158,147)	-	-	-	(158,147)
Financial investments:						
Financial investment at Fair value through other comprehensive income	(52,009,354)	(29,644,331)	-	-	-	(81,653,686)
Treasury bills at fair value through OCI	(66,417,311)	(12,081,568)	-	-	(2,266,697)	(80,765,576)

Other financial assets	(1,758,683)	(517,658)	(53,699)	(9,541)	-	(2,339,580)
Total financial assets	(220,744,828)	(111,213,706)	(9,182,911)	(4,061,544)	(3,189,860)	(348,392,848)
Financial liabilities						
Due to banks	6,583,804	656,796	13,830	-	11,989	7,266,419
Customer deposits	140,883,740	105,247,316	15,175,800	3,824,771	977,194	266,108,821
Financial derivative	-	178,989	-	-	-	178,989
Other financial liabilities	9,220,290	1,471,335	58,066	137,653	173,308	11,060,652
Subordinated Loans	2,072,000	-	-	-	-	2,072,000
Total financial liabilities	158,759,834	107,554,435	15,247,696	3,962,425	1,162,491	286,686,881
Net financial position – Balance sheet	(61,984,994)	(3,659,271)	6,064,785	(99,119)	(2,027,369)	(61,705,967)
Commitments related to credit and contingent liabilities	16,022,237	47,295,159	15,155,039	39,000	630,281	79,141,716
2024						
Total financial assets	(151,106,314)	(114,744,162)	(8,989,972)	(3,726,837)	(862,446)	(279,429,730)
Total financial liabilities	95,327,104	113,676,118	12,660,935	3,667,033	917,271	226,248,461
Net financial position – balance sheet	(55,779,210)	(1,068,044)	3,670,963	(59,804)	54,825	(53,181,269)
Commitments related to credit and contingent liabilities	12,458,022	31,028,620	8,876,798	50,339	1,354,712	53,768,491

B.4. Interest rate risk

The Bank is exposed to the effects of fluctuations in market interest rate levels. This includes cash flow interest rate risk, which is the risk that future cash flows of a financial instrument will fluctuate due to changes in the interest rate of that instrument, and fair value interest rate risk, which is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The interest margin may increase because of such changes; however, profits may decline in the event of unexpected movements. The Bank's Board of Directors sets limits on the level of interest rate repricing mismatches that the Bank may maintain, and this is monitored daily by the Bank's Treasury Department.

The table below summarizes the Bank's exposure to interest rate risks. It includes the Bank's financial instruments at carrying amounts categorized by the earlier of repricing or maturity dates:

2025	Up to one month	1-3 Months	3-12 Months	1-5 years	5 years or more	Without Interest	Total EGP'000
Financial assets:							
Cash and balances with Central bank	-	-	-	-	-	(22,122,935)	(22,122,935)
Due from banks	(27,033,757)	(60,889,400)	(19,166,538)	-	-	-	(107,089,695)
Financial assets at fair value through profit or loss	(5,676)	-	-	(308,138)	(532)	-	(314,345)
Loans and advances to banks	-	-	-	-	-	-	-
Loans and advances to customers	(4,790,402)	(16,878,219)	(7,775,229)	(16,260,524)	(8,244,509)	-	(53,948,884)

Financial derivatives	(158,147)	-	-	-	-	-	(158,147)
Financial investment At fair value through OCI	(30,215,495)	-	(2,376,385)	(44,289,442)	(4,772,364)	-	(81,653,686)
Treasury bills at fair value through OCI	-	(1,311,451)	(79,454,125)	-	-	-	(80,765,576)
Other financial assets	-	-	-	-	-	(2,339,580)	(2,339,580)
Total financial assets	(62,203,477)	(79,079,070)	(108,772,277)	(60,858,104)	(13,017,404)	(24,462,515)	(348,392,848)
Financial liabilities							
Due to banks	7,266,419	-	-	-	-	-	7,266,419
Customer deposits	81,411,037	20,782,009	40,834,848	123,080,928	-	-	266,108,821
Financial derivatives	178,989	-	-	-	-	-	178,989
Other financial liabilities	-	-	-	-	-	11,060,652	11,060,652
Subordinated Loans	-	-	-	2,072,000	-	-	2,072,000
Total financial liabilities	88,856,445	20,782,009	40,834,848	125,152,928	-	11,060,652	286,686,881
Interest repricing gap	26,652,967	(58,297,062)	(67,937,429)	64,294,824	(13,017,404)	(13,401,863)	(61,705,967)
2024							
Total financial assets	(103,108,965)	(28,684,728)	(77,665,184)	(58,435,024)	(455)	(15,563,524)	(283,457,880)
Total financial liabilities	55,202,537	19,113,383	40,052,837	106,087,485	2,072,000	11,748,723	234,276,965
Interest repricing gap	(47,906,428)	(9,571,345)	(37,612,347)	47,652,461	2,071,545	(3,814,801)	(49,180,915)

C.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

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.

Liquidity risk management process

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 analysing 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 utilisations, and the effect of contingent liabilities such as letters of guarantees and letters of credit.

Non-derivative cash flows

The below table represents the undiscounted contractual cash flows distributed over the remaining term of the contractual benefits.

2025							
Financial liabilities	Up to 1 month	Over than 1 month to 3 months	Over than 3 months to 1 year	Over than 1 year to 5 years	More than 5 years		Total EGP'000
Demand deposits	97,393,410	-	-	-	-		97,393,410
Saving deposits	46,345,798	-	-	-	-		46,345,798
Accrued interest on saving deposits	113,511	-	-	-	-		113,511
Time deposits and Saving certificates	20,845,889	6,923,014	23,382,774	19,748,722	-		70,900,399
Other deposits	4,424,872	-	-	-	-		4,424,872
Due to banks	4,114,765	-	-	-	-		4,114,765
Other loans	53,198	101,247	471,915	2,999,556	-		3,625,916
Total of financial liabilities according to maturity date	173,291,443	7,024,261	23,854,689	22,748,278	-		226,918,670

2024							
Financial liabilities	Up to 1 month	Over than 1 month to 3 months	Over than 3 months to 1 year	Over than 1 year to 5 years	More than 5 years		Total EGP'000
Demand deposits	95,979,986	-	-	-	-		95,979,986
Saving deposits	31,734,161	-	-	-	-		31,734,161
Accrued interest on saving deposits	98,148	-	-	-	-		98,148

Time deposits and Saving certificates	13,266,796	9,746,500	14,478,205	16,361,881	-	53,853,382
Other deposits	8,136,924	-	-	-	-	8,136,924
Due to banks	10,865,934	-	-	-	-	10,865,934
Other loans	19,762	38,249	175,307	2,653,820	-	2,887,138
Total of financial liabilities according to maturity date	160,101,711	9,784,749	14,653,512	19,015,701	-	203,555,673

Funding approach

Sources of liquidity are regularly reviewed by managing the Bank Treasury to maintain a wide diversification by currency, geography region, source, products and terms.

Off-balance sheet items

According to the table below and note 38:

2025	Up to 1 year	Over 1 year and less than 5 years	More than 5 years	Total EGP'000
Loan commitments and other irrevocable commitments related to credit	20,733,416	-	-	20,733,416
Letters of credit	3,135,511	-	-	3,135,511
Letters of guarantee	61,100,251	-	-	61,100,251
Operating lease commitments	2,998	11,242	-	14,240
Total	84,972,176	11,242	-	84,983,418

2024	Up to 1 year	Over 1 year and less than 5 years	More than 5 years	Total EGP'000
Loan commitments and other irrevocable commitments related to credit	2,690,989	-	-	2,690,989
Letters of credit	5,443,986	-	-	5,443,986
Letters of guarantee	74,578,715	-	-	74,578,715
Operating lease commitments	4,856	14,240	250	19,346
Total	82,718,546	14,240	250	82,733,036

D.Fair value of financial assets and liabilities

D.1 Financial instruments measured at fair value using a valuation method

The change in estimated fair value of financial investments measured at FVOCI using valuation methods for the year amounted to EGP (193,783) thousand as of 31 December 2025, against EGP (148,528) thousand for the year ended 31 December 2024.

D.2 Financial instruments not measured at fair value

The table below summarises the carrying amounts and fair values for those financial assets and liabilities not presented on the Bank's balance sheet at their fair value.

2025	Book value EGP'000	Fair value EGP'000
Financial assets		
Due from banks	107,089,695	107,089,695
Loans and advances to banks	-	-
Loans and advances to customers		

Retail	18,976,696	18,949,406
Corporate	40,361,426	35,126,920
Financial liabilities		
Due to banks	7,266,419	7,476,951
Customer deposits		
Retail	122,765,472	122,639,129
Corporate	143,343,349	144,100,515
Subordinated loans	2,072,000	2,072,000

Due from banks

Fair value of placements and deposits bearing variable interest rate for one day is its current value. The expected fair value for deposits bearing variable interest is based on the discounted cash flow using the rate of similar asset of similar credit risk and due dates.

Loans and advances to customers

Loans and advances are net of provisions for impairment losses. Fair value expected for loans and advances represents the discounted value of future cash flows expected to be collected, and cash flows are discounted using the current market interest rate to determine fair value.

Due to banks and customers

The estimated fair value of deposits of indefinite maturity, which includes interest-free deposits, is the amount paid on call. The estimated fair value of fixed interest-bearing deposits and other loans not traded in an active market is based on discounted cash flows using interest rates for new debts of similar maturity dates.

E. 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 models 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 12.5% or more

The numerator in capital adequacy comprises the following two tiers:

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

Tier 2: It is the going concern capital comprising:

- 45 per cent 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 per cent of the special reserves
- 45 per cent of positive different foreign currency reserves
- Hybrid financial instruments

- Loans (deposits) subordinated
- The balance of provisions required against debt instruments, loans, credit facilities and contingent liabilities included in the first stage (1Stage)
- (It should not exceed 1.25% of the total credit risk of risk-weighted on-balance sheet assets and regular off-balance sheet commitments, and the impairment loss provision for loans, credit facilities, and irregular off-balance sheet commitments should be sufficient to cover the obligations for which the provision was made.)

The denominator of the capital adequacy comprises:

1. Credit risk
2. Market risk
3. Operational risk

Assets are weighted by risk in a range from 0 per cent to 100 per cent. 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 tier 1 & tier 2 of the capital adequacy according to Basel II:

	2025	2024
	EGP'000	EGP'000
Capital		
Tier 1 after disposals (going concern capital) (1)		
Share capital	5,000,000	5,000,000
Reserves	7,035,293	5,756,913
General risk Reserve	491,666	491,666
Retained earnings	30,167,690	22,808,013
Change in fair value for investments at fair value through OCI	236,650	150,816
Total disposals from going concern capital	(2,971,739)	(2,587,816)
Total going concern capital after disposals (common equity)	39,959,561	31,619,592
Tier 2 after disposal (gone concern capital) (2)		
Subordinated (deposits) loans	468,800	883,200
Impairment losses provision for performing loans and advances contingent liabilities	163,855	233,659
Total tier 2 after disposals (gone concern capital)	632,655	1,116,859
Total capital adequacy after disposals (1+2)	40,592,215	32,736,451
Risk (credit, market and operational)		
Credit risk	95,960,000	94,921,655
Excess of top 50 Customers exposures	22,085,780	23,503,149
Capital requirements for market risk	647,967	175,875
Capital requirements for operational risk	12,693,800	11,775,686
Total credit, market and operational risks	131,387,547	130,376,365
Capital adequacy ratio (%)	30.90%	25.11%

F. Financial Leverage ratio

Central Bank of Egypt Board of Directors had approved in its meeting held on July 7, 2015 the special supervisory instructions related to leverage ratio while ensuring maintaining a minimum level of leverage ratio of 3 per cent to be reported on a quarterly basis as follows:

- Guidance ratio started from reporting period September 2015 till December 2017
- Obligatory ratio started from year 2018

This ratio will be included in Basel requirement tier 1 in order to maintain Egyptian Banking system strong and safe, as long to keep up with best international regulatory treatments. Leverage ratio reflects relationship between tier 1 for capital that is used in capital adequacy ratio (after disposals) and other assets (on-balance sheet and off-balance sheet) that are not risk weighted assets.

Ratio elements

A) The numerator elements

The numerator consists of tier 1 capital that is used in capital adequacy ratio (after disposals) in accordance with the requirements of the regulatory authority represented by the Central Bank of Egypt (CBE).

B) The dominator elements

The dominator consists of all bank assets (on-balance sheet and off-balance sheet) according to the financial statements, called "Bank exposures" which include total the following:

1. On-balance sheet items after deducting some of tier 1 exclusions for capital base
2. Derivatives contracts exposures
3. Financing financial papers operations exposures
4. Off-balance sheet exposures (weighted by conversion factor)

The table below summarizes the leverage financial ratio:

	2025	2024
	EGP'000	EGP'000
Tier 1 after disposals (going concern capital)	39,959,561	31,619,592
Total on-balance sheet exposures, derivatives contracts and financial papers operations	350,036,471	281,077,623
Total off- balance sheet exposures	43,959,620	47,449,315
Total on-balance sheet and off-balance sheet exposures	393,996,091	328,526,938
Leverage financial ratio (%)	10.14%	9.62%

Sensitivity of Risks

G.Measurement uncertainty and sensitivity analysis of ECL estimates

Expected credit loss impairment allowances recognized in the financial statements reflect the effect of a range of possible economic outcomes, calculated on a probability-weighted basis, based on the economic scenarios described below. The recognition and measurement of ECL involves the use of significant judgment and estimation. It is necessary to formulate multiple forward-looking economic forecasts and incorporate them into the ECL estimates. HSBC Bank Egypt uses a standard framework to form economic scenarios to reflect assumptions about future economic conditions, supplemented with the use of management judgment, which may result in using alternative or additional economic scenarios and/or management adjustments.

Methodology for Developing Forward Looking Economic Scenarios

- The Bank in general use three economic scenarios representative of HSBC's view of forecast economic conditions, sufficient to calculate unbiased expected loss in most economic environments. In 2020, and due to the economic effects of Covid-19 outbreak, the Bank applied four forward-looking global scenarios. They represent a 'most likely outcome', (the Central scenario) and three, less likely, 'outer' scenarios referred to as the Upside and Downside and Additional Downside scenarios. The probability weight between other scenarios and Central scenario was fixed with the Central scenario being assigned a weighting of 50 per cent, the Downside scenario 25 per cent, the Upside 20 per cent and Additional Downside 50 per cent each.
- For the Central scenario, HSBC Bank Egypt sets key assumptions such as GDP growth, using either the average of external forecasts (commonly referred to as consensus forecasts) for most economies, or market prices. An external provider's global macro model, conditioned to follow the consensus forecasts, projects the other paths required as inputs to credit models. This external provider is subject to HSBC Bank Egypt's risk governance framework, with oversight by a specialist internal unit.

Wholesale analysis

- HSBC has developed a globally consistent methodology for the application of economic scenarios into the calculation of ECL by incorporating those scenarios into the estimation of the term structure of probability of default ('PD') and loss given default ('LGD'). For PDs, we consider the correlation of economic guidance to default rates for a particular industry in a country. For LGD calculations we consider the correlation of economic guidance to collateral values and realisation rates for a particular country and industry. PDs and LGDs are estimated for the entire term structure of each instrument.
- For impaired loans, LGD estimates take into account independent recovery valuations provided by external consultants where available, or internal forecasts corresponding to anticipated economic conditions and individual company conditions. In estimating the ECL on impaired loans that are individually considered not to be significant, HSBC incorporates economic scenarios proportionate to the probability-weighted outcome and the central scenario outcome for non-stage 3 populations.

Retail analysis

HSBC has developed and implemented a globally consistent methodology for incorporating forecasts of economic conditions into ECL estimates. The impact of economic scenarios on PD is modelled at a portfolio level. Historic relationships between observed default rates and macro-economic variables are integrated into ('IFRS 9 ECL') estimates by leveraging economic response models.

The impact of these scenarios on PD is modelled over a period equal to the remaining maturity of underlying asset or assets. The impact on (LGD) is modelled for mortgage portfolios by forecasting future loan-to-value ('LTV') profiles for the remaining maturity of the asset by leveraging national level forecasts of the house price index and applying the corresponding LGD expectation.

Economic scenarios sensitivity analysis of ECL estimates

The ECL outcome is sensitive to judgment and estimations made with regards to the formulation and incorporation of multiple forward looking economic conditions described above. As a result, management assessed and considered the sensitivity of the ECL outcome against the forward looking economic conditions as part of the ECL governance process by recalculating the ECL under each scenario described above for selected portfolios, applying a 100 per cent weighting to each scenario in turn. The weighting is reflected in both the determination of significant increase in credit risk as well as the measurement of the resulting ECL.

4. Significant accounting estimates and assumptions

The Bank makes subjective estimates and judgements that affect the reported amounts of assets and liabilities in the next financial year. Consistent estimations and judgements 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.

A.Expected credit loss measurement

Measurement of ECLs is a significant estimate that involves determination of methodology, models and data inputs. Details of ECL measurement methodology are disclosed in Note "N. Impairment of financial assets". The following components have a major impact on credit loss allowance: definition of default, SICR, probability of default ("PD"), exposure at default ("EAD"), and loss given default ("LGD"), as well as models of macro-economic scenarios. The Bank regularly reviews and validates the models and inputs to the models to reduce any differences between expected credit loss estimates and actual credit loss experience. The Bank used supportable forward looking information for measurement of ECL, primarily an outcome of its own macro-economic forecasting model.

B.Fair value of financial instruments

Fair value of financial instruments not quoted in an active market is determined using valuation techniques. These techniques (as models) are tested and reviewed yearly using qualified independently personnel other than those who prepared the techniques. All the models were prepared before and after using them to ensure that their results reflect accurate data and prices comparable to the market. These models are used to the extent it is practical actual data; however, some areas such as credit risk related to the Bank and counterparty volatility and correlations require management estimations. Changes in these estimation factors can affect the financial instrument's fair value disclosure

C.Tax provision

The Bank is subject to tax which requires the use of estimates to calculate the tax provision. There are a number of complicated processes and calculations to determine the final tax. The Bank records a liability related to the tax inspection estimated results. When there is a difference between the final result of the actual tax inspection and the amounts previously recorded by the Bank, such differences will be recorded in the year where differences are noted. Tax and deferred tax will be recorded in that year.

D. Employees' benefits

Disclosure No. 33 :

The Bank contributes to the Social Insurance System of the Social Insurance Authority for the benefit of employees in accordance with the Social Insurance Authority Law No. 79 of 1975 and its amendments, and the income statement is charged with these contributions according to the principle of accrual.

There is also an internal system in the Bank whereby employees of the Bank are granted severance pay in proportion to the length of service, and a provision is made for this purpose - based on the current value in light of the actuarial assumptions specified on the date of the independent financial statements - charged to the income statement under the item of administrative and general expenses, and the balance of this provision appears within the obligations of the specified benefit systems in the budget.

Share-based payments

In the United Kingdom, by granting some members of the senior management and employees of the Bank (HSBC), the head office of the Group some shares in its capital based on its own system, and HSBC Bank Egypt bears the cost of these shares and charges them to the income statement in light of the Bank's share in the expenses sent from the head office, which the Bank pays.

E.The fair value of financial instruments

Disclosure No. (21 & 22)

5.Segment analysis

A. By activity segment

Activity segment includes operations and assets used in providing banking services and managing related risks and yields which may differ from other activities. The segmentation analyses of operations according to the Banking activities are as follows:

- **Large enterprises medium and small**

Activities include current accounts deposits, overdraft loans credit facilities and financial derivatives.

- **Investment**

Includes merging of the company's purchase of investments, financing company's restructure and financial instruments.

- **Individuals**

Activities include current account savings deposits, credit cards, personal loans and mortgage loans.

- **Other activities**

Includes other banking activities such as fund management, Inter-segment transactions occur in the normal course of the Bank's business. Assets and liabilities include the operating assets and liabilities as presented in the balance sheet.

31 December 2025	Corporate	Investment	Retail	Other activities	Total EGP'000
Income and expenses according to activity segment					
Income activity segment	35,943,964	29,728,799	18,128,777	(35,552,126)	48,249,414
Expenses by activity segment	(15,651,656)	(26,693,215)	(13,404,037)	35,558,354	(20,190,554)
Provisions	217,437	36,914	(72,842)	(155,812)	25,697
Profit before tax	20,509,745	3,072,498	4,651,898	(149,584)	28,084,557
Tax	(6,541,554)	-	(1,058,970)	(937)	(7,601,461)
Profit for the year	13,968,191	3,072,498	3,592,928	(150,521)	20,483,096
Assets and liabilities according to activity segment					
Assets activity segment	65,310,316	254,173,018	19,636,347	13,372,574	352,492,255
Total assets	65,310,316	254,173,018	19,636,347	13,372,574	352,492,255
Liabilities of activity segment	152,032,667	447,711	123,620,027	18,821,192	294,921,597
Total liabilities	152,032,667	447,711	123,620,027	18,821,192	294,921,597

31-December-2024	Corporate	Investment	Retail	Other activities	Total EGP'000
Income and expenses according to activity segment					
Income activity segment	33,448,677	28,412,106	15,216,742	(33,521,832)	43,555,693
Expenses by activity segment	(11,346,693)	(26,974,571)	(9,413,278)	33,669,979	(14,064,563)
Provisions	(703,533)	(80,074)	(46,538)	(107,294)	(937,439)
Profit before tax	21,398,451	1,357,462	5,756,925	40,853	28,553,691
Tax	(6,224,869)	-	(1,375,131)	-	(7,600,000)
Profit for the year	15,173,583	1,357,462	4,381,794	40,853	20,953,691
Assets and liabilities according to activity segment					
Assets activity segment	56,085,531	202,452,867	17,188,521	7,730,961	283,457,880
Total assets	56,085,531	202,452,867	17,188,521	7,730,961	283,457,880
Liabilities of activity segment					
Total liabilities	102,486,763	-	114,639,469	17,150,733	234,276,965

B. Analysis according to the geographical segment

31 December 2025	Cairo	Alexandria and Delta	Upper Egypt, Sinai and Red Sea	Total EGP'000
Income and expenses according to geographical segment				
Income by geographical segment	45,164,407	2,463,256	621,751	48,249,414
Expenses by geographical segment	(18,602,166)	(1,227,999)	(360,389)	(20,190,554)
Provisions	272,682	(235,311)	(11,674)	25,697
Profit before tax	26,834,923	999,946	249,688	28,084,557
Tax	(7,601,461)	-	-	(7,601,461)
Profit for the year	19,233,462	999,946	249,688	20,483,096
Assets and liabilities according to geographical segment				
Assets of geographical segment	346,576,495	5,029,805	885,955	352,492,255
Total assets	346,576,495	5,029,805	885,955	352,492,255
Liabilities geographical segment	273,062,865	16,644,246	5,214,487	294,921,598
Total liabilities	273,062,865	16,644,246	5,214,487	294,921,598

31-December-2024	Cairo	Alexandria and Delta	Upper Egypt, Sinai and Red Sea	Total EGP'000
Income and expenses according to geographical segment				
Income geographical segment	40,627,250	2,339,009	589,434	43,555,693
Expenses geographical segment	(12,574,745)	(1,167,759)	(322,059)	(14,064,563)
Provisions	(726,331)	(214,234)	3,126	(937,439)
Profit before tax	27,326,174	957,016	270,501	28,553,691
Tax	(7,600,000)	-	-	(7,600,000)
Profit for the year	19,726,174	957,016	270,501	20,953,691
Assets and liabilities according to geographical segment				
Assets geographical segment	276,508,494	5,743,899	1,205,487	283,457,880
Total assets	276,508,494	5,743,899	1,205,487	283,457,880
Liabilities geographical segment	210,673,226	18,985,069	4,618,671	234,276,965
Total liabilities	210,673,226	18,985,069	4,618,671	234,276,965

6.Net interest income

	2025	2024
	EGP'000	EGP'000
Interest from loans and similar income:		
Loans and advances to customers	9,971,830	9,189,754
Treasury bills	17,781,780	11,077,949
Deposits and current accounts	9,506,569	16,151,167
Financial Investments at FVOCI	5,633,625	1,643,924
	42,893,804	38,062,794
Interest on deposits and similar expenses:		
Deposits and current accounts:		
Banks	(1,631)	(666)
Customers	(7,962,349)	(5,810,055)
Other loans	(580,903)	(588,387)
	(8,544,883)	(6,399,108)
Net	34,348,921	31,663,686

7.Net fees and commissions income

	2025	2024
	EGP'000	EGP'000
Fees and commissions income:		
Fees and commissions related to credit	3,937,427	3,433,458
Custody fees	175,291	154,448
Other fees	6,771	5,555
	4,119,489	3,593,461
Fees and commissions expenses:		
Brokerage fees paid	(4,410)	(177)
Other fees paid	(1,049,559)	(793,441)
	(1,053,969)	(793,618)
Net	3,065,520	2,799,843

8.Dividends

	2025	2024
	EGP'000	EGP'000
Equity instruments	24,600	20,604
	24,600	20,604

9. Net trading income

	2025	2024
	EGP'000	EGP'000
Foreign exchange operations:		
Gain from foreign currency transactions	1,102,998	1,700,012
Gain from debt instruments at fair value	64,917	35,078
Gain from forward deals revaluation and currency swap	179	(12)
Net	1,168,094	1,735,078

10. Administrative expenses

	2025	2024
	EGP'000	EGP'000
Staff costs		
Wages, salaries and benefits	1,316,369	1,167,151
Social insurance	50,749	44,392
End of Service Compensation	266,204	141,631
	1,633,322	1,353,174
Cost of Services provided by HSBC Group	4,993,317	4,106,987
Other administrative expenses	2,426,375	1,589,842
	9,053,015	7,050,003

11. Other operating income (expense)

	2025	2024
	EGP'000	EGP'000
Gain/(Loss) from revaluation of monetary assets and liabilities determined in foreign currency other than those classified for trading or originally classified at fair value through profit and loss	(286,647)	(529,479)
(Loss)/Gain from sale of property and equipment	44,394	16,371
Operating lease	195,263	105,491
Investment property depreciation	(6,766)	(7,876)
Other provision	(215,354)	239,662
Other revenues	187,834	1,137
Head office services' revenue	524,388	352,861
Other*	(1,981,800)	-
Net	(1,538,688)	178,166

*The clause represents a financial penalty imposed by the Central Bank of Egypt, and corrective actions are currently being implemented by the bank as agreed with the Central Bank of Egypt.

12. Credit impairment recovered (charged)

	2025	2024
	EGP'000	EGP'000
Loans and advances to customers		
Loans and advances to customers	218,650	(926,207)
Cash and balances with Central Bank	(14)	(5)
Due from Banks	(182,581)	(3,267)
Financial Investments at fair value through OCI	(11,870)	(7,793)
Other assets	1,513	(167)
Net	25,698	(937,439)

13. Income tax expenses

	2025	2024
	EGP'000	EGP'000
Current taxes	7,639,696	7,444,925
Deferred tax (note 32)	(38,235)	155,075
Net	7,601,461	7,600,000

Note 32 shows additional information about deferred income tax. Income taxes differ when current applicable tax rates are used, as follows:

	2025	2024
	EGP'000	EGP'000
Profit before tax	28,084,557	28,553,691
Tax rate	%22.50	22.50%
Income tax calculated on accounting profit	6,319,025	6,424,580
Add		
Unrecognized tax expenses	1,282,436	1,175,420
Net income tax	7,601,461	7,600,000
Effective tax rate	27.07%	26.62%

Taxation position

A summary of HSBC Bank Egypt's tax position is as follows:

A. Corporate tax

Years since inception till year 2019

These years were inspected and disputes were settled in the Internal Committee, and all tax liabilities has been paid.

Year 2020

Tax inspection in progress

Year 2021-2023

Tax inspection preparations in progress.

B. Salary tax

Years from 1982 to 2022

These years were inspected and were settled.

Year 2021 until 2023

Tax inspection preparations in progress.

C. Stamp duty tax

Years from 1982 to 2022

These years were inspected, and tax was fully settled.

Years from 2023 until 2024

Tax inspection preparations in progress.

14. Earnings per share

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

	2025	2024
	EGP'000	EGP'000
Net profit distributable for the year	20,438,702	20,937,320
Employees' profit share (estimated)	(1,633,322)	(1,353,174)
Profit attributable to shareholders of the bank	18,805,380	19,584,146
Common shares issued - weighted average (1,000 shares)	59,524	59,524
Earnings per share/EGP	315.93	329.01

15. Cash and balances with the Central Bank of Egypt

	2025	2024
	EGP'000	EGP'000
Cash	2,248,316	2,914,974
Due from Central Bank (within the statutory reserve)	19,874,639	9,178,302
Impairment loss	(19)	(5)
	22,122,935	12,093,271
Non-interest-bearing balances	22,122,935	12,093,271

16. Due from banks

	2025	2024
	EGP'000	EGP'000
Current accounts	3,755,674	2,598,803
Deposits	103,359,150	105,699,678
	107,114,824	108,298,481
Impairment loss	(25,129)	(50,542)
	107,089,695	108,247,939
Due from Central Bank (other than the statutory reserve)	52,994,603	54,624,810
Local banks	2,727,786	333,605
Foreign banks	51,392,435	53,340,066
	107,114,824	108,298,481
Impairment loss	(25,129)	(50,542)
	107,089,695	108,247,939
Non-interest-bearing balances	10,523,934	2,598,803
Interest-bearing balances	96,590,890	105,699,678
	107,114,824	108,298,481
Impairment loss	(25,129)	(50,542)
Current balances	107,089,695	108,247,939

17. Loans and advances to banks

	2025	2024
	EGP'000	EGP'000
Term loans	207,994	221,815
Total	207,994	221,815
Non-current balances	207,994	221,815
Deduct ECL	(207,994)	
Interest bearing balances	-	221,815

18. Loans and advances to customers

	2025	2024
	EGP'000	EGP'000
Retail:		
Overdrafts	60,388	70,668
Credit cards	5,738,800	4,503,803
Personal loans	13,177,493	11,731,360
Mortgage loans	15	213
Total	18,976,696	16,306,044
Corporate loans including small loans:		
Overdrafts	4,847,541	4,799,516
Direct loans	23,917,276	25,330,817
Syndicated loans	11,596,609	12,029,374
Total	40,361,426	42,159,707
Total loans and advance to customers	59,338,122	58,465,751
Less: expected credit loss " ECL "	(5,389,238)	(6,026,696)
Net	53,948,884	52,439,055

Expected Credit Loss:

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

31 December 2025	Retail			Total EGP'000
	Overdrafts	Credit cards	Personal loans	
Balance at beginning of the year	1,833	19,350	36,745	57,928
Expected credit losses charged/(reversed)	(526)	47,234	30,832	77,540
Amounts written off during the year	2	(38,823)	(25,880)	(64,701)
Amounts recovered during year	-	12,956	6,131	19,087
Foreign revaluation difference related to provision	(729)	(2,692)	3,136	(285)
Balance at the end of the year	580	38,025	50,964	89,569

	Corporate			Total EGP'000
	Overdrafts	Direct loans	Syndicated loans	
Balance at beginning of the year	426,711	5,312,656	229,401	5,968,768
Expected credit losses charged/(reversed)	533,977	(830,167)	-	(296,190)
Amounts written off during the year	(859,760)	-	-	(859,760)
Amounts recovered during year	-	374,657	-	374,657
Capitalisation of accrued interest on balances	-	262,270	-	262,270
Foreign revaluation difference related to provision	(4,977)	(145,099)	-	(150,076)
Balance at the end of the year	95,951	4,974,317	229,401	5,299,669

31 December 2024	Retail			Total EGP'000
	Overdrafts	Credit cards	Personal loans	
Balance at the beginning of the year	1,311	16,967	23,985	42,263
Expected credit losses reversed	888	10,882	34,767	46,537
Amounts written off during the year	(397)	(19,915)	(32,643)	(52,955)
Amounts recovered during year	-	11,416	9,859	21,275
Foreign revaluation difference related to provision	31	-	777	808
Balance at the end of the year	1,833	19,350	36,745	57,928

	Corporate			Total EGP'000
	Overdrafts	Direct loans	Syndicated loans	
Balance at the beginning of the year	584,899	3,157,592	229,401	3,971,892
Expected credit losses charged	102,554	777,116	-	879,670
Amounts written off during the year	(552,990)	(1)	-	(552,991)
Amounts recovered during year	-	679,281	-	679,281
Foreign revaluation difference related to provision	292,248	698,668	-	990,916
Balance at the end of the year	426,711	5,312,656	229,401	5,968,768

19. Financial derivatives and coverage activities

The Bank uses the following derivatives for hedging and non-hedging purposes:

- Currency forward contracts represent commitments to purchase/sell foreign and local currencies, including in unexecuted portion of spot transactions.
Credit risk at the Bank is considered low. Future interest rate agreements represent future exchange rate contracts negotiated on a case-by-case basis. These contracts require financial settlements of any differences in contractual interest rates and prevailing market interest rates on future dates based on contractual amount/nominal value agreed on.
- Currency or/and interest swap contracts represent the commitments to exchange a group of cash flows with another. These contracts' result is the exchange of currencies or interest rates (i.e. fixed rate for floating rate) or both (i.e. cross-currency interest rate swaps). No exchange of principal takes place except for certain currency swaps.
The Bank's credit risk represents the potential cost to replace the swap contracts if counterparties fail to fulfill their obligation. This risk is monitored on an ongoing basis by comparing current fair value and contractual amount. To control an existing credit risk, the Bank assesses counterparties using the same techniques as for its lending activities.
- The buyer (issuer) give to seller (holders) a right, not an obligation, to buy (buy option) or to sell (sell option) at a certain date or within a certain period of time by certain amount denominated in foreign currency or a financial instrument with prior agreed price. The buyer receives, in return, a commission against the burden of risk he took on option contracts that are either traded in the market or negotiable between the Bank and one of its customers. The Bank is exposed to credit Risk for the purchased options' contracts only and to the extent of its book value which represent its fair value.
- The notional amounts of certain types of financial instrument are used as a basis for comparison purpose, with financial instruments recognized on the balance sheet but do not necessarily indicate the amounts of future cash flows or the current fair value of the instruments and therefore, does not indicate the Bank's exposure to credit or price risks.
- The derivative instruments become favorable (assets) or unfavorable (liabilities) as a result of fluctuations in the market interest rates or foreign exchange rates related to them. The aggregate contractual or notional amount of the existing financial derivative instruments, the duration to which instruments are favorable or unfavorable, and the aggregate fair value of financial assets and liabilities derivatives can fluctuate significantly from time to time.
- The table below represents the fair value of financial derivatives existing at the balance sheet date.

31 December 2025	Contract amount /notional Assets	Contract amount /notional Liabilities	Assets	Liabilities
	EGP'000	EGP'000	EGP'000	EGP'000
Derivatives held for trading				
Foreign currency derivatives				
Currency Options	13,538,001	(13,538,001)	49,220	(49,220)
Currency forward contracts	16,699,611	(16,699,611)	108,927	(129,769)
Total assets (liabilities) of derivatives held for trading			158,147	(178,989)

31 December 2024	Contract amount/notional Assets	Contract amount/notional Liabilities	Assets	Liabilities
	EGP'000	EGP'000	EGP'000	EGP'000
Derivatives held for trading				
Foreign currency derivatives				
Currency Options	7,256,746	(7,256,746)	122,482	(122,482)
Currency forward contracts	2,233,166	(2,233,166)	28,869	(14,258)
Total assets (liabilities) of derivatives held for trading			151,351	(136,740)

20. Financial assets at fair value through profit or loss

	2025	2024
	EGP'000	EGP'000
Financial assets at fair value through profit or loss		
Debt instruments listed Government Bonds	314,345	236,451
Total financial assets at fair value through profit or loss	314,345	236,451

21. Financial investments

	2025	2024
	EGP'000	EGP'000
Equity instruments unlisted	181,278	146,383
Debt instruments listed Government Bonds (at FMV) *	67,319,522	18,798,217
Debt instruments unlisted (mutual fund)	54,205	44,156
Total financial investments at fair value through OCI	67,555,005	18,988,756
Current balances	30,215,496	440,440
Non-Current balances	37,339,509	18,548,316
Fixed income debt instruments	67,555,005	18,988,757
Debt instruments listed -Government bonds	14,098,682	12,718,847
Total Financial investments	81,653,687	31,707,603

Financial investments at fair value through other comprehensive income rather than T-bills:

31 December 2025	EGP'000
Balance at the beginning of the year	31,707,603
Additions	55,688,403
Disposals (sale/redemption)	(5,706,640)
Monetary assets revaluation	(518,669)
Loss from change in FMV	482,990
Balance at the end of the year	81,653,687

31 December 2024

Balance at beginning of the year	6,074,742
Additions	36,469,392
Disposals (sale/redemption)	(12,198,450)
Monetary assets revaluation	996,778
Loss from change in FMV	365,141
Balance at the end of the year	31,707,603

Financial Investments details

	Fair value	Fair value	Cost / Amortized Cost	Cost / Amortized Cost
	2025	2024	2025	2024
	EGP'000	EGP'000	EGP'000	EGP'000
Equity instruments unlisted	181,278	146,383	25,536	25,536
Debt instruments listed (at FMV)	67,319,522	18,798,217	67,309,916	18,720,379
Mutual Fund	54,205	44,156	9,142	9,142
Debt instruments listed-Government bonds	14,098,682	12,718,846	14,098,682	12,718,847
Total	81,653,687	31,707,603	81,443,276	31,473,904

22. Treasury bills

	T.Bills through OCI		T.Bills at amortized cost		Total	
	2025	2024	2025	2024	2025	2024
	EGP'000	EGP'000	EGP'000	EGP'000	EGP'000	EGP'000
Treasury bills - Egyptian **	78,498,878	64,917,105	-	-	78,498,878	64,917,105
Treasury bills – United states of America	-	7,544,640	-	-	-	7,544,640
Treasury bills – France	2,266,697	-	-	-	2,266,697	-
Total	80,765,575	72,461,745	-	-	80,765,575	72,461,745

Treasury bills represent the following:

	T.Bills through OCI		T.Bills at amortized cost		Total	
	2025	2024	2025	2024	2025	2024
91 days maturity	1,311,450	5,356,052	-	-	1,311,450	5,356,052
182 days maturity	138,752	13,473,866	-	-	138,752	13,473,866
273 days maturity	9,069,140	6,604,327	-	-	9,069,140	6,604,327
364 days maturity	70,246,233	47,027,500	-	-	70,246,233	47,027,500
Total	80,765,575	72,461,745	-	-	80,765,575	72,461,745

Financial assets at fair value through OCI T.Bills

	2025 EGP'000
Balance at beginning of the year	72,461,745
Addition	185,061,534
Deduction (Sale/Redemption)	(172,688,759)
Monetry assets revaluation differences for foreign financial assets other variables	(3,824,378)
losses from fair value difference***	(244,567)
Balance at the end of the year	80,765,575

*** Treasury bills fair value reserve reached EGP (524,870) as of 31 Dec 2025 against EGP (280,303) as of 31 December 2024 (with net change of EGP (244,567) thousands) .

Financial investment details

	Fair value 2025 EGP'000	Fair value 2024 EGP'000	Cost/Amortised cost 2025 EGP'000	Cost/Amortised cost 2024 EGP'000
Treasury bills at fair value through OCI	80,765,575	72,461,745	81,290,445	72,742,048
	80,765,575	72,461,745	81,290,445	72,742,048

23. Investment in subsidiaries

A.

	31-Dec-2025 EGP'000	31-Dec-2024 EGP'000
Cost	35,517	35,517
Impairment	35,517	(35,517)
Net	-	-

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 35,517 thousand has been formed.

C. The following table shows the percentage of HSBC Securities - Egypt's "under liquidation" balance sheet on December 31, 2021 from HSBC's consolidated balance sheet.

	Company's country	Company's Assets	Company's liabilities	Company's liabilities	Company's loss
HSBC Securities Egypt Company SAE	Egypt	98%	0.01%	0.01%	(0.35%)

24. Intangible assets

	2025 EGP'000	2024 EGP'000
Balance at the beginning of the current year		
Cost	2,069,319	1,397,425
Accumulated amortisation	(754,160)	(440,772)
Impairment provision Charge	(2,377)	(2,377)
Net book value at the beginning of the current year	1,312,782	954,276
Additions	621,226	671,894
Amortisation	(466,439)	(313,388)
Impairment provision reversal	2,377	-
Net book value as at end of year	1,469,946	1,312,782
Balance at the end of the current year		
Cost	2,690,545	2,069,319
Accumulated amortisation	(1,220,599)	(754,160)
Impairment provision Charge	-	(2,377)
Net book value at the end of the current year	1,469,946	1,312,782

25. Other assets

	2024	2023
	EGP'000	EGP'000
Accrued revenues	2,339,580	2,069,804
Prepaid expenses	40,201	31,373
Ownership assets transferred to B&D (net of impairment)	3,977	10,293
Costs of branches under construction	234,269	59,735
Others	1,065,994	1,101,052
Advanced for projects under process	1,823	1,823
Impairment from provision ECL	(1,595)	(3,108)
Total	3,684,249	3,270,972

26. Fixed assets

	Land and buildings	Leasehold improvement	Machines and equipment	Others	Total EGP'000
Balance as at the beginning of the current year					
Cost	339,608	245,585	1,321,084	293,563	2,199,840
Accumulated depreciation	(265,752)	(207,485)	(361,217)	(170,298)	(1,004,752)
Net book value at the beginning of the current year	73,856	38,100	959,867	123,265	1,195,088
Additions	-	-	279,148	31,352	310,500
Disposals (cost)	(6,865)	-	(23,345)	-	(30,210)
Disposals (accumulated depreciation)	5,233	-	19,408	-	24,641
Depreciation for the year	(12,665)	(6,183)	(196,737)	(43,300)	(258,885)
Net book value at the end of the year	59,559	31,917	1,038,341	111,317	1,241,134
Balance as at the end of the current year					
Cost	332,743	245,585	1,576,887	324,915	2,480,310
Accumulated depreciation	(273,184)	(213,668)	(538,546)	(213,598)	(1,238,996)
Net book value at the end of the year	59,559	31,917	1,038,341	111,317	1,241,134

27. Investment property

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

	2025	2024
	EGP'000	EGP'000
Balance at the beginning of the year		
Cost	163,112	163,112
Accumulated depreciation	(125,773)	(117,897)
Net book value at the beginning of the year	37,339	45,215
Depreciation	(6,766)	(7,876)
Net book value as at the end of year	30,573	37,339
Balance at the end of the year		
Cost	163,112	163,112
Accumulated depreciation	(132,539)	(125,773)
Net book value as at the end of year	30,573	37,339

28. Due to banks

	2025	2024
	EGP'000	EGP'000
Current accounts	7,266,419	4,122,409
	7,266,419	4,122,409
Central bank	-	-
Foreign banks	7,266,419	4,122,409
	7,266,419	4,122,409
Non-interest-bearing balances	7,266,419	4,122,409
	7,266,419	4,122,409
Current Balances	7,266,419	4,122,409

29. Customers' deposits

	2025	2024
	EGP'000	EGP'000
Demand deposits	110,441,599	97,230,306
Time and call deposits	90,127,430	49,778,643
Certificates of deposits	14,638,073	13,462,193
Saving deposits	47,407,954	46,246,800
Other deposits	3,493,765	4,424,872
	266,108,821	211,142,814
Corporate deposits	143,343,349	96,409,365
Retail deposits	122,765,472	144,733,449
	266,108,821	211,142,814
Non-interest bearing balances	112,260,127	98,680,951
Fixed interest bearing balances	153,848,695	112,461,863
	266,108,821	211,142,814

30. Other liabilities

	2025	2024
	EGP'000	EGP'000
Accrued interest	832,901	960,017
Deferred income	17,148	111,012
Accrued expenses	1,580,580	673,522
Creditors	277,422	1,464,828
Other credit balances	8,352,591	5,565,117
Total	11,060,652	8,774,496

31. Other provisions

	Provision for claims		Provision for contingent liabilities		Total	
	2025	2024	2025	2024	2025	2024
	EGP'000	EGP'000	EGP'000	EGP'000	EGP'000	EGP'000
Balance at the beginning of the year	145,373	107,808	577,704	698,147	723,077	805,955
Formed during the year	151,200	121,744	212,538	-	363,738	121,744
Provisions valuation differences	(434)	17,986	(17,897)	225,542	(18,331)	243,528
	296,139	247,538	772,345	923,689	1,068,484	1,171,227
Used during the year	(114,408)	(86,744)	-	-	(114,408)	(86,744)
No longer required	-	(15,421)	(148,384)	(345,985)	(148,384)	(361,406)
Balance at the end of the year	181,731	145,373	623,961	577,704	805,692	723,077

32. Deferred tax

Deferred income taxes calculated entirely on the differences of deferred tax in accordance with balance sheet method using effective tax rate of 22.5 per cent for the current financial year.

Offset between deferred tax assets and deferred tax liabilities is done if there is legal reason to set off taxes resulting from assets against taxes resulting from liabilities and also when the deferred income taxes belong to the same tax jurisdiction.

Deferred tax assets that are not expected to be benefited from in the future are not recognized.

Deferred tax assets and liabilities

The movement of deferred tax assets and liabilities is as follows:

Deferred tax assets and liabilities balances

	Deferred tax assets		Deferred tax liabilities	
	2025	2024	2025	2024
	EGP'000	EGP'000	EGP'000	EGP'000
Fixed assets	-	-	(311,592)	(304,640)
Defined benefit obligation	207,982	186,053	-	-
Deferred tax for financial investment through OCI	34,097	181,056	-	-
Other	82,598	20,000	-	-
Total tax assets (liabilities)	324,677	387,109	(311,592)	(304,640)
Net deferred tax assets	13,085	82,469		

Deferred tax assets and liabilities movements

	Deferred tax assets		Deferred tax liabilities	
	2025	2024	2025	2024
	EGP'000	EGP'000	EGP'000	EGP'000
Balance at the beginning of the year	387,109	357,553	(304,640)	(195,453)
Additions	(62,432)	29,556	(6,952)	(109,187)
Balance at the end of the year	324,677	387,109	(311,592)	(304,640)

33. Defined benefits obligations

The end of service compensation benefits amounted to EGP 1,177,115 thousand as of 31 December 2025 (EGP 887,926 thousand as of 31 December 2024).

The movement of the liabilities in the defined benefit are as follows:

	2025 EGP'000	2024 EGP'000
Liability recorded on balance sheet		
End of service compensation	1,177,115	887,926
Amounts recognised in income statement:		
End of service compensation (Note 10)	266,204	141,631

The principal actuarial assumptions used are as follows:

Rates of death/disability of the British table AF92-AM92

Rate of salary increase $S_x = S_{20} * (1.05)^{(X-20)}$.

Discount rate used (24.46%)

34. Paid up capital

	Number of shares EGP000	Common Shares EGP(000)	Total EGP(000)	Issuance premium included in other reserve-issuance premium EGP(000)
Balance at the beginning of the year	59.524	5,000,000	5,000,000	6,728
Balance at 31 December 2025	59.524	5,000,000	5,000,000	6,728
Balance at the beginning of the year	59.524	5,000,000	5,000,000	6,728
Balance at end of year	59.524	5,000,000	5,000,000	6,728

* 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 cash shares from retained earnings, accordingly, the issued and fully paid-up capital as of 31 December 2022 is EGP 5,000,000,040 represented in 59,523,810 fully paid shares at par value of EGP 84 each.

A. Authorised capital

The authorised capital amounted to EGP1,750,000,000.

According to the extraordinary general assembly decision on 30 September 2010, the authorised capital has been increased to EGP5,000,000,000.

According to the extraordinary general assembly decision on 17 March 2021, the authorized capital has been increased to EGP 10,000,000,000 approved from the General Investment Authority.

B. Issued and paid-up capital

- The issued and paid-up capital as at 31 December 2008 amounted to EGP1,508,500,056 represented in 17,958,334 fully paid shares at par value of EGP84 each. The foreign shareholders own 94.54 per cent of the capital, which was paid in US dollars at the prevailing rates on the subscription dates
- According to the extraordinary general assembly decision on 30 November 2010, the issued capital has been increased to EGP2,078,500,116, increasing by EGP570,000,060 by issuing 6,785,715 shares which has been fully paid
- According to the extraordinary general assembly's decision on 26 September 2013, it was approved to increase the issued capital to an amount not exceeding EGP2,796,006,192, by an increase of EGP717,506,076 representing 8,541,739 shares, in which the paid amount was EGP717,067,428 representing 8,536,517 shares. Accordingly, the issued and fully paid-up capital is EGP2,795,567,544 represented in 33,280,566 fully paid shares at par value of EGP84 each
- 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 cash shares from retained earnings, Accordingly, the issued and fully paid-up capital as of 31 December 2022 is EGP 5,000,000,040 represented in 59,523,810 fully paid shares at par value of EGP 84 each.

35. Reserves and retained earnings

	2025	2024
	EGP'000	EGP'000
Reserves		
General reserve	4,447,403	3,400,537
Legal reserve	2,500,000	2,284,855
Capital reserve	87,890	71,519
Reserve for excess over par value - issuance premium	6,728	6,728
Fair value reserve	236,622	150,816
General bank risk reserve	89,661	89,661
General risk reserve	491,666	491,666
Total reserves at the end of the year	7,859,970	6,495,782

Reserves movements during the year are as follow:

A. General reserve

	2025	2024
	EGP'000	EGP'000
Balance at the beginning of the year	3,400,537	2,787,736
Transferred from prior year profits	1,046,866	612,801
Balance at the end of the year	4,447,403	3,400,537

B. Legal reserve

	2025	2024
	EGP'000	EGP'000
Balance at the beginning of the year	2,284,855	1,672,054
Transferred from prior year profits	215,145	612,801
Balance at the end of the year	2,500,000	2,284,855

In accordance with local laws, 5 per cent of the net profit shall be transferred to nondistributable reserve until it reaches 50 per cent of the capital.

C. Capital reserve

	2025	2024
	EGP'000	EGP'000
Balance at the beginning of the year	71,519	51,752
Transferred from prior year profits	16,371	19,767
Balance at the end of the year	87,890	71,519

D. Reserve for excess over par value – issuance premium

	2025	2024
	EGP'000	EGP'000
Balance at the beginning of the year	6,728	6,728
Balance at the end of the year	6,728	6,728

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 EGP168) and its par value (price per share EGP84) 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

	2025	2024
	EGP'000	EGP'000
Balance at the beginning of the year	150,816	(220,976)
Net change in investments FVOCI- T Bills	(244,567)	(208,576)
Net change in investments FVOCI- Bonds	438,349	357,105
Net change in investments FVOCI- Mutual funds	10,049	8,036
Net change in investments FVOCI- Equity instruments	34,592	99,982
Deferred tax for financial investment through OCI	(164,487)	107,452
Expected credit loss - Financial investment at FVOCI	11,870	7,793
Balance at the end of the year	236,622	150,816

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

F. General risk reserve

	2025	2024
	EGP'000	EGP'000
Balance at the beginning of the year	491,666	491,666
Balance at the end of the year	491,666	491,666

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

G. General bank risk reserves

	2025	2024
	EGP'000	EGP'000
Balance at the beginning of the year	89,661	89,661
Balance at the end of the year	89,661	89,661

The general banking risk reserve were approved by the Board of Directors at the General Assembly meeting that held on March 17, 2022.

H. Retained earnings

	2025	2024
	EGP'000	EGP'000
Movement on retained earnings		
Balance at the beginning of the year	37,685,133	22,458,127
Net profit for the year	20,483,096	20,953,691
Dividends for the year	(10,476,846)	(3,290,476)
Employees profit share	(1,353,174)	(983,411)
Transferred to legal reserve	(215,145)	(612,801)
Transferred to Banking systems support and development Fund	(209,373)	(122,560)
Transferred from capital reserve	(139,767)	(84,869)
Acturial Gain /(Losses)	(16,371)	(19,767)
Transferred from general reserve	(1,046,866)	(612,801)
Balance at the end of the year	44,710,687	37,685,133

36.Dividends

Payment of dividends is not registered unless being approved by the general assembly. The board of directors will propose to the General assembly that will be held on 17 March 2026 a payment of cash dividends for the year 2025 with a total amount of EGP thousands 12,263,221 in addition to employees' profit share with a total amount of EGP thousands 1,633,322. Against employees profit share distributed for 2024 amount to EGP thousands 1,353,174

37.Cash and cash equivalents

For the purpose of preparing the statement of cash flow, cash and cash equivalents include the following balance of maturity dates within less than three months from the date of acquisition:

	2025	2024
	EGP'000	EGP'000
Cash and due from the CBE (note 15)	2,248,316	2,914,974
Due from banks (note 16)	95,716,545	95,151,872
Treasury bills (included in note 22)	1,311,450	5,156,747
	98,276,311	103,223,593

38.Commitment and contingent liabilities

A. Legal claims

There are lawsuits filed against the bank as at 31 Dec 2025.
legal provision for these cases for the period ended 31 Dec 2025 amounting 9,696 EGP thousands.

B. Commitments for loans, guarantees and facilities

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

	2025	2024
	EGP'000	EGP'000
Acceptances	1,794,899	1,681,812
Letters of guarantee	61,100,251	74,578,715
Letter of credit (import and export)	3,135,511	5,443,985
Other contingent liabilities	16,699,611	168,431
Commitments for loans	2,238,906	840,745
Cash margin	(2,141,422)	(3,578,887)
Total	82,827,756	79,134,802

C.Commitments for operating lease contracts

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

	2024	2023
	EGP'000	EGP'000
Less than one year	2,998	4,856
More than one year and less than five years	11,242	14,240
More than five years	-	250
Total	14,240	19,346

39.Related party transactions

The Bank is a subsidiary of parent HSBC Holdings B.V. headquarter in London, which owns 94.54 per cent of ordinary shares. The remaining percentage (5.46 per cent) 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 September 1, 2021, to put the company under liquidation and appoint a liquidator, and a provision for impairment of EGP 35 517 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 (36).

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

A. Other loans

	HSBC group	
	2025	2024
Statement of financial position	EGP'000	EGP'000
Subordinated loans note (40)	2,072,000	2,072,000
Statement of income statement		
Interest expenses	580,903	430,510

B. Deposits from related parties

	Subsidiaries	
	2024	2023
	EGP'000	EGP'000
Due to customers		
Deposits at the beginning of the year	14,930	13,408
Deposits received during the year	-	1,522
Deposits at the end of the financial year	14,930	14,930

The preceding deposits are of no guarantee and of fixed interest rate and recoverable on call.

C. Other related party transactions

	HSBC group	
	2025	2024
	EGP'000	EGP'000
Statement of income statement		
Operating lease	143,447	48,677
Head office services revenue	524,388	352,861
Cost of services provided by HSBC Group	(4,993,317)	(4,106,987)
Total	(4,325,482)	(3,705,449)

	HSBC group	
	2025	2024
	EGP'000	EGP'000
Statement of financial position		
Due from banks	2,044,169	1,712,725
Loans and advances to banks	-	221,815
Due to banks	2,436,402	6,126
Total	4,480,571	1,940,666

D. Board of Directors and top management benefits

The average net monthly salary paid to the top 20 employees in the Bank for the year ended 2025 amounted to EGP 7,831 thousand (EGP 7,511 thousand average net monthly salary paid to the top 20 employees for the year ended 2024).

40.Subordinated loans

	Current interest rate	2025 EGP'000	2024 EGP'000
Subordinated loan, variable interest rate (1)	24.50%	272,000	272,000
Subordinated loan, variable interest rate (2)	22.75%	1,800,000	1,800,000
		2,072,000	2,072,000

- 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) with variable interest rate.
- 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) with variable interest rate.

41.Mutual funds

HSBC first mutual fund (kol youm)

- 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 December 2025, 78,559 certificates amounting to EGP 9,141,998 with a redeemable value amounting to EGP 54,204,736 against 78,559 certificates amounting to EGP 9,141,998 with redeemable value amounting to EGP 44,156,245 as of 31 December 2024.
- The redeemable value of the certificate amounted to EGP 689.98760 against EGP 562.077 as of 31 December 2024. The outstanding certificates reached 2,539,616 certificates against 2,357,530 certificates as of 31 December 2024.

42.Significant Events

On February 20, 2025, the Monetary Policy Committee of the Central Bank of Egypt decided, in its meeting, to maintain the overnight deposit and lending rates, and the rate of the central bank's main operation at 27.25%, 28.25%, and 27.75%, respectively. It also decided to maintain the credit and discount rates at 27.75%. On April 17, 2025, the Monetary Policy Committee of the Central Bank of Egypt decided, in its meeting, to reduce the overnight deposit and lending rates, and the rate of the central bank's main operation by 225 basis points to 25%, 26%, and 25.50%, respectively. It also decided to reduce the credit and discount rate by 225 basis points to 25.50%.

On May 22, 2025, the Monetary Policy Committee of the Central Bank of Egypt decided, in its meeting, to reduce the overnight deposit and lending rates, and the rate of the central bank's main operation by 100 basis points to 24%, 25%, and 24.50%, respectively. It also decided to reduce the credit and discount rate by 100 basis points to 24.5%.

On July 10, 2025, the Monetary Policy Committee of the Central Bank of Egypt decided, in its meeting, to maintain the overnight deposit and lending rates, and the rate of the central bank's main operation at 24%, 25%, and 24.50%, respectively. It also decided to maintain the credit and discount rates at 24.50%.

On October 5, 2025, the Monetary Policy Committee of the Central Bank of Egypt decided, in its meeting, to maintain the overnight deposit and lending rates, and the rate of the central bank's main operation at 21% and 22%.

On December 25, 2025, the Monetary Policy Committee of the Central Bank of Egypt decided, in its meeting, to maintain the overnight deposit and lending rates, and the rate of the central bank's main operation at 20% and 21%.

HSBC Bank Egypt head office and branches

HSBC Bank Egypt SAE

Head office

306 Corniche El Nil, Maadi,
Cairo, Egypt
Tel: +2(02) 2529 8000
SWIFT: EBBK EGCX

Cairo

Abou Dawoud El Zahiry branch
62 Abou Dawoud El Zahiry Street, Nasr City,
Cairo, Egypt
Tel: +2(02) 2672 0522

Zamalek branch

3 Aboul Feda Street, Zamalek,
Cairo, Egypt
Tel: +2(02) 2739 6001

City Stars branch

City Stars mall Ground Floor, Phase 2, Omar Ibn El Khattab Street, Nasr City,
Cairo, Egypt
Tel: +2(02) 2480 2356

Corniche El Maadi branch

306 Corniche El Nil, Maadi,
Cairo, Egypt
Tel: +2(02) 2529 8750

Downtown branch

13 Kasr El Nil Street, Down Town,
Cairo, Egypt
Tel: +2(02) 2578 8448

Hegaz branch

71 El Hegaz Street, El Mahkama square, Heliopolis,
Cairo, Egypt
Tel: +2(02) 2771 2241

Maadi branch

1B Road 256, Maadi,
Cairo, Egypt
Tel: +2(02) 2519 5462

Maadi Club branch

Maadi Club, Demeshk Street, Maadi,
Cairo, Egypt
Tel: +2(02) 2380 4729

Masaken Sheraton branch

3 Khaled Ibn ElWalid Street, Masaken Sheraton, Heliopolis,
Cairo, Egypt
Tel: +2(02) 2266 6426

Mokattam branch

3 El Nafoura Square, Mokattam
Cairo, Egypt
Tel: +2(02) 2845 2895

Nasr City branch

29 El Batrawy Street, Nasr City,
Cairo, Egypt
Tel: +2(02) 2401 7901

New Maadi branch

10/2 El Nasr Road, New Maadi
Cairo, Egypt
Tel: +2(02) 2754 4816

Nile View branch

4 Ramlet Beaulac, Corniche El Nil
Cairo, Egypt
Tel: +2(02) 2575 2157

El Obbour Buildings branch

13 El Obbour Buildings, Salah Salem Street
Cairo, Egypt
Tel: +2(02) 2403 1399

El Orouba branch

90 Beirut Street, Heliopolis
Cairo, Egypt.
Tel: +2(02) 2415 3371

Safir branch

1 El Sheikh Hassouna El Nawawi Street, Heliopolis
Cairo, Egypt
Tel: +2(02) 2418 9947

El Shams Club branch

15 Abdel Hamid Badawy Street, Heliopolis
Cairo, Egypt

Tel: +2(02) 2180 4829

El Thawra branch

109 El Thawra Street, Ard El Golf, Nasr City
Cairo, Egypt

Tel: +2(02) 2414 2157

New Cairo**Cairo Festival City branch**

Cairo Festival City Mall, Unit No.10, Ring Road
Cairo, Egypt

Tel: +2(02) 2616 8155

Katameya Heights branch

Katameya Heights, Fifth District,
New Cairo, Egypt

Tel: +2(02) 2756 4780

El Tagamoo branch

67, El Teseen Street,
5th Settlement, New Cairo
Cairo, Egypt

Tel: +2(02) 2920 1371/2920 1716

El Rehab branch

411, Commercial market,
El Rehab City
Cairo, Egypt

Tel: +2(02) 2693 2273

Water Way branch

Unit G10, Building 7, Land No. 31, El Mostasmerin El Shamaleya,
North 90 Road, El Safa Compound,
New Cairo, Egypt

Tel: +2(02) 2529 1179

Obbour City**Obbour City branch**

3 City Club Fence,
Obbour City, Egypt

Tel: +2(02) 448 28258

Giza

Dokki branch

80 Mosadak Street, Dokki
Giza, Egypt
Tel: +2(02) 3762 0589

Gameat El Doual branch

54 Gameet El Doual Street, Mohandessin
Giza, Egypt
Tel: +2(02) 3748 6879

Mohandessin branch

8 Geziret El Arab Street, Mohandessin
Giza, Egypt
Tel: +2(02) 3368 0102

Shooting Club branch

40 Kambiz Street,
Giza, Egypt
Tel: +2(02) 3761 0683

Vinni branch

8 El Sad El Aaly Street, Dokki
Giza, Egypt
Tel: +2(02) 3749 6336

Sheikh Zayed City and Sixth of October City

Arkan branch

Arkan Mall,

El Sheikh Zayed City, Entrance No.2

Giza, Egypt

Tel: +2(02) 3850 5005

Sodic branch

"The Strip II" , Sheikh Zaid , 6 of October , Egypt

Tel: +2(02) 25298135

Hyper One branch

Hyper One Market,

El Sheikh Zayed City

Giza, Egypt

Tel: +2(02) 3982 6701

Mall of Egypt branch

Mall of Egypt, El Wahat Road, Gate No. F2,

6th of October City

Giza, Egypt

Tel: +2(02) 3612 1012

Smart Village branch

Building B122, Smart Village

28th km Cairo/Alexandria Desert Road,

Egypt

Tel: +2(02) 3535 5212/3535 5226

Alexandria

Alexandria branch

47 Sultan Hussein Street, Azarita,
Alexandria, Egypt
Tel: +2(03) 487 2949

Kafr Abdou branch

38 intersection of Ahmed Abdel Aziz Street and Abdel Kader Ragab Street,
Kafr Abdou, Roushdy,
Alexandria, Egypt
Tel: +2(03) 541 4137

Saraya branch

Delta Tower, Corniche El Saraya, El Geish Road ,Sidi Beshr
Alexandria, Egypt
Tel: +2(03) 358 2202

Semouha branch

Azhar El Saraya Buildings, Semouha
Alexandria, Egypt
Tel: +2(03) 421 0002

Hacienda branch

138th km Alexandria/Matrouh Desert Road,
Egypt
Tel: +2(010) 9409 0251

Delta Region

Mansoura branch

182 Geish Street, El Mansoura
Dakahleya, Egypt
Tel: +2(050) 230 8124

Port Said branch

27 El Gomhoureya Street
Port Said, Egypt
Tel: +2(066) 324 4698

Red Sea

Banking District branch

3 Banking District, El Kawthar District
Hurghada, Egypt
Tel: +2(065) 348 2755

El Gouna branch

Abu Tig Marina, El Gouna
Hurghada, Egypt
Tel: +2(065) 358 0570

Upper Egypt

Assiut branch

Assiut University
Assiut, Egypt
Tel: +2(088) 237 3681

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